सत्यमेव जयते

ANNUAL REPORT

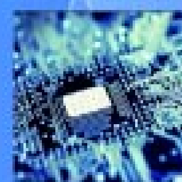
2010-11

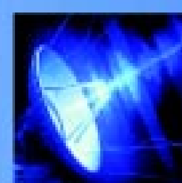
TELECOM REGULATORY AUTHORITY OF INDIA

[IS/ISO 9001 : 2008 CERTIFIED ORGANIZATION]

Telecom Regulatory Authority of India

(IS/ISO 9001:2008 Certified Organisation)





Annual Report 2010-11

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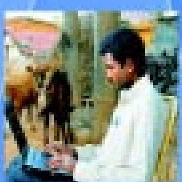
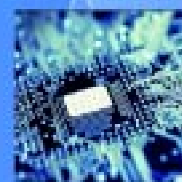



Letter of Transmittal

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

It is my privilege to forward the 14th Annual Report of the Telecom Regulatory Authority of India to be laid before each House of Parliament. The report is for the year 2010-11. 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.

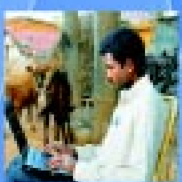
The report contains an overview of the Telecom Sector and a summary of the key initiatives of TRAI on the regulatory issues with specific reference to the functions mandated to it under the Act. The Audited Annual Statement of Accounts of TRAI has also been included in the report.



(DR. J.S. SARMA)
CHAIRPERSON

Dated: 5th December 2011



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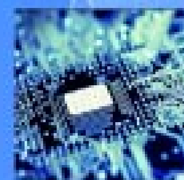
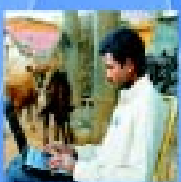







OVERVIEW

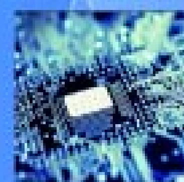
The focus of the Telecom Regulatory Authority of India during the year 2010-11 was to restructure the policies and strategies in the Telecom as well as the Broadcasting sectors so as to lay down a strong foundation for the future development of these sectors and also to empower and educate the growing body of telecom consumers.

The work relating to these two sectors during the year was as follows:

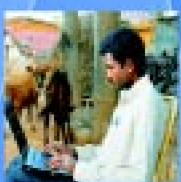
A. Telecom Sector

The Telecom sector continued to register an impressive growth in the year 2010-11. During the year, the number of telephone subscriptions increased from 621.28 million to 846.32 million, registering a growth of 36.22%. While the wireless subscription base increased by 227.27 million, the wireline base recorded a decline of 2.23 million. The wireless segment continued to dominate with a total base of 811.59 million connections. The overall teledensity in the country registered an increase from 52.74 at the end of March 2010 to 70.89 at the end of March 2011. The rural teledensity which as on 31st March 2010 was 24.29 increased to 33.79 at the end of March 2011, as compared to the urban teledensity of 119.77 and 157.32 respectively. However, the growth rate of subscribers in rural areas during the year was higher at 40.64 % compared to 34.11% in urban areas.

The capital employed in the sector increased from Rs 2,86,837 crore in 2009-10 to Rs 3,37,683 crore in 2010-11 i.e. an increase of 17.73 % indicating a healthy growth of investment in the sector. The growth in subscriber base resulted in an increase in the gross revenue of telecom services as reported by the service providers for the year which increased from Rs 1,57,985 crore to Rs. 1,71,719 crore during the year, a growth of 8.69%. At the same time, the minutes of usage (MOU) per subscriber per month for GSM and CDMA registered a decline from 410 and 307 at the end of March 2010 to 349 and 263 respectively. The average Revenue Per Minute (RPM) too decreased from Rs 0.57 to Rs 0.51(a fall of 10.5%) for GSM operators and from Rs 0.49 to Rs 0.47 (a fall of 4.1%) for CDMA operators. The Average Revenue Per User per






month (ARPU) which at the end of March 2010 was Rs 131 in case of GSM operators and Rs 76 for CDMA operators, decreased to Rs. 100/- and Rs.66/- per month for GSM and CDMA operators respectively at the end of the year 2010-11. Resultantly, the Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the telecom sector in 2010-11 was Rs 23,266 crore, as against Rs 29,347 crore in the previous year indicating a fall of 20.72 %. The EBITDA margin declined to 13.95 % in 2010-11 from 19.48 % in 2009-10.

In contrast to the rapid growth in voice segment, the growth in the Internet and broadband connections was modest. While Internet subscribers increased from 16.18 million to 19.67 million during the year, the number of Broadband connections increased from 8.77 million to only 11.89 million. The slow growth of Internet and Broadband can be attributed to the fact that the predominant mode of providing Broadband connection was by using digital subscriber line (DSL) technologies over copper pairs, which are limited in number and geographical spread.

Following the recommendations of TRAI, Government auctioned spectrum in 2100 MHz and 2300 MHz bands (3G and BWA) in May 2010. The auction not only yielded an amount of Rs 1,06,262.26 crore to the exchequer but more importantly marked a major development in the provision of wireless Broadband in the country. The operators started rolling out 3G networks in the last quarter of the year with the promise of faster roll out in the next year. However, there was no roll out by the operators who successfully bid for the BWA spectrum.

World over, the last few years have seen the nature of telecom undergoing considerable change from provision of only voice communication to increasing provision of data, content and applications. Currently in India, the contribution of non-voice revenue to the total mobile revenue is just about 11% which is significantly lower than in developed markets. The importance of telecommunications as an essential input to the overall economic activity in the country has also increased manifold. TRAI took note of the criticality of Telecommunications to the country's development and made several significant policy recommendations to the Government. These recommendations covered the domains of spectrum management, licensing, spread of Broadband, Telecom Infrastructure, Green telecommunications and Telecom equipment manufacturing. The recommendations made by the TRAI, in the year 2010-11 (some of them were made in April 2011 but the work was mostly done in 2010-11) formed the core of the draft National Telecom Policy 2011 announced subsequently by the Government.

In its recommendations on 'Spectrum Management and Licensing Framework' issued on 11th May, 2011, the Authority estimated that an additional 500 MHz of spectrum was required to meet the telecom requirements by the year 2015 and indicated that it would undertake to draw up a suitable schedule for its vacation and ensure that spectrum is used efficiently, optimally and economically. It desired that it should be entrusted with the task of carrying out a review of the present usage of spectrum available with the Government agencies. It also recommended for creation of a specific fund for spectrum refarming. The Authority also examined the requirement of spectrum for the existing licensees and recommended that no more UAS licence linked with spectrum should be awarded. Its recommendation was that in future all licences should be unified licenses delinked from spectrum.

Keeping in view the contractual obligations of the existing licenses, the Authority recommended that spectrum assigned beyond the contracted amount will be paid for at the 'Current Price' pro-rated for the period of the remaining validity of their licence. Based on an estimation by an expert committee, TRAI recommended the 'Current Price' of spectrum upto 6.2MHz and beyond 6.2 MHz, as the best available figure, to be made applicable from 1.4.2010. TRAI recommended that the charging of spectrum beyond 6.2 MHz on the basis of these estimated figures should be subject to the condition that the final prices could be suitably modified by the price determined through auction, if any.

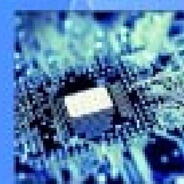
In order to avoid arbitrage opportunities because of non-uniformity in the rates of licence fee, the Authority recommended that the Infrastructure providers (IP) and the Internet Service Providers (ISP) be brought under the licensing regime. It also recommended that the License fee, which currently is different for different circles as well as services, be made uniform at 6%. Concerned at the low teledensity in the rural areas, the Authority recommended the revision of the existing roll out obligations to provide for a mandatory and time-bound roll out in the rural areas.

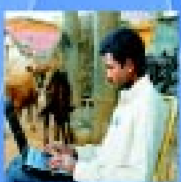
Considering the large number of service providers in each service area, and the position relating to availability of spectrum, TRAI was of the view that measures to consolidate spectrum through Mergers & Acquisitions (M&A) and spectrum sharing should be facilitated and recommended specific measures to achieve this objective.

TRAI, while examining the status of compliance of rollout obligations by the post 2006 licensees, found that certain licensees had not complied with the roll out obligations for the first year. Accordingly, TRAI recommended the cancellation of licenses apart from imposition of liquidated damages. TRAI's estimation was that as a result, about 255.2 MHz of GSM spectrum and 27.6 MHz of CDMA spectrum can be released.

The significance of an effective Broadband network is being acknowledged in all countries. In order to provide ubiquitous availability of a communications network, capable of providing both voice and data services, the Authority gave its recommendations on National Broadband Plan in December 2010. The Authority recommended the establishment of a fiber optic based, open access, National Broadband Network to connect all Habitations with a population of 500 and above. It also recommended the provision of Fiber-to-the-Home (FTTH) in 63 cities covered under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Fiber-to-the-curb (FTTC) in all other cities and towns. The recommendations for optic fiber network in rural areas have since been accepted by the Government.

Keeping in view the future growth of telecommunications in the country, the Authority recognized the need for creation of an effective infrastructure requiring significant investment. The Authority accordingly





recommended a framework for efficient deployment of infrastructure, deployment of towers, sharing of active and passive infrastructure, promoting advanced in-building solutions and Distributed Antenna Systems, Right of Way policy, Internet Exchange Points, migration to IPv6, Mobile Virtual Network Operator (MVNO) and framework for rural telecom.

India is the second largest and fastest growing mobile market in the world. There are currently about 400,000 telecom towers in the country, involving significant diesel consumption. The total emission of the Indian telecom industry is around 1% of the country's total carbon emission. TRAI's recommendations on "Approach towards Green telecommunications" provided that 50% of all rural towers and 20 % of the urban towers should be powered by hybrid power by 2015 and that all service providers should aim at reduction of carbon emission by at least 8% of the base year (2011) emissions by 2015. All equipment, products and services should be energy and performance assessed and certified by 2015. The recommendations also dealt with the collection and disposal of 'Telecom waste'.

The enormous growth of the Telecommunications in the country has unfortunately not been accompanied by a corresponding growth of the Telecom equipment manufacturing industry. Resultantly, while only about 12.5% of the demand for telecom equipment is being met by domestic production, the Indian products account for a mere 3% of the demand. The Authority called for a Telecom equipment manufacturing policy, and specified the targets which include meeting 45% of the domestic demand through domestically manufactured products by the year 2015 and 80% by the year 2020; provide market access to Indian products to the extent of 25% by the year 2015 and 50% by the year 2020; increase value addition in domestic manufactured products to 35% by the year 2015 and 65% by the year 2020. To achieve the proposed targets, TRAI recommended the setting up Telecom Equipment Manufacturing Organisation (TEMO), a Testing and Certification Organisation (TCO), a Telecom Research & Development Fund (TRDF) and a Telecom Research and Development Park; a Telecom Manufacturing Fund (TMF) as well as a Telecom standards Organisation (TSO). Several Financial incentives have also been proposed.

To enable the numbering plan to take care of the exponential growth of mobile connections, TRAI proposed an integrated 10-digit numbering plan with a view to avoid inconvenience to the customers and allow sufficient numbering resources for the next 30-40 years. This integrated numbering will also facilitate extension of number portability to fixed lines. Interim solutions to make available sufficient resources during the intervening period were suggested.

Telecommunications technology impacts evolution of regulatory practices. Through Research analysis, TRAI seeks to understand the drivers of change in telecommunications particularly convergence in various forms. Recognising the importance of Next Generation networks (NGN), TRAI initiated a detailed process of preparing for consultation and eventual establishment of appropriate policy and regulatory framework for NGN. TRAI has also started publishing a monthly technology magazine that would focus on different aspects of telecommunications technology for dissemination among different stakeholders.

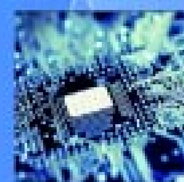
Spread of telecommunications in remote and rural areas has provided access to telecom services to hitherto unconnected population, making it possible to integrate them into the mainstream of socio-economic activities. Consumer protection has been a principal concern for TRAI. During the year 2009-10, TRAI issued the Regulations relating to Mobile Number Portability (MNP). The efforts of the Authority bore fruit during this year and MNP was introduced in the country from 20th January, 2011. This proved to be a major boon to the consumers.

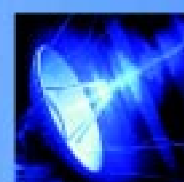
A major initiative of the Authority in the year 2010-11 was the work relating to control of unsolicited commercial communications, popularly known as pesky calls/SMS. Although TRAI issued “The Telecom Commercial Communications Customer Preference Regulations 2010” in December 2010, the same could not be implemented fully during the year for want of allocation of the requisite numbering resource from the DoT. The Regulations were however implemented w.e.f. 27th September 2011 and were well received throughout the country.

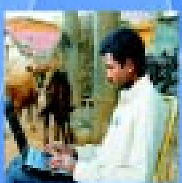
It is the endeavour to continually evolve the grievance redressal mechanism for further benefit of the consumers, TRAI issued a consultation paper on ‘Review of measures to protect the interest of consumers” on 2nd August 2010. In the context of representations from consumers and their representatives seeking further effective transparency measures, TRAI also issued a Consultation Paper on ‘Certain Issues relating to Telecom Tariffs” on 13th October 2010.

In its efforts to promote consumer protection and as well as consumer awareness, the Consumer Advocacy Groups (CAGs) registered with TRAI play an important role. In the year 2010-11, TRAI has taken several measures to strengthen the CAGs. It has attempted to bring about a greater coordination between the CAGs and the Telecom Service Providers (TSPs). The result is that the TSPs now hold regular meetings on predetermined dates with due intimation to CAGs. TRAI has also engaged in greater depth with Consumer Advocacy Groups (CAGs). During this year, Regional workshops were organized in the 5 Regions of the country i.e. North, East, West, South and North East for the CAGs. CAGs were also encouraged to take up more consumer awareness workshops and 72 workshops in different parts of the country for consumer education were organised compared to 6 such workshops organised during the previous year. Starting January, 2011, a monthly Newsletter conveying important activities/initiatives taken by the Authority in the telecom sector has been introduced for circulation to all CAGs. The representation of the CAGs in the committee on utilization of Consumer Education and Protection Fund (CUTCEF) was increased from two to five to give better representation to the CAGs.

A sizeable population in our country especially that in rural and remote areas, has no access to basic financial services. The fast growing roll-out of mobile services into these areas can serve to promote financial inclusion. In the framework for delivery of basic financial services using mobile phones, TRAI was entrusted with the responsibility of providing the required regulatory framework governing the quality of service, provisioning and pricing







of mobile services for delivery of basic financial services and TRAI issued a consultation paper on "Quality of requirements for delivery of basic financial services using mobile phones".

B. Broadcasting Sector

The Broadcasting sector consists of Television and Radio Services. India has the world's third largest TV market after China and USA. During the year 2010-11, the TV households in India have grown from 136 million to 143 million, which amounts to an increase in penetration of TV services from 58% to 61% in the Indian households. During this period, the Cable TV services, which form the largest part of the pay TV universe, has grown from around 88 million to around 92 million subscribers. The Direct to Home services (DTH), has witnessed substantial growth from 21.3 million to 35.56 million registered subscribers. During the same period, total number of registered TV channels grew from 524 to 649 including the pay channels whose number increased from 147 to 155.

The market size of India's TV industry increased from Rs 25,700 cr. in the year 2009 to Rs 29,700 cr. in the year 2010, registering a growth of 15%. The subscription revenue which accounts for the major share of the overall revenue of the TV industry, grew from Rs. 16,900 cr. in the year 2009 to Rs. 19,400 cr. in the year 2010, whereas the ARPUs remained almost flat at around Rs. 160 per month. The advertisement revenue in the TV sector in India was Rs. 10,300 cr. in the year 2010, up from Rs. 8,800 cr. in the year 2009. In 2010, TV advertising recorded a growth of 24%. Of the total advertisement volumes on television, 53% was on regional channels, growing from 47% in the year 2009.

The broadcasting and cable TV services sector primarily comprises of 24 pay broadcasters/ aggregators, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs), six pay DTH operators, apart from the public service broadcaster-Doordarshan. The terrestrial TV network of Doordarshan covers about 92% of population of the country through a network of 1415 terrestrial transmitters.

The radio sector consists of 245 private FM radio stations, besides the public service broadcaster- All India Radio (AIR), having a network of 237 broadcasting centres with 149 medium frequency (MW), 54 high frequency (SW) and 177 FM transmitters. The coverage of AIR is 91.85% of the geographical area of the country, serving 99.18% of the population. The coverage of FM radio in the country is around 37% of the geographical area of the country. During the year 2010-11, 30 new licenses, for setting up of community radio stations, were issued thereby taking the number of licensees from 100 to 130. During the same period 53 licensees operationalised their community radio stations, taking this number from 55 to 108.

The FM radio market registered a robust growth of over 24% during the year 2010 making it a Rs.1000 cr. industry. The industry also showed a significant improvement in profitability during the year. Profit margins improved by 5-15% for the established players and 25-30% for the smaller players. Local advertising continued to remain a strong contributor to the industry revenues, accounting for around 40% of advertisement revenues.

The Authority's effort during the year 2010-11 related to a comprehensive review of the tariff structure of the Television sector and implementation of digital addressable cable TV systems. The comprehensive tariff exercise covered analog cable TV services, digital cable TV services, DTH services, IPTV services and HITS. Separate consultation papers were issued for each of the above services. This exercise culminated in the finalization of two tariff orders, covering both wholesale and retail tariff for addressable and non-addressable systems. The draft tariff order for the non-addressable systems was submitted as part of report to the Hon'ble Supreme Court on 21st July 2010. The other tariff order, notified on 21st July 2010, caters to all the addressable platforms viz. DTH, HITS, IPTV and Digital Addressable Cable TV systems. A significant feature of this tariff order is regarding the mandatory provision of channels on a-la-carte basis to the consumers.

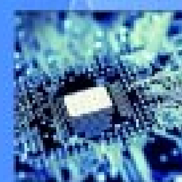
Analog cable TV services suffer from capacity constraints and are non-addressable in nature. Digitisation of cable TV services will solve the problem of capacity constraint and will enhance the range of choice to the customer both in terms of variety of content and services such as broadband. Addressability would enable the consumer to watch the channels of choice as well as bring in transparency in business transactions. For transforming the cable TV sector from analog to digital, the Authority on 5th Aug 2010, recommended to the Government, implementation of digitisation with addressability in the entire cable TV sector in a phased manner by December 2013. These recommendations also included measures such as grant of Right of Way (RoW) permission for laying cables, fiscal incentives in the form of tax holidays, reduction in custom duty on headend equipment and STBs and the rationalisation of taxes/levies. In order to facilitate the cable TV operators to mobilise the resources for this transformation, the Authority has also recommended to the Government on 30th June 2010, an upward revision in the FDI limits for the national and state level MSOs, undertaking digitisation with addressability.

The recommendations relating to digitisation have since been accepted and the Government have made necessary amendments to the Cable Act, 1995 and notified complete addressable digitisation by December 2014.

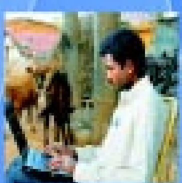
The criteria for grant of permissions for TV channels was also reviewed by the Authority during the year and recommendations given to the Government for the revision of the uplinking / downlinking guidelines covering net worth and other eligibility criteria for the applicant companies, revision of permission fee, duration of permission period and transferability of permissions etc. It was also recommended that India should be developed as a teleport hub.

International Relations

TRAI enjoys pride of place as one of the successful regulators in the world. The year has seen a spurt of activities in the international Relations. A Memorandum of Understanding (MoU) was signed with Agência Nacional de Telecomunicações - ANATEL, the Telecommunications Regulator of Brazil, to formalize the institutional and technical cooperation in the field of international








cooperation. Earlier MoUs exist with National Telecom Regulatory Authority (NTRA) Egypt, Hellenic Telecommunications & Post Commission (EETT) Greece, Ministry of Internal Affairs and Communication (MIC) Japan and The Stanford Program on Regions of Innovation and Entrepreneurship (SPRIE), Stanford University, California. There have been regular interactions and meetings with them on topics of mutual interests on various occasions. The Authority also had meetings with Federal Communications Commission (FCC) USA, US Department of State and MIC Japan.

There has been an increase in the number of delegations visiting TRAI for meetings, discussion, exchange of information and study visits. Visitors to TRAI included delegations from MIC Japan, U.S. - India Business Council (USIBC), Ministry of Communication and Information Indonesia, Telecommunication Regulatory Authority (TRA) UAE, MTN South Africa, Zambia Information and Communications Technology Authority (ZICTA), Ethiopian Telecommunication Agency (ETA) Ethiopia, Tanzania Communications Regulatory Authority (TCRA) Tanzania.

Officers from TRAI were sought and deputed as Experts and Speakers in International Forums/ Seminars/ workshops organized by International Telecommunications Union (ITU) and Asia Pacific Telecommunity (APT). TRAI officers were also nominated as experts for providing assistance to other countries to help them in formulate their regulations and policies in the field of telecommunication. TRAI was actively represented in major international events like ITU's Global Symposium for Regulators (GSR), ITU Telecom World, World Telecommunication Development Conference (WTDC), Mobile World Congress, South Asian Telecommunication Regulator's Council (SATRC) Meeting.

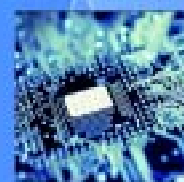
Audit and Quality Management

Telecom Regulatory Authority of India Act, 1997, provides that the Accounts of the Authority shall be audited by the Comptroller and Auditor General of India (C&AG). Accordingly, the Annual Accounts of the Authority for the year 2010-11 were audited and certified by the C&AG. As in the year 2009-10, in 2010-11 also, the C&AG has not made any adverse observations on the Accounts of TRAI.

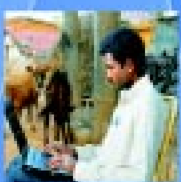
Telecom Regulatory Authority of India was awarded ISO 9001:2000 certificate in December 2004 by the Bureau of Indian Standards (BIS). After evaluating the implementation and effectiveness of the Quality Management System (QMS), BIS has awarded in November 2010 the present series of ISO Standards viz., IS/ISO 9001:2008 certification to TRAI, which is valid upto November, 2013.

PART-I

POLICIES AND PROGRAMMES






TELECOM SECTOR

1. The growth pattern of previous years continued this year too. There was phenomenal growth in the subscriber base in the telecom sector. At the end of the financial year, the subscriber base was 846.32 million, with mobile subscribers on their own surpassing the 800 million mark. The status of development of the various services of the telecom sector is outlined below.

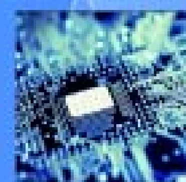
WIRELESS

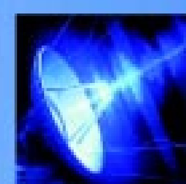
2. The wireless subscriber base was 811.59 million as on 31st March 2011 compared to 584.32 million as on 31st March 2010. It added 227.27 million subscribers in the financial year 2010-11 registering an annual growth rate of about 38.89%. The total subscriber base of wireless services has grown from 98.77 million in March, 2006 to 811.59 million in March, 2011 as depicted in **Figure 1** below:

Figure 1 : Wireless Subscriber (in million)

WIRELINE

3. The subscriber base of wireline subscribers as on 31st March 2011 was 34.73 million as compared to 36.96 million subscribers on 31st March,



2010, registering a decrease of 2.23 million subscribers during the year 2010-11. Out of the 34.73 million wireline subscribers, 26.04 million are urban wireline subscribers and the remaining 8.69 million are rural subscribers. The status of the wireline subscribers during the last six years is depicted in **Figure 2** below:

Figure 2 : Wirelline Subscriber (in million)

TELEDENSITY

4. The tele-density at the end of March, 2011 reached the mark of 70.89 as compared to 52.74 at the end of previous year, recording an increase of nearly 18.15. The trend of growth of teledensity since March 2006 is depicted in **Figure 3** below:

Figure 3 : Growth of Teledensity

INTERNET SUBSCRIBERS

5. The Internet subscriber base in the country as on 31st March 2011 stood at 19.67 million as compared to 16.18 million as on 31st March 2010, registering an annual growth rate of about 21.56%. The total broadband subscriber base has reached 11.89 million as on 31st March, 2011 as compared to 8.77 million as on 31st March 2010 thereby registering a net addition of 3.12 million broadband subscribers during the financial year 2010-11 with growth rate of 35.57%.

6. The Internet subscriber base consisting of narrowband (<256 kbps) and broadband (>256 kbps) for the last six years is depicted in **Figure 4** in the next page.

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. This 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, which has benefited the consumers. The Authority has followed a light touch approach towards regulating telecommunication tariff.

8. Recent years have witnessed sharp decline in telecom tariff in India, particularly in the Mobile, National Long Distance and International Long



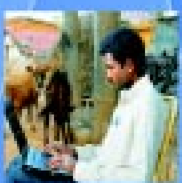
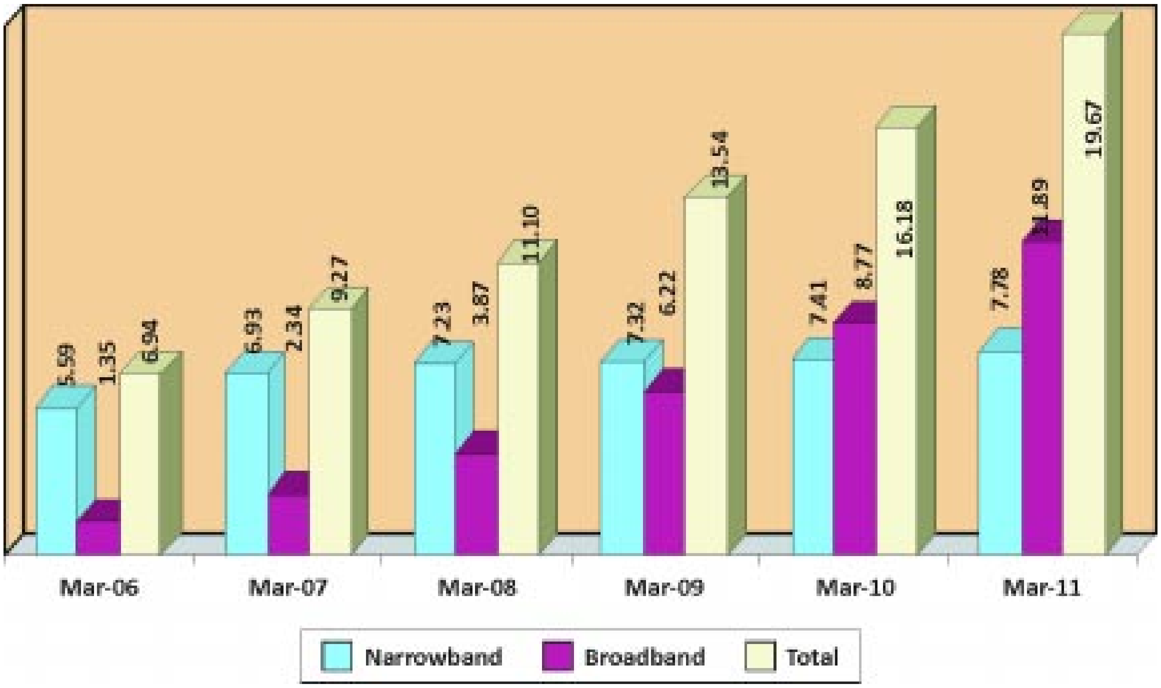
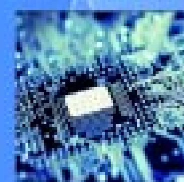



Figure 4 : Internet Subscribers (in million)

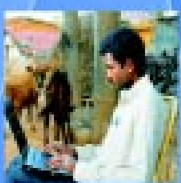




Distance segments, which started with the notification of Telecommunication Tariff Order in 1999 by the Regulator and has continued thereafter. For example, a local mobile call which used to cost Rs15/- per minute, now costs 60 paise per minute. There is no charge for incoming calls. Similarly, domestic long distance calls which used to cost more than Rs.37/- per minute in the pre 1999 period, are now available virtually at the cost of local calls. In the case of international long distance calls, for example, a call to American continent from India has come down from Rs 75/- to less than Rs 7 per minute.

9. There are a large number of product and service options available to consumers depending upon their usage and need profile. One unique option is the availability of a set of tariffs generally referred to as Life Time Plans which enable consumers to enjoy the same tariffs without any adverse rate changes for the entire license period of the service provider.

10. After an initial phase of intense competition arising out of entry of the new players in GSM mobile segment in the recent past, this year witnessed consolidation in tariff trends. The implementation of Mobile Number Portability (MNP), however, encouraged the telecom service providers to introduce innovative tariff offers to attract subscribers from other telecom service providers while retaining their own. The per-second pulse tariff schemes introduced in 2009-10 by the mobile service providers became a regular feature of tariff offers this year. Almost all service providers have on offer at least one per-second tariff option in both the post-paid and prepaid



segments. Some service providers have even offered per-second plans with lifetime validity. The subscribers thus continued to enjoy low tariffs in the form of a variety of discounted offers in all service segments across all service areas and service providers.

11. The percentage of reduction in tariff for Long Distance Services and International Long Distance Services can be seen in **Figure 5** and **Figure 6** respectively.

THE INDIAN TELECOM SERVICES PERFORMANCE INDICATORS

12. TRAI publishes a quarterly report on “The Indian Telecom Services performance Indicators”. This Report presents the key parameters and

Figure 5 : National Long Distance service - Percentage decline in tariffs* during the period prior 1/5/99 to 31/3/11

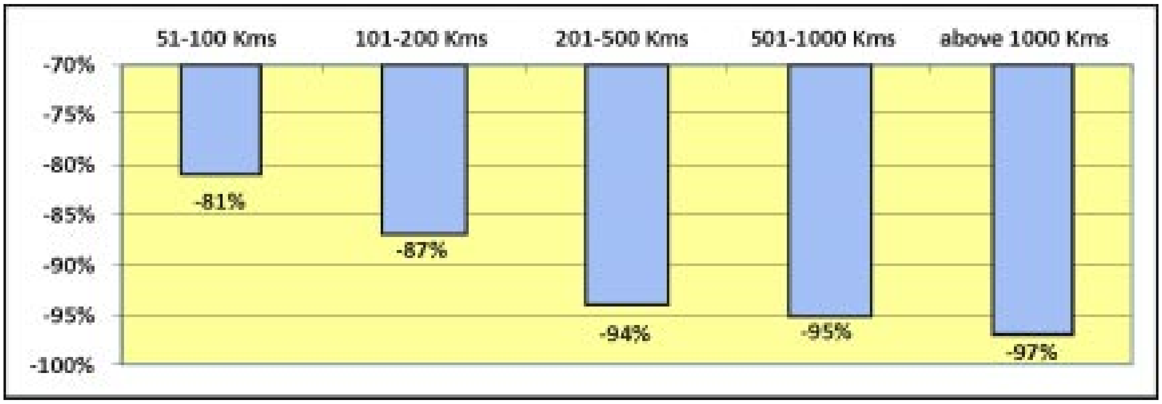
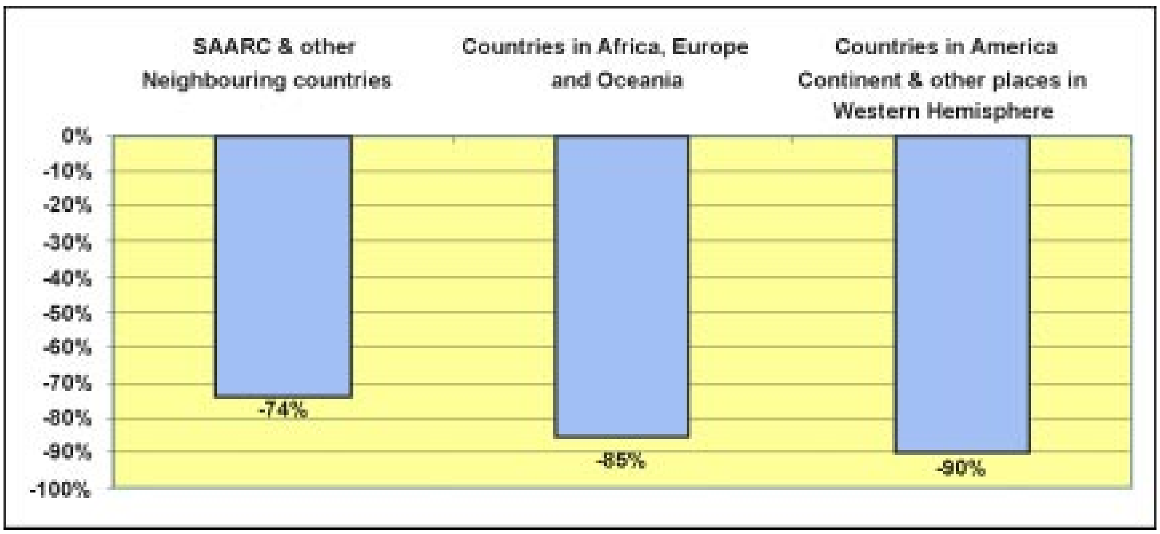


Figure 6 : National Long Distance service - Percentage decline in tariffs* during the period prior 1/5/99 to 31/3/11

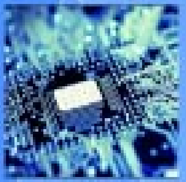


* The percentage decline in tariffs shown above takes into account the STD / ILD rates of BSNL’s in General Plan.

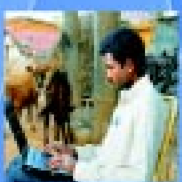
growth trends for Telecom & Broadcasting Services and QoS related parameters. This report provides a broad perspective on the Telecom Services to serve as a reference document for various stakeholders, research agencies and analysts. For the Year 2010-11, TRAI has come out with 4 Quarter's reports. Snapshot covering the key parameters for the 4 quarters is as under (**Table 1**):

Table 1: Performance Indicator

	Quarter ending June 2010	Quarter ending Sept. 2010	Quarter ending Dec. 2010	Quarter ending Mar. 2011
Telecom Subscribers (Wireless + Wireline) in Millions				
Total Telephone Subscribers	671.69	723.28	787.28	846.32
Urban Subscribers	452.59	487.07	527.50	564.08
Rural Subscribers	219.09	236.21	259.78	282.23
Wireless Subscribers	635.51	687.71	752.19	811.59
Wireline Subscribers	36.18	35.57	35.09	34.73
Teledensity				
Total Teledensity	56.65	60.99	66.16	70.89
Urban Teledensity	128.20	137.25	147.88	157.32
Rural Teledensity	26.43	28.42	31.18	33.79
Internet & Broadband Subscribers (in Million)				
Total Internet Subscribers	16.72	17.90	18.69	19.67
Broadband Subscribers	9.47	10.31	10.99	11.89
Telecom Financial Data (Rs. Crores)				
Gross Revenue during the quarter	41,392.75	41,895.95	42,916.81	45,513.05
Adjusted Gross Revenue (AGR)	30,481.93	29,736.20	29,925.37	31,470.63
Broadcasting & Cable Services				
Total Number of Registered Channels with I&B Ministry	515	526	604	652
Number of Pay Channels	150	154	155	155
DTH Subscribers registered with private Service Providers (in Millions)	23.77	26.44	32.05	35.56
Number of Set Top Boxes in CAS areas	7,70,519	7,75,876	7,86,422	8,04,837
Number of Private FM Radio Stations	248	248	245	245






FINANCIAL PERFORMANCE OF THE TELECOM SECTOR#

REVENUE

13. The Total Revenue of the Telecom Service Sector went up from Rs.157,985 cr.in 2009-10 to Rs. 171,719 cr. in 2010-11 indicating a growth of 8.69%. The corresponding figures of Revenue after adjustment of intra operator interconnection charges, come to Rs.150,660 cr in 2009-10 and Rs. 166,752 cr in 2010-11, showing a growth of 10.68% over the previous year.

14. The revenue contribution from the public sector telecom companies in the 2010-11 was 20.37% (previous year 24.82%) and from private sector companies was 79.63% (previous year 75.18%). **Table 2** below indicates the revenue contributions of the public and private sectors during 2009-10 and 2010-11. **Figure 7** below indicates the revenue earnings of different telecom companies for 2009-10 and 2010-11.

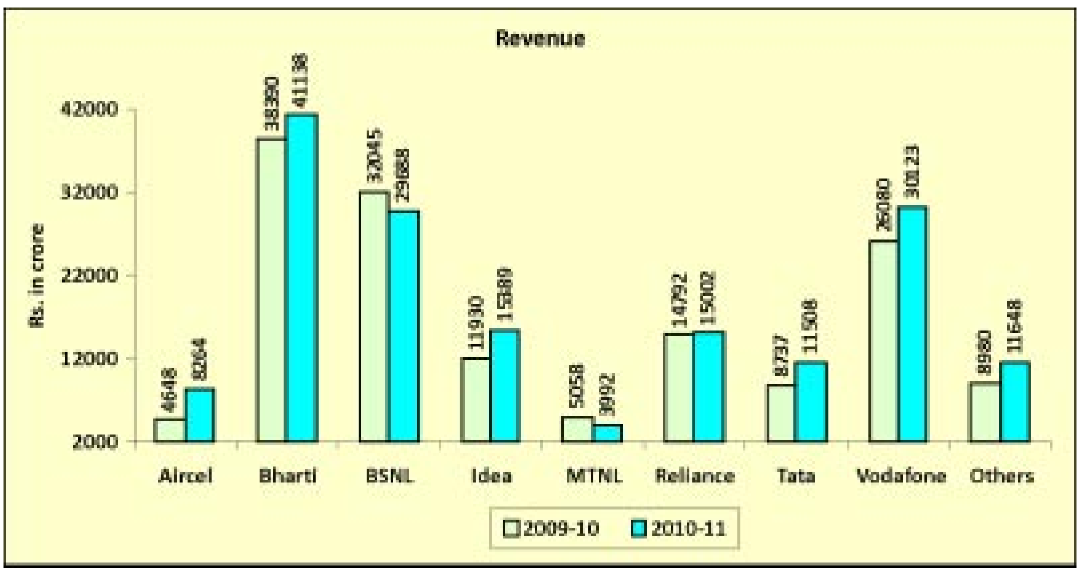
Table 2: Revenue contributions of public and private sector 2009-10 and 2010-11

Revenue of Telecom Service Sector (Rs. in Crores)		
Particulars	**2009-10**	**2010-11**
Revenue of public sector companies	37390	33976
Revenue of private sector Companies	113270	132776
Total Revenue	**150660**	**166752**

EBITDA

15. EBITDA represents the Earnings before Interest, Tax and Depreciation & Amortization. The EBITDA for the telecom sector for 2010-11 was Rs.23266 cr against Rs.29347 cr in 2009-10 i.e. a decline of 20.72%.

Figure 7: Revenues of telecom service providers 2009-10 and 2010-11



Based on the data furnished by Service Providers to TRAI

16. The decline in EBITDA for public sector telecom service providers in 2010-11 was 52.39% as against a decline of 12.81% for private telecom service providers. **Table 3** indicates the EBITDA of public and private sector companies in 2009-10 and 2010-11.

Table 3: EBITDA of public and private sector in 2009-10 and 2010-11

EBITDA	(Rs. in Crores)	
	2009-10	2010-11
EBITDA of public sector companies	5868	2794
EBITDA of private sector companies	23479	20472
Total EBITDA	**29347**	**23266**

17. The EBITDA Margin of telecom service sector declined to 13.95% in 2010-11 from 19.48% in 2009-10. **Figure 8** indicates the EBITDA Margin of the entire sector as well as the public and public sector for 2009-10 and 2010-11.

OPERATING RATIO

18. The Operating Ratio is Operating Expenditure divided by the Total Revenue. The Operating Ratio for 2010-11 for the telecom service industry was 86.05%. **Figure 9** below indicates the Operating Ratio for the entire sector as well as the public and private sectors for 2009-10 and 2010-11.

Figure 8: EBITDA Margins 2009-10 and 2010-11.

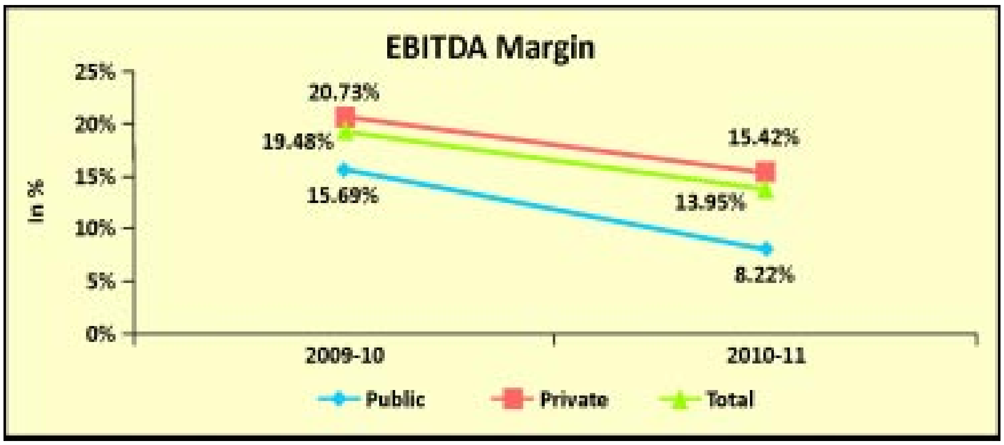
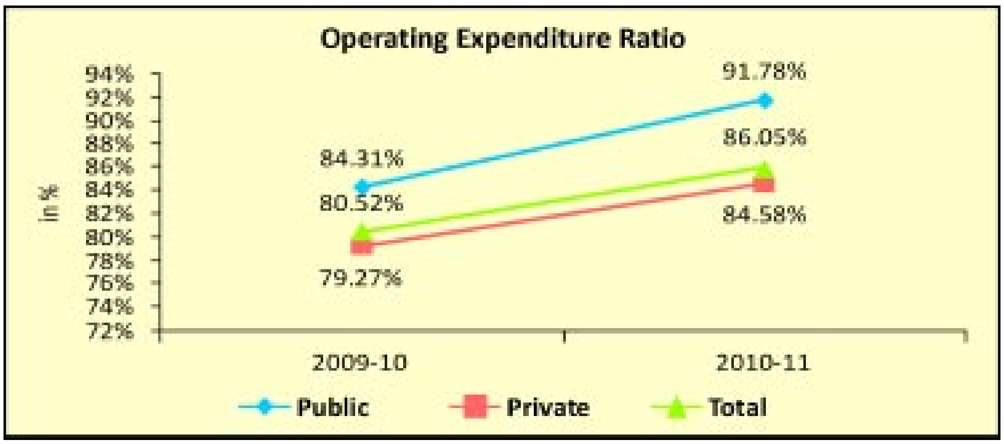


Figure 9: Operating Ratios 2009-10 and 2010-11



CAPITAL EMPLOYED

19. The Capital Employed represents the funds deployed to operate the business. Capital employed in the telecom service sector increased from Rs.286,837 cr in 2009-10 to Rs.337,683 cr in 2010-11 i.e. by 17.73%.

20. Capital employed of public sector companies decreased by 7.35% in 2010-11 whereas capital employed of private telecom sector companies increased by 30.36%. **Table 4** indicates the capital employed in the public and private sectors in 2009-10 and 2010-11.

Table 4: Capital employed in public and private sectors 2009-10 and 2010-11

Capital Employed	(Rs. in cr)	
	2009-10	**2010-11**
Capital Employed of public sector companies	96103	89040
Capital Employed of private sector companies	190734	248643
Total Capital Employed	286837	337683

CAPITAL INVESTMENT (GROSS BLOCK)

21. The capital investment (Gross Block) of the telecom services sector reached Rs. 479278 cr in 2010-11 from Rs.416429 cr in 2009-10 i.e. an increase of 15.09%. **Table 5** indicates the Gross Block in the public and private sectors in 2009-10 and 2010-11. **Figure 10** shows the Gross Block of telecom service providers for the years 2009-10 and 2010-11.

Table 5: Investment (Gross Block - Fixed Assets) public and private sector 2009-10 and 2010-11

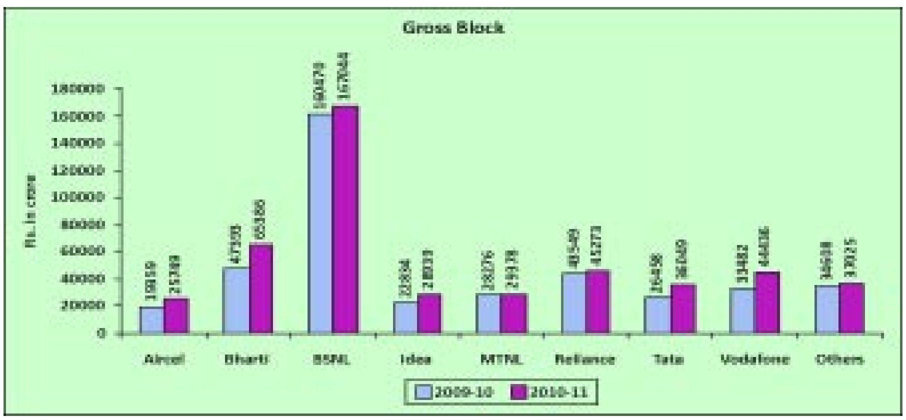
(Rs in Crores)

Particulars	**2009-10**	**2010-11**
Gross Block of public sector companies	189615	197332
Gross Block of private sector companies	226814	281946
Total Gross Block	416429	479278

CAPITAL EMPLOYED TURNOVER RATIO

22. Capital Employed Turnover Ratio is computed as Income from Telecom Services divided by Capital Employed.

Figure 10: Gross Block (Fixed Assets) of telecom service providers 2009-10 and 2010-11



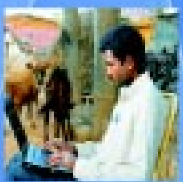
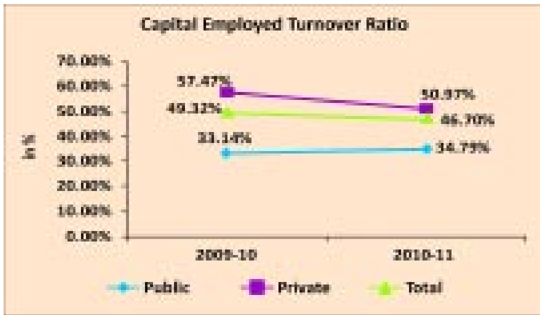


Figure 11 below indicates the Capital Employed Turnover Ratio for the entire sector as well as the public and private sectors for 2009-10 and 2010-11.

Figure 11: Capital Employed Turnover Ratio

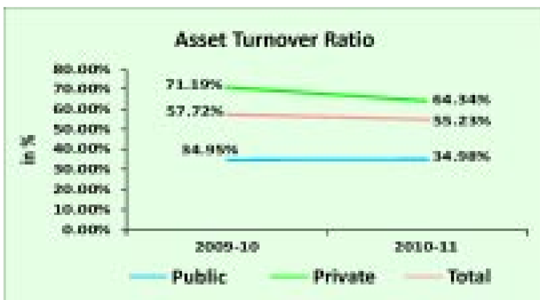


2009-10 and 2010-11

FIXED ASSETS (NET) TURNOVER RATIO

23. Assets (Net) Turnover Ratio is computed as Income from Telecom Services divided by Net Fixed Assets. **Figure 12** below indicates the Assets (Net) Turnover Ratio for the entire sector as well as the public and private sectors for 2009-10 and 2010-11.

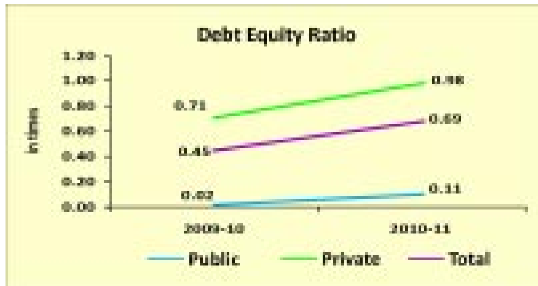
Figure 12: Assets (Net) Turnover Ratio 2009-10 and 2010-11.



DEBT EQUITY RATIO

24. **Figure 13** below indicates the Debt Equity Ratio for the entire sector as well as the public and private sectors for 2009-10 and 2010-11. Debt Equity ratio is calculated as debt divided by equity where debt is total debt and equity is shareholders' capital plus reserves and surpluses.

Figure 13: Debt Equity Ratio 2009-10 and 2010-11.



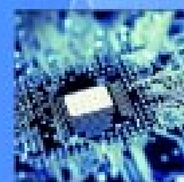
25. The main guiding policy for the telecom sector is the New Telecom Policy ("NTP") 1999. The objectives of the policy are as follows:-

(i) Make available affordable and effective communications for all citizens. This is at the core of the vision and goal of the telecom policy, as access to telecommunications is of utmost importance for achievement of the country's social and economic goals,

(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.

26. 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 lakhs by the year 2002.

27. The status of main segments of the National Telecom Policy, 1999 is as follows.

RURAL TELEPHONE NETWORK

(i) WIRELESS

28. As on 31st March 2011, the Wireless rural [Mobile and WLL (F)] market has reached the **273.54** million mark as against **190.88** million as on 31st March 2010. As per the Performance Indicator Report, 33.70**%** 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 14.** The service provider-wise rural wireless subscriber base & their market shares are shown in **Table 6 and Figure 15.**

Figure 14 : Rural Wireless Subscriber (in million)

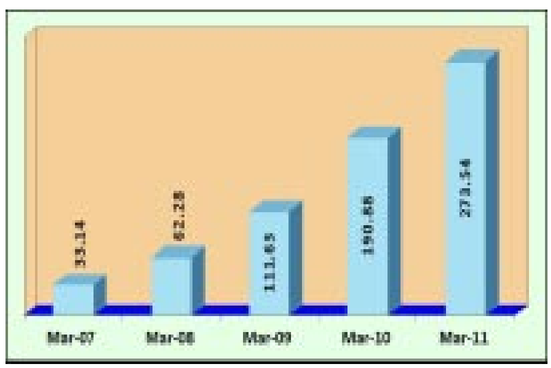
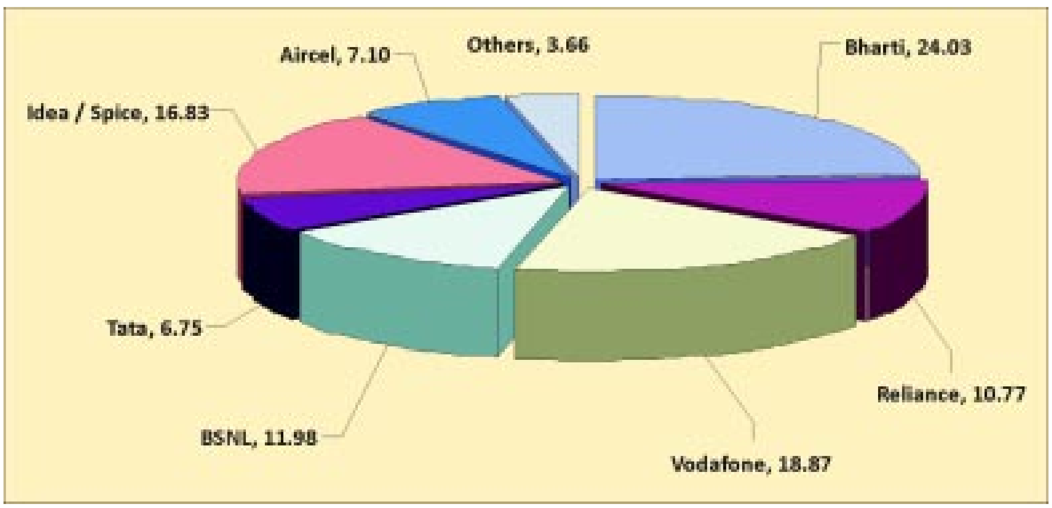


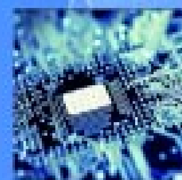
Table 6 : Service Provider-wise Rural Wireless Subscribers and Market Share

Sl. No.	Wireless Group	Total wireless subscribers (in millions)		Rural Subscribers (in millions)		Market Share of Rural Subscribers	
		March-11	March-10	Mar-11	Mar-10	Mar-11	Mar-10
1	**Bharti**	162.20	127.62	65.73	48.09	24.03	25.20
2	**Reliance**	135.72	102.42	29.47	21.25	10.77	11.13
3	**Vodafone**	134.57	100.86	51.62	36.79	18.87	19.28
4	**BSNL**	91.83	69.45	32.77	25.26	11.98	13.23
5	**Idea/Spice**	89.50	63.82	46.05	29.82	16.83	15.62
6	**Tata**	89.14	65.94	18.46	13.45	6.75	7.05
7	**Aircel**	54.84	36.86	19.43	14.00	7.10	7.34
8	**Unitech**	22.79	4.26	6.86	1.40	2.51	0.73
9	**Sistema**	10.06	3.78	2.35	0.54	0.86	0.28
10	**Videocon**	7.11	0.03	0.00	0.00	0.00	0.00
11	**MTNL**	5.47	5.09	0.00	0.00	0.00	0.00
12	**Loop**	3.09	2.84	0.00	0.00	0.00	0.00
13	**S Tel**	2.82	1.01	0.80	0.27	0.29	0.14
14	**HFCL**	1.47	0.33	0.001	0.001	0.00	0.00
15	**Etisalat**	0.97	0.00	0.00	0.00	0.00	0.00
	Total	**811.59**	**584.32**	**273.54**	**190.88**	**100.00**	**100.00**

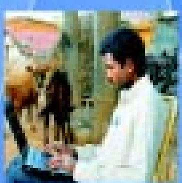
Figure 15 : Market Share of service providers of Rural wireless Subscriber base



Note: Others include Unitech, Sistema, S Tel and HFCL






(ii) WIRELINE

29. The rural wireline subscriber base is decreasing (**Figure 16**). As on 31st March 2011, the rural wireline subscriber base stood at **8.69** million as compared to **9.80** million at the end of 31st March 2010. As per the Performance Indicator Report, **25.03%** of total wireline subscribers are in rural areas. The service provider-wise wireline rural subscriber base & their market share are shown in **Table 7** and **Figure 17.**

EXPANSION OF TELEPHONE NETWORK

(i) WIRELESS SERVICES

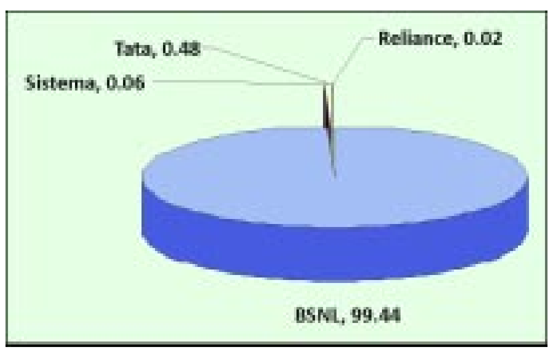
30. The wireless subscriber base was 811.59 million as on 31st March 2011 in comparison to the subscriber base of 584.32 million as on 31st March, 2010. It added 227.27 million subscribers in the financial year 2010-11 registering an annual growth rate of about 38.89%. The total subscriber base of wireless services has grown from 90.14 million

Table 7: 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' 11	March' 10	March' 11	March' 10	March' 11
1	**BSNL**	27.83	25.22	9.76	8.64	99.61	99.44
2	**MTNL**	3.50	3.46	0.00	-	0	-
3	**Bharti**	3.07	3.30	0.00	-	0	-
4	**HFCL**	0.17	0.19	0.00	-	0	-
5	**Sistema**	0.05	0.04	0.007	0.005	0.07	0.06
6	**TATA**	1.16	1.28	0.03	0.04	0.31	0.48
7	**Reliance**	1.18	1.23	0.001	0.002	0.01	0.02
	Total	**36.96**	**34.73**	**9.80**	**8.69**	**100.00**	**100.00**

Figure 16 : Rural Wireline Subscribers (in million)

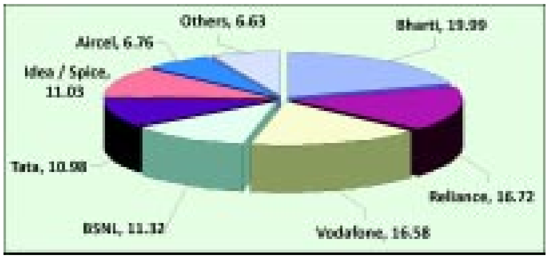
Figure 17 : Market share of service providers of Rural Wireline Subscriber base



in March, 2006 to 811.59 million in March 2011. Out of 811.59 million subscribers at the end of the financial year 2010-11, 698.37 million (86.05%) were GSM Subscribers and 113.22 million (13.95%) were CDMA Subscribers. The subscriber growth of wireless services of both GSM and CDMA networks from March 2006 to March 2011 is depicted in **Figure 18**.

31. The subscriber base of individual wireless service providers (both GSM & CDMA) from March 2006 to March 2011 along with their percentage growth over the financial year 2010-11 is given in **Annexure I** at the end of this Report. The market share of different mobile operators as on 31st March 2011 is displayed in **Figure 19.** The list of licensed service providers in various service areas is given in **Annexure II** at the end of this Report.

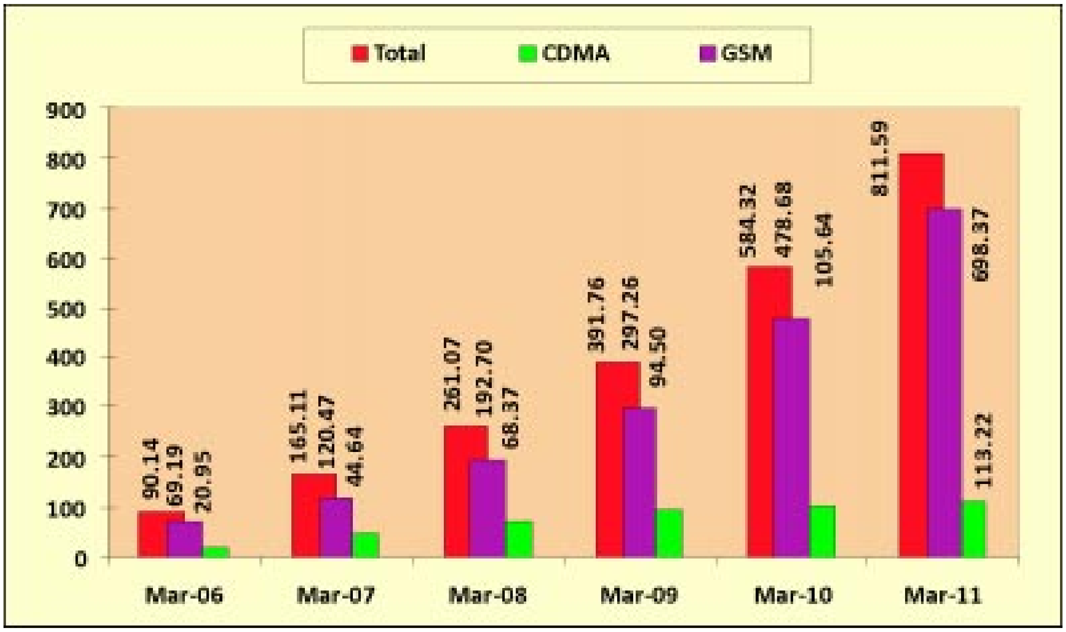
Figure 19: Market Share of Wireless Service Providers (as on 31st March 2011)

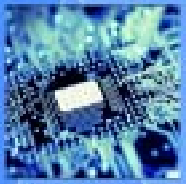


32. In the wireless segment subscriber base of GSM reached the 698.37 million subscriber mark at the end of March 2011, as compared to 478.68 million as at the end of March 2010. It added around 219.69 million subscribers during the year, registering an annual growth of 45.89%.

33. In terms of subscriber base and market share of GSM services, M/s Bharti with 162.20 million subscriber base remains the largest followed by M/s Vodafone, M/s Idea/Spice, and M/s BSNL with

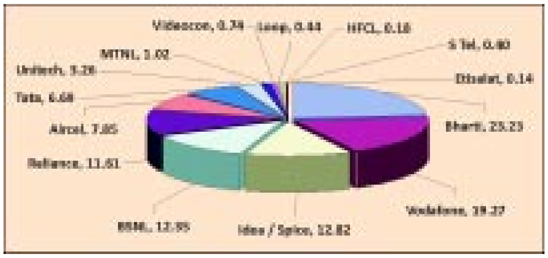
Figure 18: Subscriber base of wireless Operators (in million) as on 31st March 2011





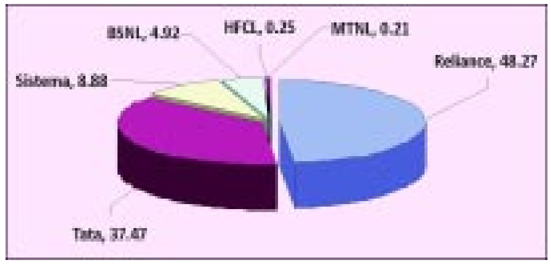
subscriber base of 134.57 million, 89.50 million and 86.27 million respectively. The market share of various GSM operators as on 31st March 2011 is displayed in **Figure 20.**

Figure 20: Market Share (%) of GSM Operators (as on 31St March 2011)



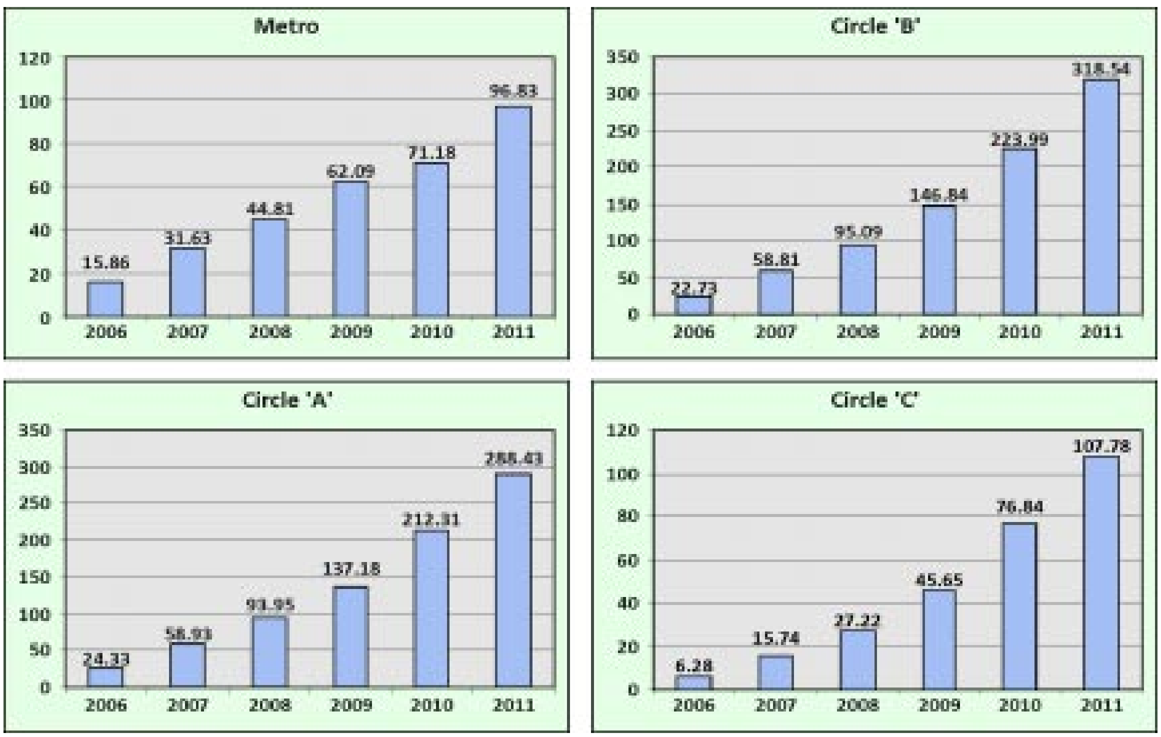
34. In Cellular CDMA Services, in terms of subscriber base and market share, M/s Reliance with 54.65 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 42.42 million, and 10.06 million respectively. The market share of different CDMA operators as on 31st March 2011 is shown in **Figure 21**.

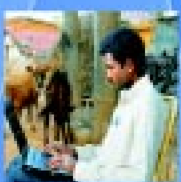
Figure 21: Market Share (%) of CDMA Operators (as on 31St March 2011)



35. The subscriber base for Cellular Wireless services in different categories of service areas for the period March, 2006 to March, 2011 is indicated graphically in **Figure 22.**

Figure 22: Subscriber Base for Wireless Services in Metros and Circles from March, 2006 to March, 2011 (Figures in Million)



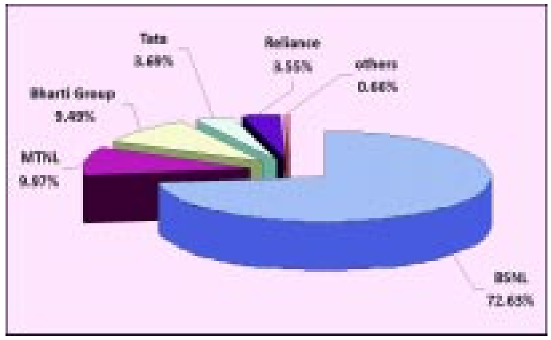


36. The addition of Wireless subscribers and annual growth rates for different categories of service areas during the financial years, 2008-09, 2009-10 and 2010-11 is indicated in the **Annexure-III** at the end of this report. The total subscriber base for wireless services has registered an annual growth of 38.89% with the maximum growth of 42.21% observed in 'B' Circle during 2010-11.

(ii) WIRELINE SERVICES

37. As on 31st March 2011, the total subscriber base of fixed (wireline) lines stood at 34.73 as against 36.96 million on 31st March 2010. The operator wise status of wireline subscribers is shown below in **Table 8**. The incumbents BSNL and MTNL have 72.63% and 9.97% market share respectively in the subscriber base, while all the five private operators together have 17.40% share. The share of private operators has increased from 15.23% as on 31st March 2010 to 17.40% as on 31st March 2011. The market share of total fixed lines is shown in the **Figure 23** below:-

Figure 23: Market Share of Wireline Service Providers as on 31st March 2011

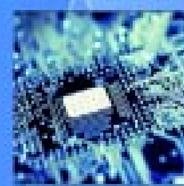


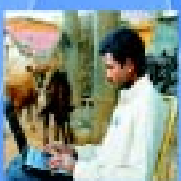
Note: Others include Quadrant Televentures Ltd. (formerly HFCL) and Sistema Shyam Teleservices Ltd.

38. As on 31st March 2011 the total urban wireline subscribers were 26.04 million and rural wireline subscribers were 8.69 million. **Table 9** indicates the Service Provider-wise Subscriber base in Rural and Urban areas and the same are depicted graphically in **Figure 24** and **Figure 25** in the next page.

Table 8: Operator wise details of Fixed (Wireline) Subscriber Base as on 31st March, 2011

Sl. No.	Service Provider (Wireline)	Area of Operation	Subscriber base (Wireline)
1.	Bharat Sanchar Nigam Ltd. (BSNL)	All India except Delhi & Mumbai	2,52,24,905
2.	Mahanagar Telephone Nigam Ltd. (MTNL)	Delhi & Mumbai	34,63,969
3.	Bharti Airtel Ltd. & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (included Chennai), UP(East), UP(West).	32,95,919
4.	Quadrant Televentures Ltd. (formerly HFCL)	Punjab	1,89,900



Sl. No.	Service Provider (Wireline)	Area of Operation	Subscriber base (Wireline)
5.	Sistema Shyam Teleservices Ltd.	Rajasthan	38,440
6.	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Maharashtra & Mumbai, Karnataka, Kerala, Kolkata, Madhya Pradesh, North East, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP(East), UP(West) and West Bengal	12,82,437
7.	Reliance Communications Ltd.	Andhra Pradesh, Bihar, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP(East), UP(West) and West Bengal	12,34,191
	Grand Total		**3,47,29,761**

Source: Monthly Report on Fixed (Wireline) Subscriber base furnished by the Service Providers.

Table 9: Service Provider wise Subscribers (Rural & Urban)

Service Provider	Subscriber Base (million)		
	Rural	**Urban**	**Total**
BSNL	8.64	16.58	25.22
MTNL	-	3.46	3.46
Bharti	-	3.30	3.30
Tata	0.04	1.24	1.28
Reliance	0.002	1.23	1.23
Quadrant (HFCL)	-	0.19	0.19
Sistema	0.005	0.03	0.04
Total	**8.69**	**26.04**	**34.73**

Figure 24: Market Share of Urban Wireline Subscribers as on 31st March 2011

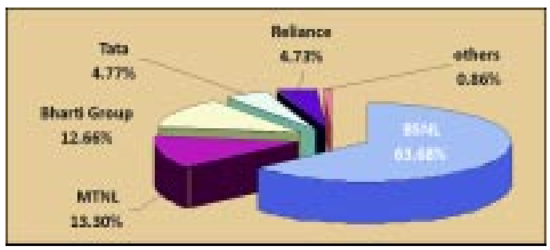
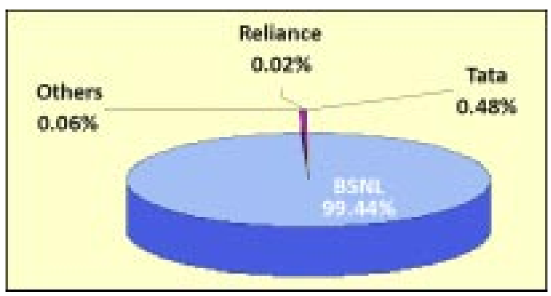


Figure 25: Market share of Rural Wireline Subscribers as on 31st March 2011

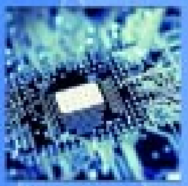


39. As on 31st March 2011 besides BSNL and MTNL 5 Unified Access Service Licencee (UASL) are providing fixed line services. The total equipped capacity and service provider wise connections are shown in **Table 10** below :

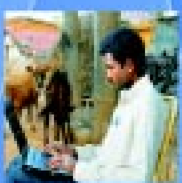
Table 10: Service Provider wise Equipped switching capacity

Sl. No.	Name of the Service Provider	Service Area	Equipped Capacity	Working Connections
1.	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	4,44,81,342	2,52,24,905
2.	Mahanagar Telephone Nigam Ltd.	Delhi and Mumbai	53,76,074	34,63,969
3.	Bharti Airtel Ltd. & Bharti Hexacom Ltd.	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.	1,02,80,000	32,95,919
4.	HFCL Infotel Ltd.	Punjab	3,28,835	1,89,900
5.	Reliance Communications Ltd.	Andhra Pradesh, Bihar, 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.	25,96,000	12,34,191
6.	Sistema Shyam Teleservices Ltd.	Rajasthan	64,000	38,440
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.	23,30,606	12,82,437

Source: from reports submitted by service providers






Public Call Offices (PCOs)

40. As on 31st March 2011, the total number of Public Call Offices (PCOs) was 3.33 million as against 4.59 million as on 31st March 2011. The number of PCOs provided by BSNL, MTNL and Private Operators is indicated in **Table 11** below:

Table 11: Public Call Offices in the Country

S. No.	Name of Service providers	2009-10 (March 2010)	2010-11 (March 2011)
1	BSNL	16,72,178	13,94,578
2	MTNL	1,95,430	1,75,557
3	Private Operators	27,27,093	17,63,379
	Total	**45,94,701**	**33,33,514**

Village Public Telephones (VPTs)

41. As on 31st March 2011, the total number of village public telephones (VPTs) provided by the service providers, who are also providing fixed line services was 5.84 lakh as against 5.76 lakh as on 31st March 2010. **Table 12** provides the total number of VPTs provided by the service providers, who are also providing Fixed Line Services.

Table 12: Village Public Telephones in India

Sl. No.	Name of Service providers	2009-10 (March 2010)	2010-11 (March 2011)
1	BSNL	5,65,276	5,73,863
2	MTNL	-	-
3	Private Operators	10,914	10,869
	Total	**5,76,190**	**5,84,732**

(iii) INTERNET / BROADBAND SERVICES

42. As per the data available on Department of Telecom (DoT) website there were 378 licenses for Internet services as on 31.7.2010. As per the reports submitted to TRAI by various ISPs, as on 31st March 2011 the Internet subscriber base (both narrowband & Broadband) in the country stood at 19.67 million as compared to 16.18 million on 31st March 2010, registering an annual growth of 21.57%. In addition there were 381.40 million subscribers (as on 31.03.2011) who access data services including Internet using their mobile phones (GSM/CDMA) or data card.

43. The distribution of Internet subscribers among PSU owned ISPs & Private ISPs as on 31st March 2011 is shown below.

Share of PSU / Private ISPs as on 31st March 2011.

Public Sector ISPs	1,37,39,840
Private Sector ISPs	59,35,143
Total	1,96,74,983

44. The market share of top five Internet Service Providers (ISPs) in terms of subscriber base as on 31st March 2011 is indicated in **Table 13** in the next page.

45. Among PSU owned ISPs, Bharat Sanchar Nigam Ltd. and Mahanagar Telephone Nigam Limited have reported subscriber base of 11.32 million and 2.42 million respectively, while among private sector, Reliance Communications Infrastructure Ltd, Bharti Airtel Ltd,

Table 13: Market Share of Top Five Internet Service Providers (ISPs) in terms of subscriber base as on 31st March 2011.

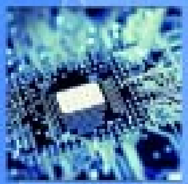
S.No.	ISP	Market Share in %
1.	Bharat Sanchar Nigam Limited	57.52
2.	Mahanagar Telephone Nigam Limited	12.31
3.	Reliance Communications Infrastructure Ltd.	11.05
4.	Bharti Airtel Ltd	7.29
5.	Hathway Cable & Datacom Pvt. Ltd	1.77
6.	Others	10.06

Hathway Cable and Datacom Pvt. Ltd. have reported subscriber base of 2.17 million, 1.43million and 0.35 million respectively. Other ISPs have subscriber base of 1.99 million.

46. 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. There are various technologies available to provide Broadband services. The Digital Subscribers Line (DSL) is the most preferred technology by the service providers to offer Broadband services in the country. Other technologies used for providing Broadband services are Cable modem, Ethernet LAN, Fibre, Wireless, Leased line etc. The broadband subscriber base in the country at the end of March 2011 is 11.89 Million.

INTERNET TELEPHONY

47. As per the new guidelines for grant of license for operating internet services issued by DoT in August 2007, all ISPs were permitted to provide internet telephony and separate category of Internet Telephony Service Providers (ITSPs) has been done away with. As per the report submitted to TRAI, 31 ISPs are providing Internet Telephony Services presently. The list of ISPs providing internet telephony is given in **Table 14** in the next page. Total minutes of usage of Internet Telephony during the financial year were 604.15 million minutes.



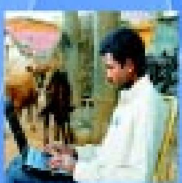


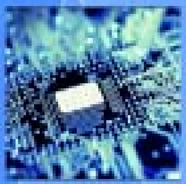

Table 14: List of Internet Service Providers providing Internet Telephony Services

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

BROADCASTING AND CABLE TV SECTOR

BROADCASTING AND CABLE TV SECTOR

48. The broadcasting and cable TV services sector has shown a consistent growth over the years spanning last two decades. The sector comprises of analogue and digital cable TV services, DTH services, IPTV services, Radio services and terrestrial TV services. The major component of the sector i.e. pay television services sector, which emerged in the early 1990s, has experienced a rapid growth, with the number of subscribers increasing from just 410,000 in 1992 to around 128 million by March 2011, an average growth rate of more than 35% every year for the last 19 years. The FM radio services and the terrestrial TV services have also been growing consistently. Commensurate to the growth in the subscriber base, the service providers have also grown. The status of development of various services in the broadcasting sector is outlined below.



DTH SERVICES

49. Since its inception in the year 2003 in India, DTH services have had phenomenal growth, adding new subscribers at a rate of around 1 million per month, attaining a subscriber base of around 35 million subscribers of pay DTH services, catered to by 6 pay DTH operators by March 2011. This is besides the viewership serviced by the free DTH services of Doordarshan. The growth of the sector in terms of its subscriber base has been depicted in **Figure 26** in the next page.

50. Over the period, apart from the increase in the conventional TV channels, the operators of DTH services have been adding several innovative offerings such as value added services (VAS), interactive services including movie on demand, gaming, shopping etc.



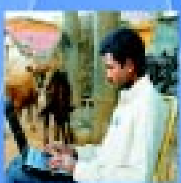
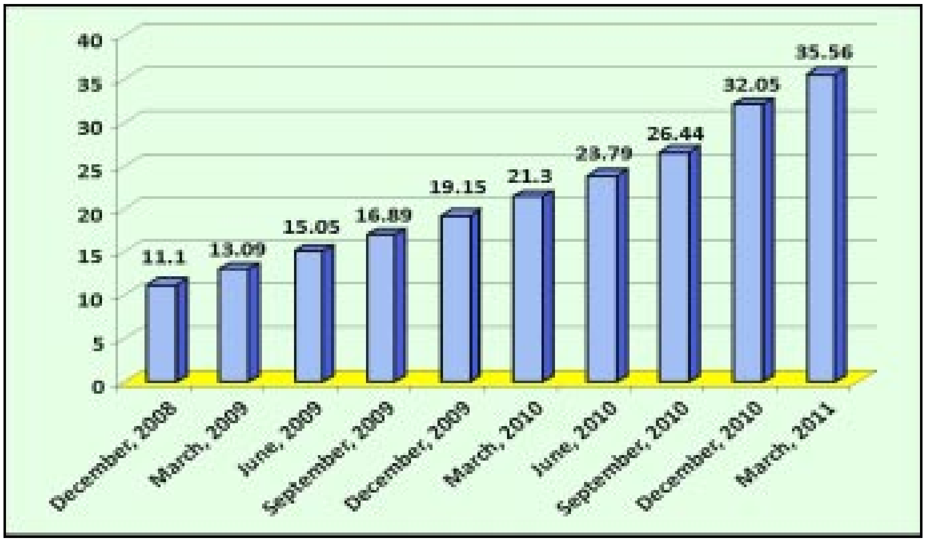



Figure 26: Growth of DTH sector in terms of the subscriber base (numbers in million)



CABLE TV SERVICES

51. The cable TV services sector is the largest pay television service sector with an estimated subscriber base of around 92 million subscribers. **Figure 27** depicts the percentage of cable homes in various states while **Figure 28** depicts the growth of the cable TV sector in terms of number of subscribers, over the last decade.

Figure 27: Percentage of cable homes in various states

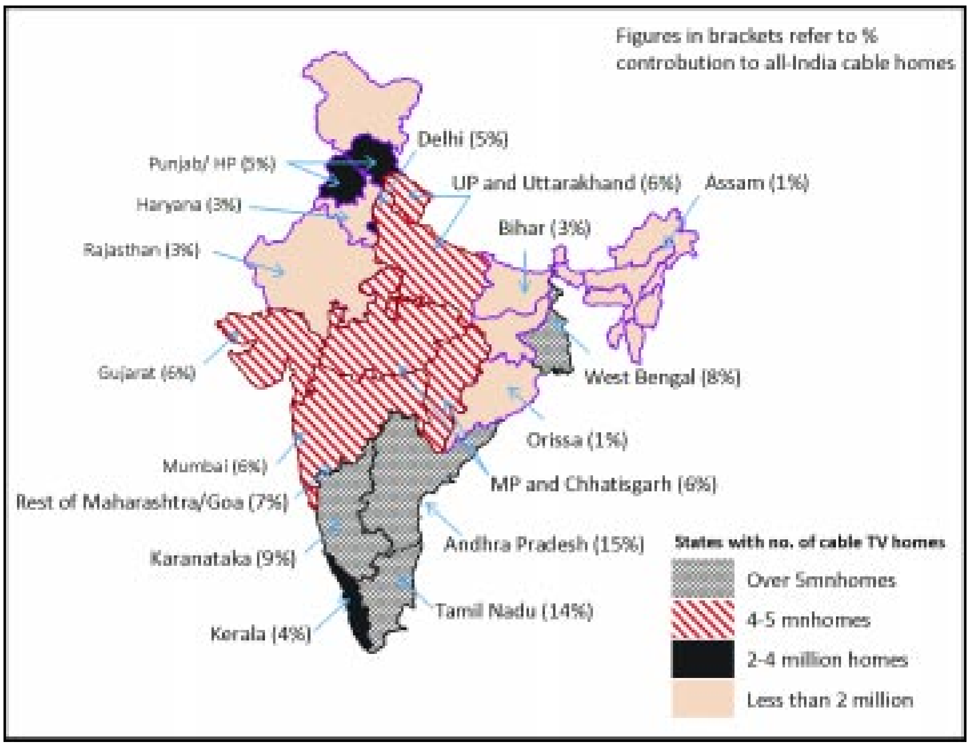
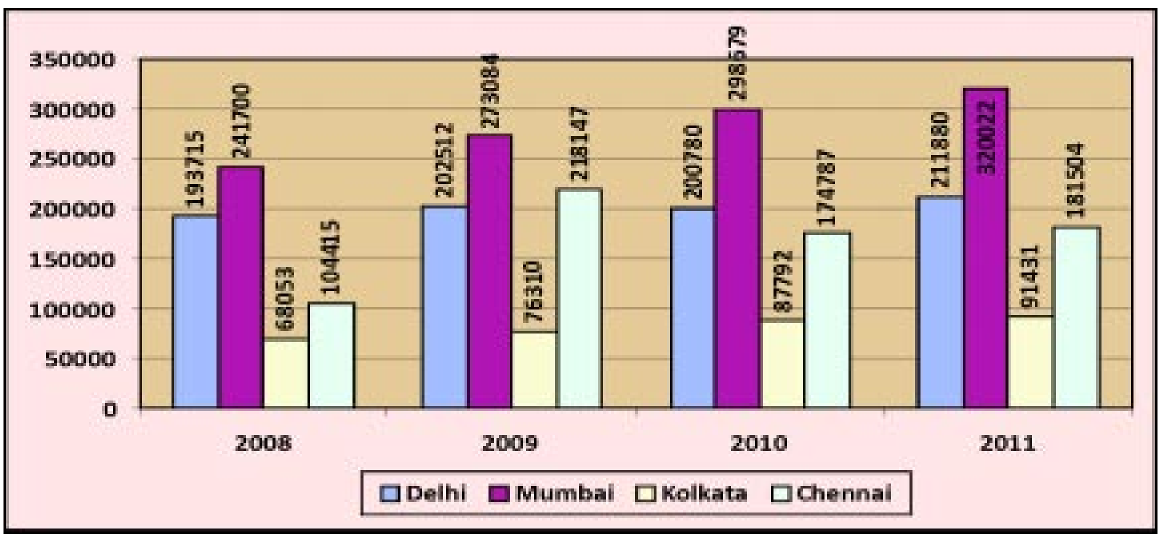
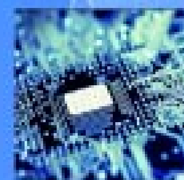


Figure 28 : Growth in number of Cable TV subscribers (in millions)

52. The cable TV services in India, at present, are mostly analogue (non-addressable cable TV systems) in nature except for notified areas of Delhi, Mumbai, Kolkata and Chennai, where conditional access system(CAS) is in place. In the notified CAS areas, the pay TV channels are carried through digital addressable system (CAS) and the Basic service tier, comprising of free to air (FTA) channels, is carried in the analogue form. **Figure 29** depicts the city-wise growth in number of pay TV subscribers in the notified CAS areas

Figure 29: City-wise growth in number of subscribers in the notified CAS Areas in the last four years





over last four years. **Figure 30** depicts city-wise status of pay TV subscribers in the notified CAS areas, as on March 2011. There are an estimated 60,000 local cable operators and 6,000 Multi-System Operators (MSOs) / Independent Cable Operators (ICOs). The maximum number of TV channels carried in the cable network by any MSO, as reported to TRAI, is 310, whereas in conventional analogue form this figure is only 100. The maximum number of FTA and pay TV channels, being carried in the cable network over last four years is given in the **Figure 31.**

Figure 30 : City–wise status of pay subscribers in the notified CAS areas (as on March 2011)

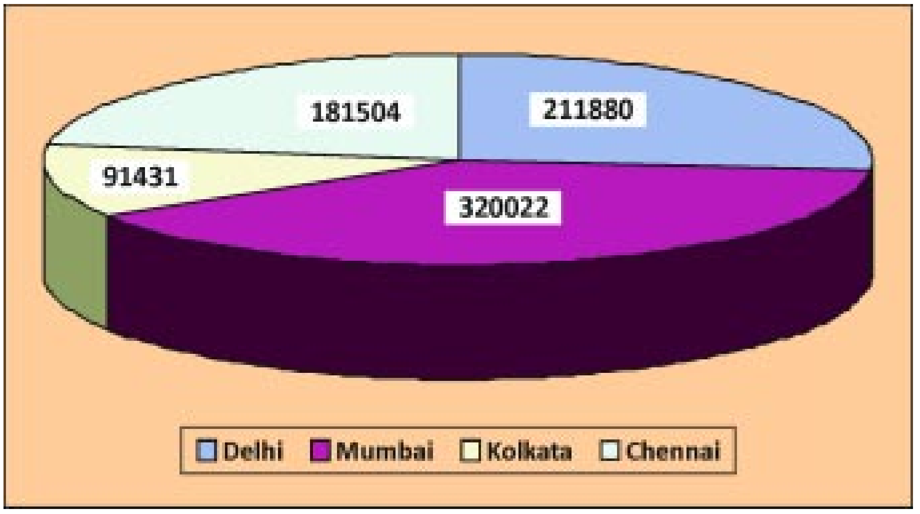
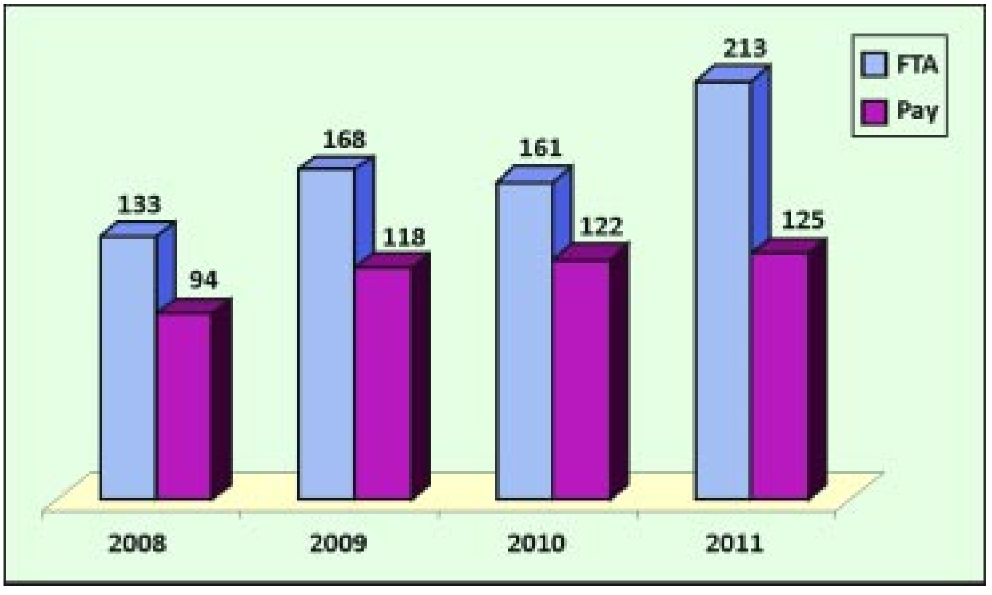


Figure 31 : Maximum number of FTA and pay TV channels carried in the cable networks



53. The analogue Cable TV services have capacity constraints and are non addressable in nature. Digital technology offers requisite solution holding the promise for better satisfaction at all the levels of the distribution chain including consumers. With a view to address these issues, TRAI has been actively working to promote addressable systems and in line with this approach, TRAI undertook a comprehensive exercise. After duly taking into consideration all the aspects and the inputs received during the comprehensive consultation exercise, the Authority on 5th August 2010, submitted its “Recommendation on Implementation of Digital Addressable Cable TV systems in India” to the Government.

RADIO

54. Radio is one of the most popular and affordable means for mass communication, largely owing to its wide coverage, terminal portability, low set up costs and affordability. In India, Radio coverage is available in Short-wave (SW), Medium-wave (MW) and Frequency Modulation (FM) mode. Frequency Modulation (FM) Radio broadcasting due to its versatility is considered as main medium to provide entertainment, information and education. There were 245 private FM radio stations operational by March 2011, besides the public service broadcaster- All India Radio (AIR) having a network of 237 broadcasting centres with 149 medium frequency (MW), 54 high frequency (SW) and 177 FM transmitters. The coverage of AIR is 91.85% of the geographical area of the country, serving 99.18% of the population. Further, as on March 2011, out of the 123 licenses issued for the setup of community radio station 103 community radio stations were operational. The year-wise growth of private FM radio stations and community radio stations are depicted in **Figure 32** and **Figure 33** respectively.

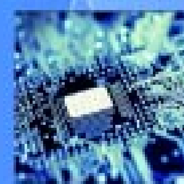
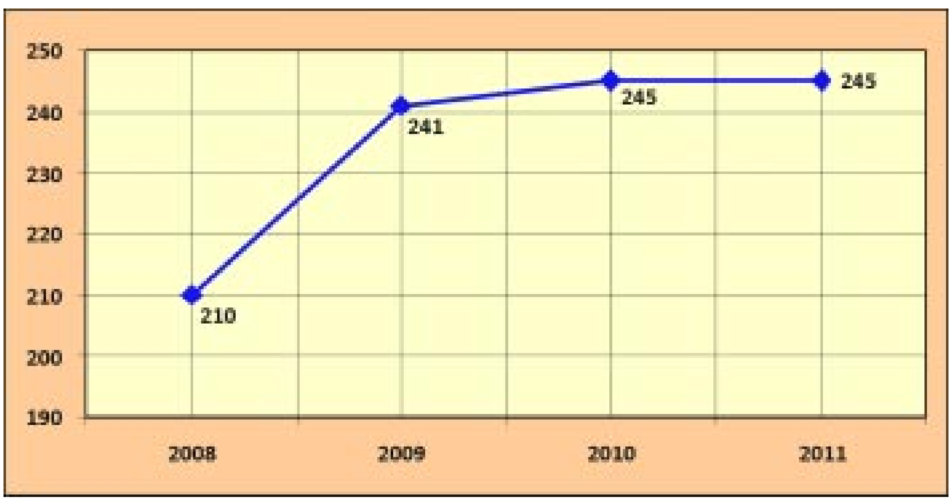


Figure 32 : Growth in number of Private FM Radio Stations



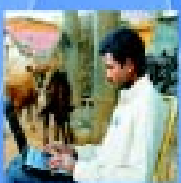
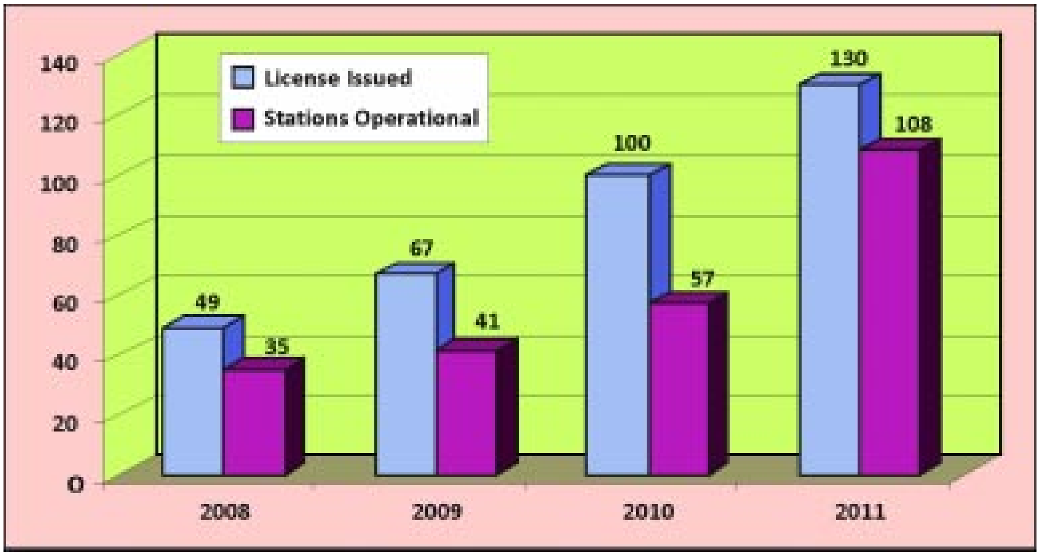


Figure 33 : Growth in number of Community Radio Stations in the Country

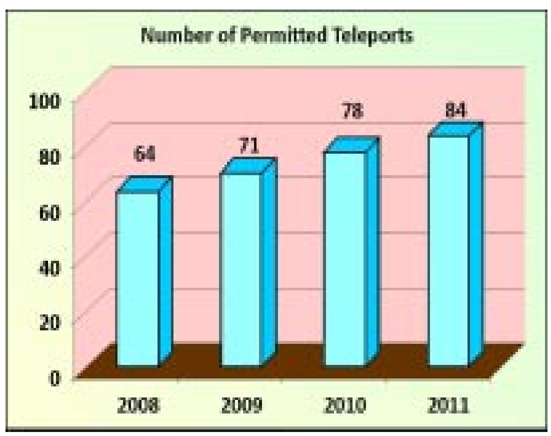


TELEPORTS

55. Globally, teleports have evolved as provider of complex solutions ranging from TV programme production and postproduction to content hosting and distribution & systems integration to network management. With the liberal up-linking guidelines in India, there has been a major shift of channels getting up-linked from abroad to India in view of lower operating costs and availability of skilled manpower. If India is developed as a "Teleport hub" then even those channels which are not for down-linking in India will be shifted to India. This will lead to generation of employment and earning of revenue as well as foreign exchange. In view of its technical capabilities and geographical location, India can provide up-linking facilities for TV channels to be viewed in other parts of the world. Recognising this opportunity, TRAI, in its recommendations dated 22nd July 2010 on "issues related to Uplinking / Downlinking of Television Channels in India", had suggested to the Government to develop India into a teleport hub.

56. The growth in the number of permitted teleports in India, over the last four years, is depicted in **Figure 34** and the list of teleports, permitted by Ministry of Information and Broadcasting, is placed at **Annexure IV** at the end of this report.

Figure 34 : Growth in number of permitted teleports in the country



TRENDS IN THE TARIFF IN THE BROADCASTING SECTOR

57. In order to provide cost effective Broadcasting services to the consumer, TRAI has laid down the regulatory framework from time to time in form of tariff orders. The tariffs in Non-CAS area, notified CAS area and that for the addressable Platforms such DTH, HITS, IPTV etc are governed by the respective tariff orders issued by TRAI. The ARPUs in the broadcasting sector have remained flat at around Rs. 160 per month over last few years whereas the offering by the service providers besides the increase in number of conventional TV channels has also increased in terms of several innovative offerings such as value added services (VAS), interactive services including movie on demand, gaming, shopping etc, specially on the addressable platforms which indicate a healthy competition in the sector.

58. One of the most significant developments in the DTH sector has been a steady decline in the cost of the STB's. Over the past four years the cost of STB's have come down from an average of Rs. 4000 to around Rs. 1,000/- and the trend is likely to continue. This has made the once supposed to be the elitist service in the sector quite affordable for the common man.

59. TRAI's tariff order dated 21st July 2010 for the addressable platforms mandates offering of the pay channels in a-la-carte form at the wholesale as well as at the retail levels. Further the whole sale pricing has been prescribed with a certain cap. With these provisions at the wholesale and retail levels a trend is likely to emerge where the subscription pattern is consumer specific rather than defined by the service providers. It is already observed in the market that within the maximum of the minimum subscription amount of Rs. 150, which an operator can prescribe, as per the said tariff order, they are already offering different monthly packs, ranging from Rs. 90 per month per subscriber for 132 channels pack to Rs. 150 per month per subscriber for 186 channels pack. Notably, these packs also include a sizable number of pay channels. Thereby making available considerable choice of channels to the consumers.

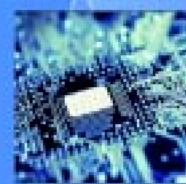
STAKEHOLDERS IN CABLE AND SATELLITE TV SERVICE SECTOR

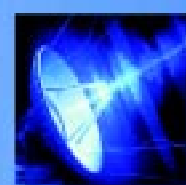
60. As of March 2011, the total number of TV channels registered with the Ministry of Information and Broadcasting was 649 which includes 155 pay channels. These channels are owned by around 250 broadcasters (content owners) and marketed by 24 distributors / aggregators. List of pay channels, distributors/aggregators and list of pay DTH operators are placed at **Annexure V** to **Annexure VII** at the end of this report respectively.

BROADCASTING & CABLE SERVICES PERFORMANCE INDICATORS

61. The overall status of the broadcasting and Cable TV services sector is given in the **Table 15.**

62. The performance indicator of the Broadcasting sector over the last four quarters is tabulated (**Table 16**).



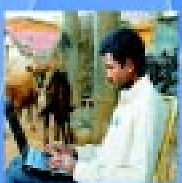
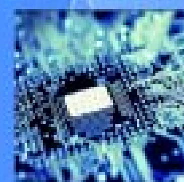


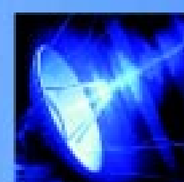
Table 15: Overall status of Broadcasting and Cable TV Services

Number of households in the country (estimated)	233 Million
Number of TV households (estimated)	143 Million
Number of Cable TV subscribers (estimated)	92 Million
Number of pay DTH Subscribers registered with private service providers as on 31st March 2011	35.56 Million
Number of Cable operators (estimated)	60,000
Number of Multi System Operators (estimated)	6000
Number of pay DTH Operators	6
Number of Channels as on 31st March 2011	649
Number of Pay Channels as on 31st March 2011	155
Number of FM Radio Stations (excluding All India Radio) as on 31st March 2011	245
Number of Licensed Community Radio Stations as on 31st March 2011	130
Number of Operational Community Radio Stations as on 31st March 2011	108
Number of Set Top Box installed in CAS notified areas of Delhi, Kolkata, Mumbai and Chennai as on 31st March 2011	0.8 Million
Number of permitted Teleports in the country as on 31st March 2011	84

Table 16: Performance Indicator of Broadcasting Sector

Broadcasting & Cable Services	Quarter ending			
	June 2010	Sept. 2010	Dec. 2010	March 2011
Total Number of Registered Channels with I&B Ministry	515	526	604	649
Number of Pay Channels	150	154	155	155
DTH Subscribers registered with private Service Providers (in Millions)	23.77	26.44	32.05	35.56
Number of Set Top Boxes in CAS areas	7,70,519	7,75,876	7,86,422	8,04,837
Number of Private FM Radio Stations	248	248	245	245

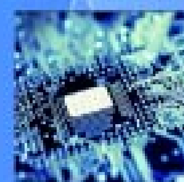





PART-II

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

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

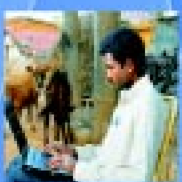


1. Part I of the Report has given a review of the general environment prevailing in the telecom sector including broadcasting and cable services and has highlighted the policies and programmes of the Government during 2010-11. The main thrust of TRAI's functioning is to create conditions for efficient 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 regulation 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 entrusted 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 2011 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. 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. Recommendations given by TRAI to Government during 2010-11 are given below.

   i. Recommendations dated 11th May 2010 on Spectrum Management and Licensing Framework

   ii. Recommendations dated 20th August 2010 on “Efficient Utilization of Numbering Resources”

   iii. Recommendations dated 8th December 2010 on National Broadband Plan

   iv. Recommendations dated 18th November and 22nd December 2010 on Status of Roll Out Obligations in respect of Licenses issued from December 2006 onwards

   v. Recommendations dated 8th February 2011 on the 2010 Value of Spectrum in 1800 MHz band

   vi. Revised Recommendations dated 14th April 2010 on issues relating to Mobile TV services

   vii. Recommendations dated 30th June 2010 on Foreign Direct Investment Limits for Broadcasting Sector

   viii. Recommendations dated 22nd July 2010 on Issues relating to Uplinking/Downlinking of Television channels in India

   ix. Recommendations dated 5th August 2010 on Implementation of Digital Addressable Cable TV Systems in India

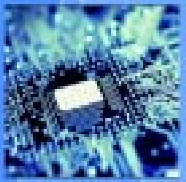
   x. Revised Recommendations dated 9th February 2011, on 3rd phase of Private FM Radio Broadcasting.

   xi. Revised Recommendations dated 22nd February 2011 on policy issues relating to Uplinking / Downlinking of TV channels in India

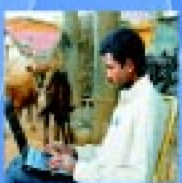
   xii. Revised Recommendations dated 22nd February 2011 on Implementation of Digital Addressable Cable TV Systems in India

7. Following recommendations are outcome of the consultation process taken during the period 2010-11:

   (i) Recommendations on ‘Telecom Equipment Manufacturing Policy’








(ii) Recommendations on 'Approach towards Green Telecommunications'

(iii) Recommendations on 'Telecommunications Infrastructure Policy'

(i) Recommendations dated 11th May 2010 on Spectrum Management and Licensing Framework

8. The Department of Telecommunications (DoT) had sought the Authority's recommendations on the Recommendations /comments of the Committee on "Allocation of Access (GSM / CDMA) spectrum and pricing" of May 2009. In addition, TRAI had also been requested to furnish its recommendations on the terms and conditions of existing UAS/CMTS licence with respect to the duration of licences. DoT had further sought the Authority's clarification on auctioning of all spectrum other than 800, 900 and 1800 MHz bands and Authority's recommendations 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 26.9.2007 to 01.10.2007 and removing the arbitrage from the prevailing license for structures across various service providers.

9. TRAI had issued a consultation paper on "Overall Spectrum Management and review of license terms and conditions" dated 16th October, 2009. Based on comments received in the consultation process and its own analysis, the Telecom Regulatory Authority of India (TRAI) issued its recommendations on "Spectrum Management and Licensing Framework" on 11th May, 2010. In these recommendations, the following issues have been dealt with:

(i) Spectrum Requirement and Availability

(ii) Licensing Related Issues

(iii) Spectrum Assignment and Pricing

(iv) Consolidation of Spectrum

(v) Spectrum Management

10. The summary of the recommendations are as follows:-

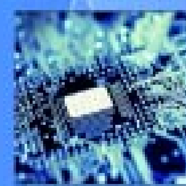
- The Authority should be entrusted with the task of carrying out a review of the present usage of spectrum available with government agencies.
- 585-698 MHz may be earmarked for digital broadcasting services including Mobile TV. 698-806 MHz be earmarked only for IMT applications
- Spectrum in 800 and 900 MHz bands should be refarmed at the time of renewal of the licenses.
- A specific fund for spectrum refarming be created and that 50% of the realisation from all proceeds from spectrum including from the auction proceeds as well as from the Spectrum Usage charges should be transferred to this fund.

- The contracted spectrum for all the access licences issued in or after 2001, is 6.2 MHz / 5 MHz in respect of GSM/ CDMA respectively.
- Keeping in view the scarcity of spectrum and the need to provide the contracted spectrum to the existing licensees, no more UAS licence linked with spectrum should be awarded. Accordingly, there is no need for any cap on the number of access service providers. This recommendation of no cap is only if the future licences are delinked from spectrum. Otherwise, the Authority's specific recommendation is that no more licences should be given.
- All future licences should be unified licences and that spectrum be delinked from the licence.
- There should be uniform licence fee across all telecom licenses and service areas.
- IP-I category be also brought under the licensing regime with immediate effect.
- The licence fee for all the services, will progressively be brought to a uniform 6% of AGR over a four-year period.
- The licence fee and spectrum usage charges payable by each licensee shall be on actual AGR, subject to a minimum AGR.
- The existing roll out obligations in the CMTS/UAS licences be replaced by the following roll out obligations for all the service areas except the Metros. The rollout obligations for metros would continue to be in force.

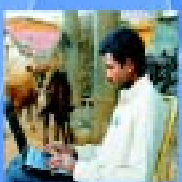
Time	Habitation >10000	Habitation 5000-10000	Habitation 2000-5000
2 years from effective date	100%	50%	-
3 years from effective date	100%	100%	50%
4 years from effective date	100%	100%	100%

In the above roll out obligations, coverage of 90% or above habitations will be taken as compliance of the obligation.

- A licensee may be allowed to cover the habitations having a population between 2000-5000 through intra service area roaming, subject to the condition that at least one third of the habitations shall be covered by its own network.
- Failure to fulfil the rollout obligations would entail penalty in the form of additional spectrum usage charges at the rates indicated.
- Those licensees who have covered 50% of the habitations with a population of 500-2000 be given a reduction of 0.5% in the annual licence fee. And those licensees who have covered 100% (90% & above to be treated as 100%) of the habitations with a population of 500-2000 should be given a 2% discount in the annual licence fee.






- While renewing the licence, the Government should assign spectrum only upto the prescribed limit or the amount of spectrum assigned by it to the licensee before the renewal, whichever is less.

- The spectrum will be assigned at the current price, duly adjusted to the year of renewal.

- Keeping in view the value of 900 MHz spectrum, the Authority has recommended that on renewal of the licence, spectrum held by a licensee in the 900 MHz band shall be replaced by assignment of equal amount of spectrum in 1800 MHz.

- The framework under the new licensing regime should be as follows:

  (I) Unified licence covering UASL/CMTS, NLD, ILD, Internet, IP-I and GMPCS;

  (ii) Class licence covering VSAT services; and

  (iii) Licensing through Authorisation covering PMRTS, Radio Paging and Voice Mail/Audio Tex/Unified Messaging Service.

  (iv) Broadcasting licences

- For Nationwide Unified licence an Entry Fee of Rs. 20 crore be levied. For Service area-wise licences, the Entry Fee may be Rs. 2 crore for the Metros and Category ‘A’ service areas, Rs. 1 crore for Category ‘B’ and Rs. 0.5 crore for Category ‘C’ service areas. In addition, Annual Licence fee of 6% on AGR will be levied.

- The limit on spectrum to be assigned to a service provider will be 2X8MHz for all service areas other than in Delhi and Mumbai where it will be 2X10MHz. Similarly for CDMA spectrum the Authority has recommended that the limit on spectrum will be 2X5MHz for all service areas and 2X6.25 MHz in the Metro areas of Delhi and Mumbai.

- The use of subscriber linked criteria be done away with for assignment of spectrum.

- Spectrum in the 800,900 and 1800 MHz bands should not be subject to auction.

- The 3G prices be adopted as the ‘Current price’ of spectrum in the 1800 MHz band. At the same time, Authority is separately initiating an exercise to further study this subject and would apprise the Government of its findings.

- The Current price of spectrum in the 900 MHz band be fixed at 1.5 times that of the 1800 MHz band. The Authority has recommended that this be also fixed as the price of Spectrum in the 800 MHz band.

- All the service providers having spectrum beyond the contracted quantum should pay excess spectrum charges at the Current price, pro-rated for the period of the remaining validity of their licence subject to a minimum of seven years. Service providers returning the excess spectrum shall be liable to return the 900 MHz spectrum if any and also pay the additional one-time charges at the Current price for a minimum period of three years.

- The excess spectrum beyond 8 MHz would be charged at 1.3 times the current price.

- Spectrum usage charges, both for GSM and CDMA spectrum, should be at the rate of 0.5% for every MHz up to the contracted spectrum and at the rate of 1% for every MHz in respect of spectrum beyond the contracted quantity, subject to a limit of 10% in respect of GSM and 7% in respect of CDMA. The Authority has recommended that the changes effected on 25.2.2010 be suitably modified.

- The market share of the Resultant entity in the relevant market shall not be greater than 30 % of the total subscriber base and/or the AGR in a licensed telecommunication service area.

- No M&A activity shall be allowed if the number of UAS/CMTS access service providers reduces below six in the relevant market consequent upon such an M&A activity under consideration.

- Consequent upon the Merger of licences in a service area, the total spectrum held by the post merger Resultant entity shall not exceed 14.4 MHz for GSM technology. In respect of CDMA technology, the ceiling will be 10 MHz.

- As the resultant entity is entitled to only one block of 6.2 MHz/ 5MHz for the Entry fee paid, either of the parties to the merger should pay the Spectrum price i.e. the difference between the Current price and the sum already paid, before permission for merger is granted.

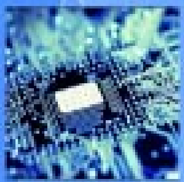
- The spectrum transfer charge, @5% of the difference between the transaction price and the total current price, shall be payable before permission is granted.

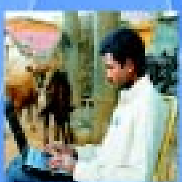
- The licence condition in the UAS licence be amended to stipulate that the promoters whose net worth/equity has been taken into consideration for determining the eligibility of the licence shall not dilute their equity below 51% for a period of 5 years or till the roll-out conditions have been fully accomplished, whichever is earlier. Any reduction below 51% shall be with the prior and specific permission of the licensor.

- Spectrum sharing will be permitted but in each case, it will be in the same licence service area and will be with the prior permission of the licensor, strictly in accordance with the guidelines being laid out.

- Permission for spectrum sharing will be given for a maximum period of 5 years. There shall be no renewal.

- Spectrum sharing will be allowed only between parties each of whom does not have more than 4.4MHz /2.5 MHz (GSM/CDMA) of spectrum.



- Sharing will be allowed only if there are at least six operators in the LSA, post-sharing arrangement.
- Spectrum sharing will not be permitted among licensees having 3G spectrum.
- Spectrum usage charges will be levied on both the operators individually but on the total spectrum held by both the operators together. In other words, if an operator X having 4.4MHz of spectrum shares 4.4 MHz of spectrum of another operator Y, then both X and Y will be liable to pay spectrum usage charges applicable to 8.8 MHz of spectrum.
- Spectrum trading should not be allowed in India, at least at this stage. This will be re-examined at a later date.

(ii) Recommendations dated 20th August 2010 on "Efficient Utilization of Numbering Resources"

11. 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.

12. The existing National Numbering Plan 2003 (NNP 2003) that was designed for 750 million connections including 450 million mobile connections and was designed to last till 2030, has come under severe strain with the mobile numbers having crossed that mark in 2009 itself. With the number of subscribers likely to exceed 1 billion by 2014, the situation calls for an urgent review to facilitate continued availability of numbers with minimum disruption to any service. These recommendations propose a solution in this regard.

13. In the recommendations, TRAI has proposed that the existing 10-digit numbering scheme should be continued to avoid inconvenience to the customers that would accompany any move to shift to an 11 digit numbering scheme. Giving a two pronged strategy, TRAI has recommended that India should migrate to an integrated numbering scheme for fixed and mobile services by 31st December, 2011. In other words both fixed line and mobile phones will have a 10-digit number. This would make available enough numbers to cater to expansion of existing services and introduction of new services for the next 30-40 years. This integrated numbering will also facilitate extension of number portability to fixed lines. Till the integrated scheme is implemented the dialling of intra-circle calls from fixed lines to mobile will be with '0' prefixed. This would enable exploitation of spare capacity available in the sublevels of existing Short Distance Charging Area (SDCA) codes, to the extent of about

one billion numbers without affecting any telephone number or STD code.

14. Telephone numbers are a precious resource and should be utilized efficiently. In order to prevent accumulation of unutilized numbers by the service providers, the Authority has proposed that the service providers should not have more than 3 million unutilized numbers, in a service area, at the time of requesting a new block of numbers. For making allocation of numbers more efficient, TRAI has recommended automation of the allocation process. This would help service providers in getting allocations online.

(iii) Recommendations dated 8th December 2010 on National Broadband Plan

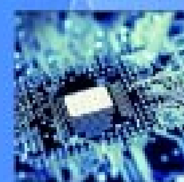
15. India had just 10.30 million broadband connections in the country at the end of September 2010 as against the target of 20 million broadband subscribers by 2010, set by the Broadband Policy 2004. In order to spur broadband growth in the country, TRAI forwarded its recommendations on "National Broadband Plan" to the Government on 08th December 2010.

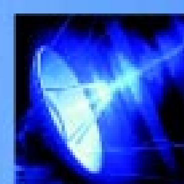
16. TRAI has recommended establishment of a National Broadband Network. This network will be an open access optical fibre network connecting all habitation with population of 500 and above. This Network will be established in two phases. The first phase covering all cities, Urban areas and Gram Panchayats will be completed by the year 2012. Phase II will be the extension of the network to all the habitations having population more than 500, to be completed by the year 2013. This network will be established at a cost of about Rs. 66,000 crore It will be financed by USO fund and the loan given/guaranteed by Central Government.

17. A National Optical Fibre Agency (NOFA) will be set up to establish this broadband network. NOFA is proposed to be a 100% Central Government owned holding company. Besides being a Holding company, NOFA will also establish the network in all the 63 cities covered under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM).

18. A State Optical Fibre Agency (SOFA) will be formed in every State with 51% equity held by National Optical Fibre Agency (NOFA) and 49% by the respective State Government. NOFA should be the holding company of all the SOFAs. All the SOFAs, under the overall guidance of NOFA will establish the networks and backhaul in the rural areas and in the urban areas other than those cities covered under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM).

19. The National Broadband Plan envisages provision of 75 million broadband



Open House Discussion on 'National Broadband Plan'
at Hyderabad on 6th September, 2010

connections (17 Million DSL, 30 Million cable and 28 million wireless broadband) by the year 2012 and 160 million broadband connections (22 million DSL, 78 million cable and 60 million wireless broadband) by the year 2014.

20. Government may notify the chares for Right of Way in consultations with the State Governments on priority basis and ensure availability of RoW to telecom service providers to provider various telecom services.

21. The optional fibre network would support following bandwidths:

    a. 10 Mbps download speed per household in 63 metro and large cities (covered under JNNURM) for every wireline connection by the year 2014.

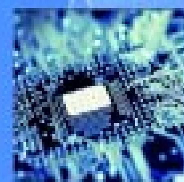
    b. 4 Mbps download speed per household in 352 cities for every wireline connection by the year 2014.

    c. 2 mbps download speed per household in towns and villages for every wireline connection by the year 2014.

    * Upload speed would be half of the download speed.

22. The objective of national broadband Network is to provide fibre to home in 63 cities covered under JNNRUM. Fibre to kerb in all other cities (0.5 Km from any residence).

Open House Discussion on 'National Broadband Plan'
at Delhi on 19th October, 2010



23. The Authority also recommended that Broadband connection may be defined as "A data connection using any technology that is able to support interactive services including Internet access and support minimum download speed of 512 Kilo Bits per second (Kbps)".

24. In order to ensure affordability of Customer premises equipment cost, Government may review the duties levied on inputs and finished products used in providing broadband and Internet services.

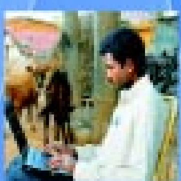
25. Customer premises equipment including modern and routers used for Internet and broadband may be considered for 100% depreciation in the first year.

(iv) Recommendations dated 18th November and 22nd December 2010 on Status of Roll Out Obligations in respect of Licenses issued from December 2006 onwards

26. In pursuance of Section 11(1)(b)(i) of TRAI Act, 1997 (as amended), TRAI had sought compliance of license terms and conditions pertaining to roll out obligations from all the service providers who had been issues licenses from December 2006 onwards.

27. TRAI had analysed the reports in respect of 130 licenses that were issued from December 2006 onwards and vide its recommendation dated 18th November 2010, TRAI recommended cancellation of 38 UAS licenses in addition to levy of






liquidated damages, while in case of 31 licenses, TRAI recommended that cancellation of these licenses needs to be seriously considered after legal examination, besides imposition of liquidated damages.

28. Further, vide its recommendation dated 22^{nd} December 2010 TRAI recommended for cancellation of 5 licenses of M/s Idea / Spice in respect of Punjab, Karnataka, Maharashtra, Haryana and Andhra Pradesh service areas.

(v) Recommendations dated 8^{th} February, 2011 on "The 2010 value of spectrum in 1800 MHz band"

29. TRAI gave its Recommendations on "Spectrum Management and Licensing Framework" on 11^{th} May, 2010. While recommending that pending further deliberations, the 3G price be adopted as the 'Current Price' of spectrum, the Authority stated that it was separately initiating an exercise to further study the subject and would apprise the Government of its findings. The Authority had entrusted the study to four experts, who have submitted their report on "**The 2010 value of spectrum in 1800 MHz band**" dated 30^{th} January, 2011.

30. The report makes an assessment of the value of the 1800 MHz band spectrum from the technical as well as the commercial points of view. The report determines the value of 1800 MHz spectrum in two trenches- price of contracted spectrum i.e. upto 6.2 MHz and price of incremental spectrum i.e beyond 6.2 MHz on per MHz basis for a period of 20 years.

31. The Authority duly considered the report and felt that while the figures given by the experts may be adopted, it should be done with realization that these are estimated figures and may or may not always match the exact market price.

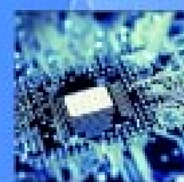
32. TRAI vide its letter No. 103-2/2011-MN dated 8^{th} February, 2011 recommended that the price given by the experts be adopted as the best available figure. The Authority also recommended that the charging of spectrum in the 1800 MHz band beyond 6.2 MHz on the basis of these estimated figures, should be unambiguously subject to the condition that the final price could be suitably modified to reflect the market price based on the auction price in the service areas where auction is conducted.

33. The estimates that have been worked out by the experts are for the year 2010.Given that they are based on data available upto 31^{st} March, 2010, the Authority recommended that these prices may be made applicable from 1.4.2010, prorated for the remaining validity of the respective licences while charging for excess spectrum.

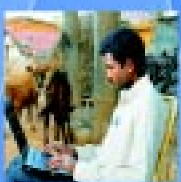
(vi) Revised Recommendations on issues relating to Mobile TV services

34. Referring to TRAI's earlier recommendations dated 23rd January 2008, on "Issues relating to Mobile TV services", the Government on 19th January 2010, sought reconsideration of TRAI on some of the earlier recommendations related to allocation of spectrum, number of licenses per service area, clubbing of smaller states for forming an appropriate license area, tenure of license period and its renewal etc. TRAI sent its recommendations, after reconsideration, on these issues to the Government on 14th April 2010. The key points of the revised recommendations are as under.

- No entity should hold more than twenty five percent of the total number of permissions given in the country to prevent monopolization at national level for the first phase which was in addition to the stipulation that an entity should have only one license per service area.
- Any eligible entity, including UASL/ CMTS licensees can participate in the bidding process.
- The tenure of the license should be automatically extended for a further period of 10 years at the option of the licensee with payment of One Time Entry Fee (OTEF), however the decision regarding the OTEF at the time of renewal may be taken subsequently as and when the Policy for renewal of license is notified.
- The licensee may be allowed to assign or transfer the license only after completing the roll-out obligations.
- License fee be charged at 4% of Gross Revenue or 5% of reserve OTEF whichever is higher.
- The roll out obligation should be in three phases in the following manner:-
  - ➢ In the first phase, the licensee must commence the mobile TV transmission in all cities having a population (as per 2001 census) of more than one million and the State/UT capitals within the license area within twelve months from the date of allocation of spectrum.
  - ➢ In the second phase, the licensee must commence the mobile TV transmission in all cities /towns having population (as per 2001 census) of one lakh or above within the license area within twenty four months from the date of allocation of spectrum.
  - ➢ In the third phase, the licensee must commence the mobile TV Transmission in all the district headquarters within the license area within thirty six months from the date of allocation of spectrum.
- Delay to meet the roll out obligations should attract liquidated damages for






six months and subsequent defaults should result in cancellation of licenses and withdrawal of spectrum.

(vii) Recommendations dated 30th June 2010 on Foreign Direct Investment Limits for Broadcasting Sector

36. TRAI had issued a Consultation Paper on foreign investment limits for the broadcasting sector on 15.01.2010. Based on the Consultation process and internal analysis, the Authority gave its recommendations to the Government on 'Foreign Direct Investment Limits for Broadcasting Sector' on 30th June 2010.

37. The key points of recommendations are:-

    (i) Foreign investment limit for the Broadcast carriage services i.e. DTH, IPTV, Mobile TV, HITS, Teleport and National and State level MSOs who are upgrading to digital & addressable environment to be 74%.

    (ii) Foreign investment limit for LCOs to be 26%;

    (iii) Foreign investment limit of 26% for News & Current Affairs TV Channels and FM Radio.

    (iv) No restriction on Foreign investment for uplinking and downlinking of TV channels other than News & Current Affairs TV channels

(viii) Recommendations dated 22nd July 2010 on Issues relating to Uplinking / Downlinking of Television channels in India

38. TRAI had issued a consultation paper on 'Policy issues related to Uplinking / Downlinking television channels in India' on 15.03.2010. Based on the Consultation process and internal analysis, the Authority gave its recommendations to the Government on 22nd July 2010.

39. The key points of recommendations are:-

    a. No cap on number of satellite based TV channels meant for downlinking and uplinking from India;

    b. Revision of networth requirements for news and non-news TV channels and teleports;

    c. Revision of Eligibility criteria for registration of a TV channel by including experience criterion for atleast one person holding the top management;

    d. Providing for a uniform validity period of 10 years for uplinking/ downlinking permission, Non-transferability of permission, revision of Permission fee and its periodicity etc.

    e. Initiative to develop India as a teleport hub

(ix) Recommendations dated 5^{th} August 2010 on Implementation of Digital Addressable Cable TV Systems in India

40. Cable and Satellite TV services in India have grown exponentially in the last seventeen years. However, the nature of the analogue cable TV services, which forms the bulk of the cable and satellite TV universe, poses a number of problems. Capacity constraints and the non-addressable nature of the analogue cable TV services results in several problems including complex business transactions and a high level of litigation. Digital technology offers the requisite solution holding the promise of better satisfaction at all levels of the distribution chain including the consumers. Besides, digital addressable systems can enhance the scope of the services offered including broadband services. After duly taking into consideration all aspects and the inputs received in the consultation process, the Authority on 5^{th} August 2010 gave Recommendations on Implementation of Digital Addressable Cable TV Systems in India.

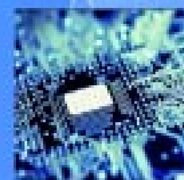
41. The key recommendations are as under:-

- 31^{st} December, 2013 to be the sunset date for Analogue TV services in the country and implementing the migration from analogue non-addressable to digital addressable cable TV system in a phased manner comprising four phases;
- Providing for incentives to various stakeholders in the form of granting tax holiday to those who have set up a digital addressable distribution network on or before the sunset date;
- reducing the custom duty to zero for all digital headend equipment and STBs;
- Granting Right of Way (ROW) to MSOs/ LCOs for laying down cables, on non-exclusive basis;
- rationalization of taxes/ levies on the Broadcasting distribution Sector; and
- educating all the stakeholders about the benefits of digital addressable cable TV systems, to achieve the targets of digitization with addressability.

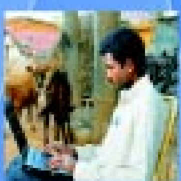
(x) Revised recommendations dated 9^{th} February 2011, on 3^{rd} phase of Private FM Radio Broadcasting.

42. Referring to TRAI's earlier recommendations dated 22^{nd} Feb. 2008, on 3^{rd} Phase of Private FM Radio Broadcasting, the Government on 27^{th} Jan. 2011, sought recommendations of TRAI on the issues of tendering process, reserve price, annual license fee and license period. TRAI sent its recommendations on these issues to the Government on 9^{th} Feb 2011. The following was stated:

- TRAI would have no objection regarding adoption of the 3G ascending e-auction methodology 'mutatis mutandis' for awarding licenses for FM Radio Phase III. It was also suggested that the Ministry of Information and






Broadcasting may also ensure that all related administrative issues are duly addressed while finalising the eco-system and procedures for the e-auction.

- The GoM has recommended reserve prices for new channels based on the actual prices received during the second phase for comparable cities. The Authority has no objection to the proposed action.

- The Authority has no objection to the validity period of 15 years for the licenses, as recommended by the GoM

(xi) Revised Recommendations dated 22nd February 2011 on policy issues relating to Uplinking / Downlinking of TV channels in India

43. Referring to TRAI's earlier recommendations dated 22nd July 2010 on policy issues relating to Uplinking / Downlinking of TV channels in India, the Government on 02.02.2011 sought revised recommendations of TRAI, on certain issues. TRAI sent its revised recommendations to the Government on 22.02.2011. The revised recommendations were mainly related to the networth requirement of the applicant companies, their eligibility criteria including the experience criterion of the person(s) holding the top management position in a media company and for introduction of provision for roll out obligations. The Authority also re-iterated its stand that for kids/scientific/educational channels the networth requirement should be Rs 5 Cr. and for societies/companies, sponsored by universities for the purpose of setting up of educational channels, the networth requirement may be dispensed with.

(xii) Revised Recommendations dated 22nd February 2011 on Implementation of Digital Addressable Cable TV Systems in India

44. Referring to TRAI's earlier recommendations dated 5th August 2010 on Implementation of Digital Addressable Cable TV Systems in India, the Government on 27th January 2011 sought revised recommendations of TRAI, amongst other issues, on roadmap for implementation of Digital Addressable Cable TV Systems in India. TRAI sent its recommendations on the referred issues to the Government on 22nd February 2011. The key points of the revised recommendations were as under:-

- The revised timeline, for the first phase covering the four metro cities was recommended to be Dec 2011, for the second phase covering 38 cities having population more than 1 million was recommended to be Dec. 2012 and for the third and fourth phase covering all the urban area as well as rest of India was recommended to be Dec 2013.

- Setting up of a special task force in the Ministry of Information and

Broadcasting with all the stakeholder, in order to draw a detailed plan and for overseeing strategies for adhering to the time lines.

(xiii) Recommendations on 'Telecom Equipment Manufacturing Policy':

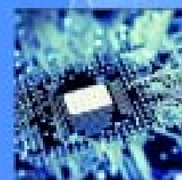
45. To bring the issues relating to telecom manufacturing in India, TRAI issued a pre-consultation in May 2010. Based on the comments received and further study, a consultation paper on 'Encouraging Telecom Equipment Manufacturing in India' was issued on 28th December 2010 for obtaining views of the stakeholders. After analysis of the comments and OHDs, TRAI issued recommendations on 'Telecom Equipment Manufacturing Policy' on 12th April 2011. In these recommendations, the specific targets that seek to achieve would be:

- To meet 45% of the domestic demand through domestically manufactured products by the year 2015 and 80% by the year 2020.
- To provide market access to Indian products to the extent of 25% by the year 2015 and 50% by the year 2020.
- To increase value addition in domestic manufactured products to 35% by the year 2015 and 65% by the year 2020.

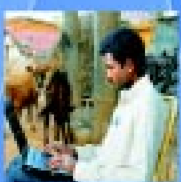
To achieve the proposed targets the followings recommendations have been made:

1. Set up a Telecom Equipment Manufacturing Organisation (TEMO) to act as a coordinator between manufacturers and service providers.
2. Convert TEC into an autonomous Testing and certification Organisation (TCO) which will test and certify both Indian and global products.
3. Identify ten telecom clusters to promote the TEM, and to remove infrastructural disabilities in these clusters in a time bound manner.

Open House Discussion on 'Telecom Equipment Manufacturing'
at New Delhi on 2nd February, 2011






4. Set up Telecom Research & Development Fund (TRDF) to promote research, IPR creation, development activities and Research Park to be established to facilitate R&D, innovation, IPR creation and commercialization for fast and sustainable growth of telecom industry.

5. Set up a Telecom Manufacturing Fund (TMF) of the order of Rs 3000 crore, which will provide venture capital to indigenous manufacturers in the form of low cost finance for supporting pre and post commercialisation project development and brand creation.

6. Set up Telecom standards Organisation (TSO) for carrying out all works related to telecom standards, driving international standards and drawing up specifications of the equipment to be used in the Indian telecom networks, including security standards.

7. Financial incentives have been proposed for Indian manufactured product (IMP) and Indian products (IP).

   ➢ Fiscal incentives have also been proposed and

   ➢ To encourage increased production of electronic components, measures have also been proposed.

(xiv) Recommendations on Green Telecommunications:

46. TRAI issued a pre-consultation paper on "Green Telecom" on 18th June, 2010 for obtaining views of the stakeholders. Based on the comments received from the stakeholders, TRAI issued consultation paper on 'Green Telecommunications' on 3rd February 2011. The consultation paper took up the following important issues for deliberations:

- Estimation of the carbon footprint of the telecom sector in India.
- Need and framework of carbon credit policy for the Indian telecom sector
- Measures to reduce the telecom sector carbon footprint
- Promoting use of energy efficient devices and renewable sources of energy.
- Standards, testing and certification products and services as green.
- e-waste management

Based on the comments received during the consultation and its own analysis, TRAI released its recommendations on '**Approach towards Green Telecommunications' on 12th April 2011**. The key recommendations are:

- Measures towards greening the sector should be part of National Telecom Policy.
- In the next 5 years – 50% of all rural towers and 33% of all urban towers to be powered by hybrid power (Renewable energy sources + Grid power)
- All equipments, products and services deployed in the sector should be energy

Open House Discussion on 'Green Telecommunications'
at New Delhi on 18th March, 2011

and performance assessed and certified "Green passport" by 2015.

- All mobile phones should be free of brominates, chlorinated compounds and antimony trioxide by 2015.

- All mobile manufactures / distributors should place collection bins at appropriate places across the country for collection of e-waste – mobile phones, batteries, chargers etc.

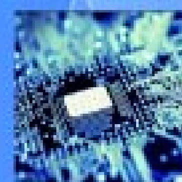
(xv) Recommendations on Telecommunications Infrastructure Policy

47. TRAI issued a consultation paper on 'Issues related to Telecommunications Infrastructure Policy' on 14th January 2011. Based on the comments received from the stakeholders and its own analysis, TRAI issued the Recommendations on Telecommunications Infrastructure Policy on 12th April 2011. The key points of the recommendations are:

➢ Telecom infrastructure should be treated as an essential infrastructure

➢ Tax benefits should be provided to Telecom infrastructure provider companies under Section 80 IA.

➢ Infrastructure Providers (IP-1) should be allowed to install and share active network limited to antenna, feeder cable, Node B, Radio Access Network (RAN) and transmission system subject to the condition that they are brought under the proposed Unified Licensing Regime.



Open House Discussion on 'Telecom Infrastructure Policy'
at New Delhi on 25th February, 2011

- Local authorities should grant right of way permission within 45 days and uniform reinstatement charges should be applicable for laying the cables.
- Dispute resolution authority should be appointed for dealing with the cases of refusal of permission or imposition of conditions
- Indoor Building Solutions (IBS) & Distributed Antenna System (DAS) should be deployed for reduction in number of towers, better coverage and efficient spectrum utilisation.
- All ministries should be advised by DoT to provide, within next one year, IBS/ DAS solutions in all central Government building including central PSU building, Airport and building falling under their jurisdiction & control.
- All State Government should be similarly advised to provide/ mandate, within next one year, IBS/DAS solutions in all buildings including hospitals having more than 100 beds and shopping malls of more than 25000 square feet super built area.
- As far as outdoor coverage is concerned, DAS should be mandated for deployment in 63 JNNURM cities within 18 months after completion of optical fibre network in these cities under the National Broadband Plan.
- TEC should develop standards for all types of towers used in telecommunications. These standards should be made mandatory for all the service providers. Licence condition should be amended to include that all

the towers will conform to the standard developed by TEC.

- ➢ Camouflaging should be made mandatory in areas of heritage, environmental or architectural importance and Infrastructure sharing should be mandated in locations of heritage, security and environmental importance.

- ➢ A revised framework for facilitating growth of mobile virtual network operators (MVNO).

- ➢ Internet exchange points (IXPs) should be brought under Class licence and Data centres should be permitted to connect directly to the IXPs for facilitating efficient & effective routing of fast growing domestic internet traffic.

- ➢ All Government websites should be made IPv6 compliant by 2012 and IPv6 test bed facilities, already available with academic institutions like IITs, IISc should be extended to National Institutes of Technology (NITs) for easy access to stakeholders.

- ➢ DoT should address all State Governments to direct the Power Distribution companies in the state to provide grid power connectivity on priority for telecom tower sites.

48. During the year 2010-11, TRAI issued the following Regulations:

(i) The Telecommunications Mobile Number Portability (Second Amendment) Regulations, 2010 dated 24th November 2010

(ii) The Telecom Commercial Communications Customer Preference Regulations, 2010 dated 1st December 2010

(iii) The Telecom Commercial Communications Customer Preference (Amendment) Regulations, 2010 dated 14th December 2010

(iv) The Telecom Commercial Communications Customer Preference (Second Amendment) Regulations, 2010 dated 28th December 2010

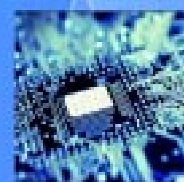
(v) The Telecom Commercial Communications Customer Preference (Third Amendment) Regulations, 2010 dated 31st January 2011

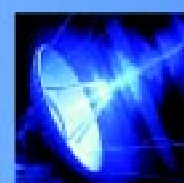
(vi) The Telecom Commercial Communications Customer Preference (Fourth Amendment) Regulations, 2010 dated 28th February 2011

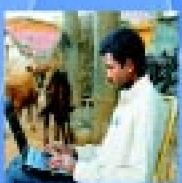
(vii) The Telecommunication Customer Education and Protection Fund (Amendment) Regulations, 2011 dated 7th March 2011

(viii) The Telecom Commercial Communications Customer Preference (Fifth Amendment) Regulations, 2010 dated 18th March 2011

(ix) The Telecommunications (Broadcasting and Cable Services) Interconnection (Sixth Amendment) Regulations, 2010 dated 30th July 2010







49. The details of these Regulations are as under:

(i) The Telecom Commercial Communications Customer Preference Regulations 2010 and Amendments

50. TRAI framed an important Regulation to curb Unsolicited Commercial Communications and dissatisfaction of customers on this account. For this purpose, TRAI initiated the consultation process in May 2010 and after extensive discussions with all stakeholders, TRAI has issued **"The Telecom Commercial Communications Customer Preference Regulations 2010".** Unlike the previous Regulations which provided only for a Do Not Call Registry, the Regulations issued provide a wide choice to the customer. He may choose to be under the 'fully blocked' category which is akin to the Do Not Call Registry under the previous Regulations or he may choose the 'partially blocked' category, in which case he will receive SMSs in the category/categories chosen by him. The 'partially blocked' category is like a Do Call Registry. By the continuous effort of the Authority, all the provisions of the principal regulations came into force w.e.f. 27th September 2011.

1st Amendment	Regulations shall come into force as may be specified by the Authority from time to time.
2nd Amendment	Registration of Telemarketers shall come in force from 15th January, 2011.Other provisions shall come into force from 1st February 2011
3rd Amendment	Registration of Telemarketers has come in force from 15th January, 2011. Registration of customer preference shall come in force from 10th February 2011 and the other provisions of the Regulations from 1st March, 2011.
4th Amendment	Registration of Telemarketers has come in force from 15th January, 2011. Registration of customer preference has come in force from 10th Feb, 2011 and other provisions from 21st March, 2011.
5th Amendment	Other provisions from such dates as may be specified by the Authority.

(ii) The Telecommunications Mobile Number Portability (Second Amendment) Regulations, 2010 dated 24th November 2010

51. TRAI issued the "Telecommunication Mobile Number Portability Regulations, 2009" on 23rd September 2009. Mobile Number Portability (MNP) allows the subscribers to retain their existing mobile telephone number when they move from one Access Provider to

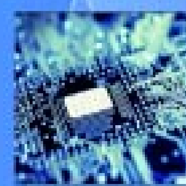
another irrespective of the mobile technology or from one cellular mobile technology to another of the same Access Provider, in a licensed service area. The facility of retention of existing mobile telephone number despite moving to a new telecom service provider helps the subscriber maintain contacts 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. The Second Amendment to this Regulation was issued on 24th November 2010, and by this certain provisions of the principle regulations came into force in Haryana Service Area with effect from 25th November 2010. Further, in terms of this amendment, the timelines for Donor operator in the regulation 10 of the principal regulations was modified from 24 hrs to 4 working days due to security reasons.

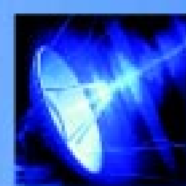
(iii) The Telecommunication Customer Education and Protection Fund (Amendment) Regulations, 2011 dated 7th March 2011

52. To enable the service providers transfer unrefunded money of customers lying with them to an account opened in the Corporation Bank in the name of "Telecommunication Consumers Education and Protection Fund" (TCEPF), the Authority had notified a regulation called the Telecommunication Consumers Education and Protection Fund Regulations, 2007. To give better representation to the Consumer Advocacy Groups registered with TRAI in the Committee on Utilisation of Telecommunication Consumers Education and Protection Fund, the Authority made amendment the Telecommunication Consumers Education and Protection Fund Regulations, 2007 (6 of 2007) vide notification dated 7th March 2011 after inviting comments of all stakeholders, thereby increasing the representation of CAG in the Committee from two to five.

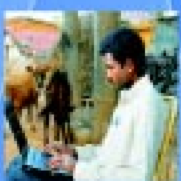
(iv) The Telecommunication (Broadcasting and Cable Service) Interconnection (Sixth Amendment) Regulation

53. The consultation paper for the purpose was issued on 6th April, 2010. The consultation paper had grouped the issues posed for consultation into two broad categories, namely, interconnection issues and tariff issues. Issues relating to tariff have been addressed separately. Considering all the aspects of the matter as emerging from the consultation process, the Authority amended the interconnection regulation by amending the definition of the HITS operator to provide for use of both C and Ku band by these operators. Since the policy guidelines issued by the Ministry of Information and Broadcasting permit HITS operator to distribute multi channel TV programmes on its own cable network (after first downlinking the signals at its










terrestrial receiving station) and also provides for HITS operator to be a passive infrastructure facility provider to other MSO or consortium of cable operators, the scope of the existing definitions of "HITS operator" and "multi system operator" have been appropriately enlarged. Accordingly, The Telecommunication (Broadcasting and Cable Service) Interconnection (Sixth Amendment) Regulation was issued on 30th July 2010.

54. During the year 2010-11, TRAI issued the following tariff order.

(i) The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Service) Tariff Order 2010 dated 21st July 2010

55. TRAI notified the "The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 (1 of 2010) dated the 21st July 2010". The cable and satellite TV sector of the country is largely analog and non- addressable. The analog systems have capacity and quality constraints and cannot offer choice to the subscribers. The Authority has been working actively to promote Digital Addressable systems so as to improve the overall quality of service to the consumers. The tariff order issued, on 21st July 2010, is in line with these efforts. This tariff order covers all digital addressable systems such as DTH, HITS, IPTV, and digital addressable Cable TV.

56. The Tariff Order provides for a-la-carte choice of channels to the subscribers. In addition to a-la-carte provisioning of channels, the operator can also offer bouquet of channels. The price of channels / bouquets to the subscribers is under forbearance but there shall not be any increase in subscription charges for 6 months from the date of enrolment with the operator. An operator can specify monthly subscription, not exceeding Rs 150/- (excluding taxes) per month per subscriber, for availing the services of the operator. At the wholesale level, the broadcaster are mandated to offer channels on a-la-carte basis to the operators of addressable platforms, at a rate which shall not exceed 35% of their corresponding rates in non-addressable system. In addition to this the broadcasters can optionally offer bouquets also, however the composition of the bouquets has to be same as that offered in the non-addressable system, and its rates shall also not exceed 35% of their corresponding rates in the non-addressable system.

57. TRAI issued following directions to the Service Providers during the year 2010-11 for compliance of its order / Regulations:

(i) Direction dated 3rd December 2010 to all Cellular Mobile Telephone Service Providers and Unified Access Service Providers regarding changes being levied on the subscriber for sending SMS to short code number 1900,

(ii) Direction dated 18th January 2011 to all Cellular Mobile Telephone Service Providers, Unified Access Service Providers and Mobile Number Portability Service Providers regarding implementation of Mobile Number Portability in all Telecom Service Areas w.e.f 20th January 2011,

(iii) Amendment dated 21st January 2011 of the Direction of 10th February 2010, to all Cellular Mobile Telephone Service Providers, Unified Access Service Providers and Mobile Number Portability Service Providers regarding unique porting code

(iv) Direction dated 22nd February 2011 to M/s Idea Cellular Ltd., regarding application of Interconnection Usage Charge on Short Message Service (SMS)

(v) Direction dated 22nd February 2011 to M/s Bharti Airtel Ltd., regarding application of Interconnection Usage Charge on Short Message Service (SMS)

58. The details of the directions issued to the Service Providers during the year 2010-11 are discussed below.

i) Direction dated 3rd December 2010 to all Cellular Mobile Telephone Service Providers and Unified Access Service Providers regarding changes being levied on the subscriber for sending SMS to short code number 1900

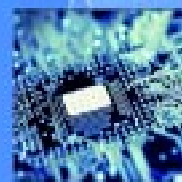
59. Through this direction, the Authority directed the Cellular Mobile Telephone Service Providers and Unified Access Service Providers to treat the SMS sent to short code number 1900 requesting for unique porting cord for the purpose of Mobile Number Portability, as ordinary SMS for the purpose of charging and the rate for such SMS shall not exceed the tariff applicable for ordinary SMS under the tariff plan opted by the subscriber.

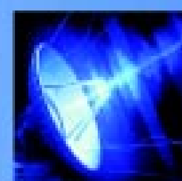
ii) Direction dated 18th January, 2011 regarding implementation of Mobile Number Portability in all Telecom Service Areas w.e.f. 20th January 2011.

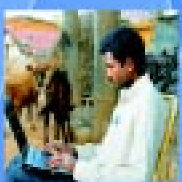
60. Through this Direction, the Authority brought the Regulation 6 (Eligibility criteria for making a porting request), 7 (Request for porting of Mobile Number), 8 (Action by recipient operator), 9 (Action by MNP Service Provider), 10 (Action by donor operator), 11 (Porting of mobile number), 12 (Grounds for rejection of porting request by donor operator) and 13 (Withdrawal of porting request) of the Telecommunication Mobile Number Portability Regulations, 2009 into effect in all telecom service areas in the Country from 20th Jan. 2011.

iii) Direction dated 21st January 2011 regarding Amendment to Direction No. 116-9/2009-MN dated 10th February 2010

61. TRAI vide its Direction dated 21st January 2011 amended the Direction dated 10th February 2010. As per the Direction dated 10th February 2010,





Unique Porting Code (UPC) shall consist of eight characters of which the first two characters shall be alphabets which denote the service provider code and the service area code specified by the Authority in the Annexure A and B attached to said Direction and the remaining 6 characters shall contain 1 to 9, A-N & P-Z only, and small letters and the alphabet 'O' shall not be allowed.

62. Mobile Number Portability has been implemented in Haryana Service area from 25th November 2010 and the reports received from the service providers revealed that the number of rejections occurred due to entry of incorrect unique porting code by the subscribers / Recipient Operators is quite high which is primarily due to mistakes in either reading or writing of alpha numeric characters as some alpha-numeric characters e.g. 'I & l', 'U & V', 'S & 5' etc. are prone to be wrongly entered.

63. Therefore, in the interest of consumer, the Authority made the amendment in the Direction dated 10th February 2010 so as to make the format simple. The revised UPC format shall consists of eight characters of which the first two shall be alphabets that denote the Service Provider code and Service Area code specified by the Authority in the Annexure A and B attached to the Direction and the remaining six character shall contain numeric character 1 to 9 only, and the character '0' is not allowed.

(iv) **Direction dated 22nd February 2011 to M/s Idea Cellular Ltd., regarding application of Interconnection Usage Charge on Short Message Service (SMS)**

(v) **Direction dated 22nd February 2011 to M/s Bharti Airtel Ltd., regarding application of Interconnection Usage Charge on Short Message Service (SMS)**

64. With a view to ensure compliance of provisions of "Schedule IV" of Telecommunications Interconnection Usage Charges Regulations, 2003 dated 29th October 2003, the Authority directed M/s Bharti Airtel Ltd. and M/s Idea Cellular Ltd. to stop applying discriminatory termination charges on SMS.

65. During the year 2010-11, TRAI had initiated sixteen consultation papers. Out of these consultation processes, eight consultations have culminated in issue of recommendation / Regulations/ Orders. The remaining eight Consultation Papers on which the process of consultation has not been concluded are as follows:

(i) Consultation Paper dated 2nd August 2010 on Review of measures to protect interest of consumers in the telecom sector

66. While increasing telecom service penetration is bringing in more people in its fold, value added services are gaining increasing share of the sector. Effective protection of consumer

Open House Discussion on 'Review of Measures to Protect the Interest of Consumers in the Telecom Sector'
at New Delhi on 25th February, 2011

Open House Discussion on 'Review of Measures to Protect the Interest of Consumers in the Telecom Sector'
at Chennai on 21st January, 2011

Open House Discussion on 'Review of Measures to Protect the Interest of Consumers in the Telecom Sector'
at Lucknow on 11th March, 2011

Open House Discussion on 'Review of Measures to Protect the Interest of Consumers in the Telecom Sector'
at Kolkata on 16th March, 2011

interest continues to be of paramount importance. TRAI has issued various regulations from time to time on this issue. While these regulations have helped address consumer grievances, nevertheless, it is the endeavour of TRAI to continually evolve the grievance redressal mechanism for further benefit of the consumers. In order to initiate focused discussion on all the pertinent issues, the Authority issued a consultation paper on 'Review of measures to protect the interest of consumers" on 2nd August 2010.

(ii) Draft Amendment to the Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006

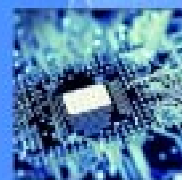
67. Subsequent to acceptance of TRAI's recommendation Provision of Calling Cards by Long Distance Operators" by DOT and simultaneous resultant amendment in the related clauses of the NLD and ILD Licences agreement, NLDOs and ILDO became eligible to issue calling cards for national and international long distance calls respectively. Amendment to the IN Regulations became necessary so that the Service Providers can enter into agreement with all other service providers who are already providing IN based services or would start IN based services at a later date in a time bound manner in the consumer interest. Draft amendment to the said regulations was issued to get comments of the stakeholders.

(iii) Consultation Paper dated 13th October 2010 on "Certain Issues relating to Telecom Tariffs"

68. Transparency in the provision of telecommunication services and tariff offers has always been and continues to be of prime concern to the Authority. TRAI has in the past taken several steps for enhancing transparency in tariff offers. In the context of representations from consumers and their representatives seeking further effective transparency measures, TRAI issued a Consultation Paper on "Certain Issues relating to Telecom Tariffs" on 13th October 2010.

(iv) Consultation Paper dated 28th October 2010 on Quality of Service requirements for delivery of basic financial services using mobile phones

69. An Inter Ministerial Group (IMG) constituted by the Government of India has prepared a framework for the delivery of basic financial services using mobile phones. The group has entrusted TRAI with the task of ensuring Quality of service for financial services. In order to initiate focused discussion on all the pertinent issues regarding quality of service parameters required to support financial transaction using mobile telephones, TRAI issued a consultation paper on "Quality of Service requirements for delivery of basic financial services using mobile phones" on 28th October 2010.



(v) Consultation Paper dated 2nd November 2010 on Issues relating to blocking of IMEI for lost/stolen Mobile handsets

70. Presently, there is no mechanism in place to block a mobile phone in case it is lost. TRAI issued this consultation paper, which brings out various issues relating to blocking of IMEI for lost/stolen mobile handset.

(vi) Consultation Paper dated 3rd November 2010 on Revenue Sharing Arrangement for Intelligent Network Services

71. It was observed that despite being allowed by the IN Services Regulation to do so, some of the service providers could not arrive at mutually agreed revenue share arrangement. Also, even after permission being granted to the NLD and ILD operators for issuing calling

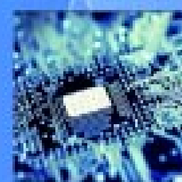
Open House Discussion on 'Revenue Sharing Arrangement for Intelligent Network Services' and 'Issues Relating to Blocking IMEI for Lost/Stolen Mobile Handsets'
at New Delhi on 11th February, 2011

cards, no agreement were being filed with TRAI, by any of the service providers, even after a lapse of more than one year of amendment of licence conditions. Some of the service providers requested TRAI to prescribe interconnection and commercial arrangement between service providers for calling card services. To address these issues, the Authority issued the consultation paper on Revenue Sharing Arrangement for Intelligent Network Services on 3rd November 2010 to arrive at a framework by which interconnecting service providers may be fairly compensated for IN services.

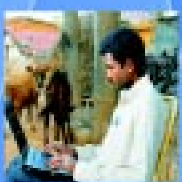
(vii) Consultation Paper dated 25th January 2011 on Issues arising out of provisioning and Delivery of Basic Financial Services using Mobile Phones in the context of Pricing of Services by mobile Service Providers

72. Despite the expansion of the banking network during the last four decades, a sizeable proportion of the households, especially in rural areas, do not have a bank account. The fast growing roll-out of mobile services into these areas is seen as a medium to deliver basic financial services to this segment of

Open House Discussion on 'Quality of Service requirements for Delivery of Basic Financial Services using Mobile Phones'
at Mumbai on 23rd March, 2011








population. An Inter Ministerial Group (IMG) constituted by the Government of India has prepared a framework for the delivery of basic financial services using mobile phones. This framework entrust TRAI with the task of resolving all issues arising out of the provisioning and pricing of such services by the Mobile Service Providers. In order to identify and address the various issues related to the provisioning and pricing of delivery of financial service using mobile phone, the Authority has issued this consultation paper.

(viii) Consultation Paper on Technical Interoperability of the DTH Set Top Boxes (STB)

73. DTH services in India have registered a very impressive growth since their inception in the year 2003. DTH service providers currently follow different standards in terms of transmission, compression and encryption technologies. Technical interoperability enables subscriber to receive signals from any DTH service provider using same STB. Referring to the earlier recommendations of TRAI on the subject, Government requested TRAI to reconsider the issue of technical interoperability in the DTH Services. To undertake the issue with the stakeholders, TRAI issued a consultation paper on "Technical interoperability of the DTH set top boxes" on 20th August 2010.

74. Further the working and operation of Telecom Regulatory Authority of India in the specific context of policy framework which has been discussed in the previous parts is reviewed in the following paragraphs in respect of (A) Rural Telephone Network; (B) Expansion of Telephone Network; (C) Entry of Private Sector in basic and value added service; (D) Technical Compatibility and effective interconnection with service providers; (E) Telecommunication Technology; (F) Implementation of National Telecom Policy; (G) Quality of Service; and (H) Universal Service Obligation are elaborated below.

(A) & (B) RURAL TELEPHONE & EXPANSION OF TELEPHONE NETWORK

75. TRAI has always been conscious of the need for expanding the telephone network in rural areas. In June, 2010, again, it has launched a Consultation Paper on the National Broadband Plan which has received wide and enthusiastic response from all stakeholders. Based on the Consultation process and internal analysis, the Authority gave its recommendations on "National Broadband Plan" to the Government on 08th December 2010. Through the recommendations on "National Broadband Plan", TRAI has recommended for establishment of a National Broadband Network. This network will be an open access optical fibre network connecting all habitation with population of 500 and above. This Network will be established in two phases. The first phase covering all cities, urban areas and Gram Panchayats

will be completed by the year 2012. Phase II will be the extension of the network to all the habitations having population more than 500, to be completed by the year 2013. This network will be established at a cost of about Rs. 66,000 crore It will be financed by USO fund and the loan given/guaranteed by Central Government.

(C) ENTRY OF PRIVATE SECTOR IN BASIC AND VALUE ADDED SERVICES

76. At present, there are a total of 279 Access Service licensees providing basic and cellular mobile services in the country. The license wise break up is as below:

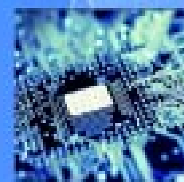
Type of Licence	Number of licences
Basic	2 (PSUs- BSNL and MTNL)
CMTS	37
UAS	240

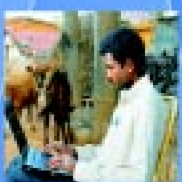
77. Value Added Services are attaining increasing importance as variety of applications and services can be provided through mobile phones meeting the informational, entertainment and other needs of the customers. TRAI in its recommendations on “Spectrum Management and Licensing Framework” issued in May 2010, recognised the need to develop a healthy ecosystem for value added services and indicated to initiate a consultation process separately to identify measures for the proper growth of the VAS industry. In consultation with TRAI, a study paper on “Mobile Value Added Services (MVAS) – A vehicle to usher in inclusive growth and bridge the digital divide” was released by ASSOCHAM in January 2011. The study paper identified issues for the growth of MVAS industry including policy framework, support infrastructure and high equilibrium ecosystem.

(D) TECHNICAL COMPATIBILITY AND EFFECTIVE INTERCONNECTION BETWEEN SERVICE PROVIDERS

78. 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.

79. 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. The prevailing IUC Regulation dated 9th



March 2009 became effective on 1st April 2009.

80. During the year, to review the IUC regulation, TRAI issued a pre-consultation paper on 24th December 2010 wherein the service providers were requested to furnish information on various aspects of IUC. Taking into consideration the inputs provided by these service providers and associations, a detailed consultation paper was issued on 27th April 2011 and an addendum thereto on 29th April 2011. With a view to ensure compliance of provisions of "Schedule IV" of IUC Regulation, TRAI has also issued direction dated 22nd February 2010 to M/s Bharti Airtel Ltd. and M/s Idea Cellular Ltd. wherein, the Authority directed them to stop applying discriminatory termination charges on SMS.

(E) TELECOMMUNICATION TECHNOLOGY

81. Development of telecommunications technology has a profound impact on how regulatory practices evolve over time. Through research and analysis TRAI seeks to understand the drivers of change in telecommunications particularly convergence in various forms. Of special importance are the implications of new development on the network, services and regulation. To develop useful knowledge base and share it with the industry, TRAI decided to publish a monthly technology digest consisting of a fairly detailed coverage of an area of topical interest and a Quarterly Technology as a reference material for some of the finest papers published in telecommunications journals. TRAI also organises seminars and workshops on new developments is telecom technologies and issues study reports for the benefit of the industry. Some of the important activities undertaken in this regards are as follows:

(i) Next Generation Network (NGN)

82. Next Generation Network (NGN) is an area of contemporary importance. TRAI accelerated its efforts in this area during the financial year. After tracking international developments, it decided to engage an international consultant with considerable international experience for assisting TRAI in making a consultation paper that could be used to elicit comments from the stakeholders for establishing appropriate policy and regulatory framework on NGN. An Expression of Interest (EOI) was floated on 5th January 2011 for consultancy services on 'migration to Next Generation Networks (NGN)'. This resulted in eventual selection of M/s SBR Juconomy of Germany to prepare an exhaustive report and a consultation paper on NGN. Work on these documents is under progress.

(ii) Publication of Technology Digest

83. Following its decision to indentify and share technology trends with the

industry, TRAI has decided to publish a monthly Technology Digest. Some of the areas that have been identified for publication are Backhaul Systems, Advanced Antenna Technologies, Machine to Machine Communication, Next Generation Optical Access and Cognitive Radio Systems. Preparations are underway to publish quarterly journal consisting of some of the best telecommunications articles published in international journals in the last 2-3 years. To this end an editorial committee consisting of eminent academicians from prestigious institutions have been formed.

(F) IMPLEMENTATION OF NATIONAL TELECOM POLICY (NTP)

84. The NTP 1999 *inter-alia* envisaged the following**:**

- Availability of affordable and effective communications for the citizens
- 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;
- Encourage development of telecommunication facilities in remote, hilly and tribal areas of the country.
- Strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities
- Achieve efficiency and transparency in spectrum management
- Spectrum to be utilised efficiently, economically, rationally and optimally.
- Considering the growing need of spectrum for communication services, there is a need to make adequate spectrum available. Appropriate frequency bands have historically been assigned to defence & others and efforts would be made towards relocating them so as to have optimal utilisation of spectrum. Compensation for relocation may be provided out of spectrum fee and revenue share levied by Government
- To promote indigenous telecom equipment manufacture for both domestic use and export
- To take necessary steps so as to facilitate expeditious approvals for right-of-way clearances to all service providers

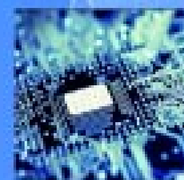
85. In order to achieve the above, TRAI has undertaken consultations on the following major issues during the year 2010-11:

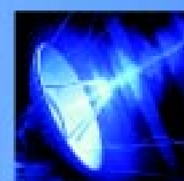
(i) Spectrum Management and Licensing Framework

(ii) Efficient Utilization of Numbering Resources

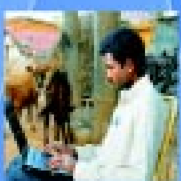
(iii) Comprehensive approach to tackle unsolicited commercial communications

(iv) National Broadband Plan








(v) Telecom Equipment Manufacturing Policy

(vi) Telecommunications Infrastructure Policy

(G) QUALITY OF SERVICE (QOS)

86. The Authority, in exercise of its functions under Section 11 (1) (b) (v) of the TRAI Act, has prescribed the Quality of Service standards for Basic Telephone Service (wireline), Cellular Mobile Telephone Service and Broadband Service. For effectively ensuring the compliance of the QoS regulations with respect to the benchmarks for various parameters prescribed by TRAI, following steps are taken:

(i) Objective Assessment of QOS through an Independent Agency

87. TRAI is closely monitoring the performance of Service Providers against the Quality of Service benchmarks laid down for various parameters in the regulations through Quarterly Performance Monitoring Reports (PMRs) and monthly Congestion Reports received from the service providers service area wise.

88. With a view to check the authenticity of the 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. These agencies assess the quality of service through live measurement, drive test, verification of the records, through test calls and check back with customers. The results of these audit and survey reports and also the PMR reports are widely published for public/ stakeholders knowledge through TRAI websites and through newspapers.

89. Further, in accordance with Telecom Consumers Protection and Redressal of Grievances Regulations, 2007 and subsequent instructions thereupon, the complaints booked with call centres, nodal officers and appellate authorities of Service Providers are monitored. The matters of concern arising out of Quality of Service monitoring, audit and survey are taken up with service providers.

(ii) Transparency in billing through audits of the service providers billing system

90. To bring transparency in billing, the TRAI has through Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006 has prescribed a Code of Practice for Metering and Billing Accuracy, which every service provider

has to comply with. These regulations also mandate the service providers, to get their metering and billing system audited every year through any one of the auditor from the panel notified by TRAI and to submit to TRAI audit report thereon by 30th June of every year. The service providers are also required to submit to TRAI action taken report on the inadequacies, if any, pointed out by the auditor by 30th September of every year. In addition to this, various customer complaints relating to VAS provisioning and wrong billing are forwarded to Audit agencies for verification during audit and corrective actions thereupon. The systemic deficiencies observed during audit are to be corrected in a time bound manner. The audit of the metering and billing system is in operation since year 2006-07 and this has helped the service providers to improve their system processes in billing and reduced incidences of consumer complaints.

91. TRAI has also taken the following measures for protecting the interest of consumers:

(i) The Telecom Commercial Communications Customer Preference Regulations, 2010

92. TRAI initiated consultation process in May 2010 to curb the unsolicited Commercial Communications. After extensive discussions with all stakeholders, TRAI issued "The Telecom Commercial Communications Customer Preference Regulations 2010" on 1st December 2010. As per the provisions of The Telecom Commercial Communications Customer Preference Regulations, 2010, registration of telemarketers has started on web portal www.nccptrai.gov.in from 15th January, 2011 and registration of customer preference on National Customer Preference Registry (NCPR) has started from 10th February, 2011.

93. The main features of The Telecom Commercial Communications Customer Preference Regulations, 2010 are as under:

(i) Option to customer to exercise his preference

(ii) A simple and easy procedure for exercising option by the customer

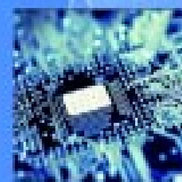
(iii) Easy registration of the telemarketer with effective identification

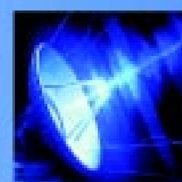
(iv) Sharing of National Customer Preference Register with service providers and telemarketers so that telephone database can be effectively scrubbed before initiating telemarketing activities.

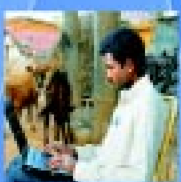
(v) Filtering and auto-blocking of calls and SMS to customers according to their options, if any

(vi) Disconnection of telecom resources of defaulting telemarketers and blacklisting to ensure that they do not get any telecom resources from any other access provider

(vii) Adequate provision to effectively implement the provisions of the Regulations





94. These Regulations provide a wide choice to the customer. He may choose to be under the 'fully blocked' category which is akin to the Do Not Call Registry under the previous Regulations or he may choose the 'partially blocked' category, in which case he will receive SMSs in the category/categories chosen by him.

(ii) Mobile Number Portability

95. Based on the guidelines on Mobile Number Portability issued by the Government, TRAI had issued Mobile Number Portability (MNP) Regulations in 2009. During the year 2010-11, TRAI continued its effort in this direction and the MNP services started in Haryana Licensed service area with effect from 25th November 2010 and in the rest of the country from 20th January 2011. Accordingly, the Telecommunications Mobile Number Portability (amendments) Regulations were issued. Further due to security reasons, the timelines in the regulation 10 of the MNP Regulations for the Donor operator to accept or reject the porting request has been increased from 24 hours to 4 working days. This has made the total porting time from 4 days to 7 working days in all the service areas other than Assam, J&K and North-East service area where it will be 15 working days. As per the data reported by the Service Providers, by the end of March 2011 about 64.22 Lakh subscribers have submitted their requests to different service providers for porting their mobile number.

(H) UNIVERSAL SERVICE OBLIGATION (USO)

96. In its recommendations on 'Spectrum Management and Licensing Framework' dated 11th May,2010 TRAI has opined that the present roll out obligations are very lenient and are urban centric. The roll out obligations prescribed in the licence does not carry any condition regarding rural coverage and the service providers are mandated to provide coverage only in the district headquarters or major towns. The result is that even 15 years after the introduction of mobile service in the country, the rural teledensity is still below 25. Spectrum is a scarce resource and the service providers are expected to use it optimally and provide coverage and service in the entire Service area including the rural areas. However, experience reveals the picture to be otherwise. Though, 6-7 operators have been licensed for more than 5 years, most of them are yet to cover a large number of villages. The USO Fund is also not the answer as since June, 2007, when it launched the scheme of providing subsidy for installation of towers and providing mobile service in the rural and remote areas, only 6956 towers had been commissioned till 31.12.09.

97. Keeping its objective of coverage of all the villages/habitations with a population of 500 and above within the next three years, the Authority in its recommendations adopted two-fold

approach to this challenge. One segment of this approach is to impose a full service obligation on the service providers for coverage of Habitations having a population of more than 2000 in a phased manner. Further, in order to facilitate the coverage of smaller habitations too, TRAI recommended that those licensees who have covered 50% of the habitations with a population of 500-2000 be given a reduction of 0.5% in the annual licence fee and those licensees who have covered 100% (90% & above to be treated as 100%) of the habitations with a population of 500-2000 should be given a 2% discount in the annual licence fee. This discount will be given from the licensee's contribution towards the Universal Service Obligation Fund.

98. Further TRAI recommended that Universal Service Obligation fund should be utilised to provide broadband to all the villages having a population of more than 1000 to start with and later extend the same to all habitations having a population of 500 and above. Accordingly, in its recommendations on 'National Broadband Plan' of December 2010, TRAI recommended that the USO fund should be utilised to lay optical fibre cable from Block Head Quarters (BHQ) to villages so as to fulfil the backhaul bandwidth requirement for provision of broadband in the rural areas. To implement the laying of OFC in a time bound manner, TRAI recommended for formation of National Optical Fibre Agency (NOFA) and State Optical Fibre Agency (SOFA).

99. In its consultation papers on 'Issues related to Telecommunications Infrastructure Policy" dated 16th January, 2011, TRAI again deliberated on the subject of measures to promote telecom services in the rural areas. In its recommendations on "Recommendations on Issues related to Telecommunications Infrastructure Policy" issued in April 2011, it recommended:-

a. In future, application of USO fund should be restricted to

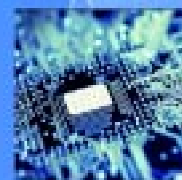
   i. Provision of telecommunication facility in habitations having a population of less than 500; and

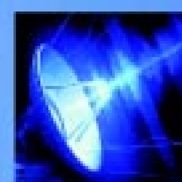
   ii. To lay optical fibre cable from District to Block head quarters and Block headquarters to villages so as to fulfil the backhaul bandwidth requirement for the provision of broadband and facilitate broadband growth in the rural areas.

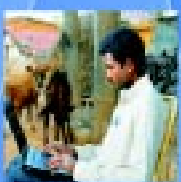
   iii. Any other use, if a commitment has already been agreed upon.

b. Applications like e-Health, e-Banking, e-Commerce, e-Education, e-Governance, e-Entertainment etc. are required to be developed and customized for the local needs.

c. The installation of towers and related equipment in rural areas serves the purpose of local population and to some





extent business organisations. Hence the requirement for land conversion (around 400 Square metre of land) for setting up tower in rural areas by the telecom service providers should be dispensed with.

d. State Electricity Boards should provide power supply to rural BTSs on priority basis.

Consumer Education

100. In January 2001, TRAI issued a Regulation formalizing the mode of its interaction with Consumer Organizations and NGOs related with telecom functions. This regulation provides the modalities for free registration of NGOs and Consumer Organizations with TRAI to enable two-way interaction on a sustainable basis. The registered Consumer Organizations/NGOs are kept informed about the developments by providing them with consultation papers, involving them in the consultation process and arranging their meetings with the Authority. The consumer groups and NGOs contribute to the policy formulation process of TRAI by bringing important consumer concerns to the notice of TRAI. At the end of March 2011, there were 41 consumer organizations registered with TRAI from all over the country.

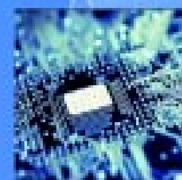
101. Though TRAI is not mandated to resolve individual consumer complaints, it takes up such complaints if they relate to systemic problems / shortcomings. Complaints received in TRAI also help gauge the performance of the sector. Based on such complaints, the Authority has addressed a number of issues, by issuing suitable directions, orders and regulations to protect the interests of consumers of telecom sector. It is important that consumers are aware of these so that their right and privileges can be effectively safeguarded. Focused on consumer education and capacity building of Consumer Advocacy Groups (CAGs), the Telecom Regulatory Authority organises workshops in different parts of the country. The service providers are also invited to these workshops so that they also become aware of these regulations and other steps initiated by TRAI to protect the interest of consumers, redressal of their grievances and offering qualitative services.

102. During the year 2010-11, TRAI conducted five regional workshops 1^{st} at Bangalore on 4.8.2010, 2^{nd} at Kolkata on 5.2.2011, 3^{rd} at Mumbai on 17.2.2011, 4^{th} at Lucknow on 10.3.2011 and 5^{th} at Shillong on 15.3.2011. Earlier in May 2010, the Authority held a special meeting of Chief Executive of Service Providers and CAGs to discuss issues such as transparency in tariff orders, problem of prepaid subscribers, and effective grievance redressal at call centre etc. which are of primary concern to the consumers and the CAGs. Annual meeting Consumer Advocacy Groups registered with TRAI has also been conducted at Chennai on 17.12.2010.

Regional Consumer Education Workshop for Eastern Zone
at Kolkata on 5th February, 2011

Regional Consumer Education Workshop for Western Zone
at Mumbai on 17th February, 2011

Regional Consumer Education Workshop for Northern Zone
at Lucknow on 10th March, 2011



Regional Consumer Education Workshop for North-Eastern Zone
at Shillong on 15th March, 2011

103. Authority approved holding of 100 District/Block level Consumer Education Workshops during the year 2010-11 by the consumer Advocacy Groups (CAGs) registered with TRAI, out of which they have organized 72 workshops in different parts of the country. In order to include Consumer Advocacy Groups from each zone and Internet Service Providers Association of India in the Committee for Utilisation of Consumer Education and Protection Fund (CUTCEF), Telecommunication Consumer Education and Protection Fund Regulations have been amended and notified on 7^{th} March 2011. The CUTCEF has been accordingly reconstituted on 24^{th} March 2011.

104. From January 2011, monthly News letter conveying important activities/ initiation taken by the Authority in telecom sector are being circulated to all registered CAGs. TRAI has been issuing various Regulations and Orders to protect the interests of consumers of telecom services from time to time. A handbook containing some important Regulations, directions and orders was compiled by the Authority for information of all stakeholders and this compilation is available in the website of TRAI.

International Relations

105. TRAI's activities in International cooperation, MOUs with Regulators / Organisations of other countries, participation in International events and visits of International delegations are discussed in the following paragraphs.

(i) Participation in International events

(a) TRAI-MIC (Ministry of Internal Affairs & Communications, Japan) Policy Dialogue took place in TRAI on 6th April 2010 for sharing the experience and expertise in telecom regulation and competition policy. The Japanese delegation was headed by Mr. Sakurai, Director General, Telecommunication Bureau, MIC Japan.

(b) Post International Telecommunication Union (ITU) WTDC-2010 (World Telecommunication Development Conference), TRAI held a meeting on 28th May 2010 with Ambassador Philip L. Verveer, US Coordinator for International Communications and Information Policy and Mr. Julius Genachowski, Federal Communications Commission (FCC) Chairman. Top executive of telecom and broadcasting

Chairman, TRAI in a meeting with Ambassdor Philip L. Verveer, US Coordinator for International Communications and Information Policy and Mr. Julius Genachowski, Chairman, FCC on 20th May, 2010

Principal Advisor (FA&IFA), Principal Advisor (Legal), Member, Advisor (CN) & Principal Advisor (TD) (L to R) were also present in the meeting sectors were also present in the meeting.

(c) Asia-Pacific Telecommunity (APT)'s South Asian Telecommunication Regulator's Council (SATRC) Working Group meeting on 'Policy and Regulation' took place in TRAI premises from 9th to 10th August 2010. The meeting was attended by representatives from SATRC's member countries viz. Afghanistan, Bangladesh, Bhutan, Iran, Maldives, Nepal, Pakistan and Sri Lanka.

(d) A delegation led by Chairman, TRAI comprising of Member and Senior officers of TRAI visited USA from 23rd to 27th August 2010. Meetings were held at FCC, US Department of State at Washington. Meetings were also held with US Industry and investors at New York and Boston during the period.

(e) India-Japan Joint Meeting was held at Tokyo, Japan from 27th September to 1st October 2010. A delegation led by Chairman TRAI, comprising of Member, Senior Officers of TRAI, representatives from Indian Telecom & Broadcasting Industry and Academic Institutions, participated in the same.

Visit of Indian Delegation to Tokyo during 27th September to 1st October, 2010

TRAI Delegation in a meeting with MIC Japan at Tokyo

Chairman, TRAI with Mr. Tetsuo Yamakawa, Vice-Minister for Policy Coordination, Ministry of Internal Affairs & Communications

(f) TRAI participated in the 10th Global Symposium for Regulators, which was held from 9th to 12th November 2010 at Dakar, Senegal.

(g) A meeting between TRAI and MTN, the largest Cellular operator in South/ Southern Africa was held in New Delhi on 24th November 2010.

(ii) Visits of International Delegations to TRAI:

a) ETA Delegation

Six member delegation from Ethiopian Telecommunication Agency (ETA), Ethiopia visited TRAI on 12th April 2010 on study visit.

b) Indonesian Delegation

Mr. Subagio, Director of Government Communication Institution and a Seven member delegation from Ministry of Communication and Information, Indonesia visited TRAI on 30th April 2010 to study the communication, its maintenance and broadcasting system in India.

c) UAE

H. E. Mohamed Nasser Al Ghanim, Director General, Telecommunication Regulatory Authority (TRA), UAE visited TRAI on 25th June 2010 for bilateral discussions with Chairman TRAI.

d) Tanzania

Mrs Mary Dotto, Frequency Management Engineer, Tanzania Communications Regulatory Authority (TCRA) visited TRAI for five days study visit from 19th to 23rd July 2010.

e) Executives from MTN, South Africa

A meeting with MTN Executives was chaired by Secretary TRAI on 24th November 2010. The meeting was requested by them to get an insight into the telecom policies and the regulatory environment in India.

f) USIBC Delegation

A delegation from U.S.- India Business Council (USIBC) comprising of Executives from top ICT companies and Telecommunications Industry Association visited TRAI on 6th December 2010 for a meeting with the Authority.

Visit of USIBC Delegation to TRAI on 6th December, 2010

g) USA

Ambassador Phillip Verveer, US Coordinator for International Communications and information Policy and Deputy Assistant Secretary of State with their member delegations visited to TRAI on 09.12.2010 for bilateral discussions with the Authority

Chairman TRAI, welcoming the delegation led by Director General, Zambia Information and Communications Technology Authority (ZICTA) on 25th January 2011

Secretary & Sr. Officers of TRAI with visiting Delegation from ZICTA on 25th January 2011

h) Zambia

A delegation led by Director General, Zambia Information and Communications Technology Authority (ZICTA) visited TRAI on 25th January 2011 for bilateral discussions with the Authority.

i) Japan

Mr. Tetsuo YAMAKAWA, Vice-Minister for Policy Coordination, Ministry of Internal Affairs and Communications visited to TRAI on 22.02.2011 for bilateral discussions.

j) **USIBC**

A delegation from U.S.-India Business Council (USIBC) visited to TRAI on 21st March 2011 for a meeting with the Authority.

Visit of Mr. Tetsuo Yamakawa, Vice-Minister for Policy Coordination, Ministry of Internal Affairs and Communications, Japan to TRAI on 22nd February, 2011

(iii) Memorandum of Understanding between TRAI and other Authorities / Organizations

106. During the year 2010-11, Memorandum of Understanding (MOU) was signed between Anatel, Brazil and TRAI on 26th May 2010, during ITU WTDC-10 meeting held at Hyderabad. The MoU was signed by H. E. Ambassador Ronaldo Sardenberg, President, Anatel and Dr. J.S. Sarma, Chairman TRAI. Besides this, MOU has already been signed with:

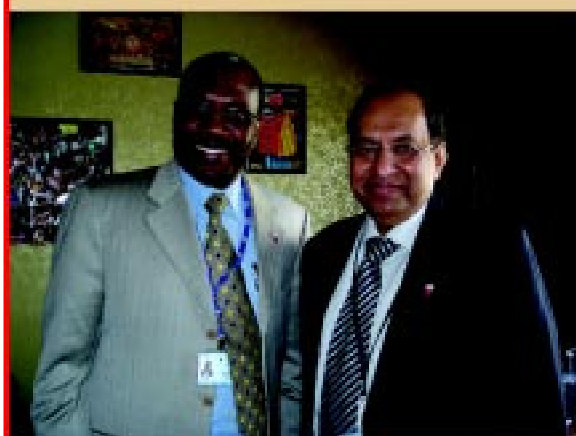
(a) NTRA, Egypt

(b) EETT, Greece

(c) MIC, Japan

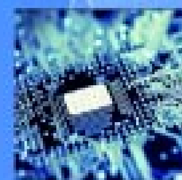
(d) Stanford University, California, USA

Chairman TRAI addressing the World Telecommunication Development Conference
at Hyderabad on 25th May, 2010



Chairman, TRAI with Dr. Hamadoun Touré, Secretary General, ITU

Chairman, TRAI with Mr. Masataka Kawauchi, Director General, International & Technology, Policy Coordination, MIC Japan

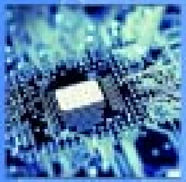


Chairman, TRAI and H.E. Ambassador Ronaldo Sardenberg, President, Anatel, Brazil exchanging MoU
on 26th May, 2010

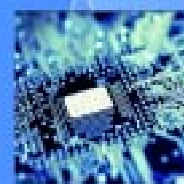
Chairman, TRAI briefing the Media at the end of Open House Discussion on 'Green Telecommunication'
at New Delhi on 18th March, 2011

PART-III

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



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

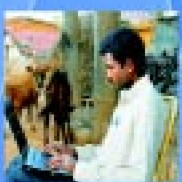


1. The Authority, in pursuance of achieving the objectives of ensuring growth of industry and protecting interest of consumers has made several Recommendations either suo moto or on matters referred to it by the Government; notified various Regulations to carry out purposes of the Act; taken action to enforce licence terms and conditions; and initiated work on several other issues. By discharging various recommendatory & regulatory functions, TRAI has contributed to growth of telecom services including the broadcasting and cable TV services in terms of increased number of consumers and a vast network providing telecom services across the length and breadth of the country. These continued measures have also 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 2010-11 are discussed in the following paragraphs.

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 dated 9.3.1999, forbearance means where 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. The per second pulse tariff schemes introduced in 2009-10 by the mobile service providers became a regular feature of tariff offers this year. Almost all service providers have on offers at least one per second tariff option in both the postpaid and prepaid segments. Some service providers have even offered per second plans with lifetime validity. The subscribers thus continued to enjoy low tariffs in the form of a variety of discounted offers in all service segments across all service areas and service providers.

6. The year was characterized by consolidation in price trends after the initial intensive competitive phase arising out of entry of the new players in GSM mobile segment. However, the implementation of Mobile Number Portability (MNP) encouraged the telecom service providers to introduce innovative tariff offers to attract subscribers from other telecom service providers, and also to come up with lower tariff rates and other attractive

offers for their existing subscribers as well. All these factors resulted in the mobile services becoming more affordable and expanding the already wide mobile subscriber base.

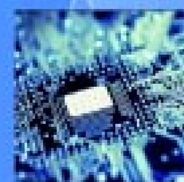
7. The Authority on 3rd December 2010 directed the Cellular Mobile Telephone Service Providers and Unified Access Service Providers to treat the SMS sent to short code number 1900 requesting for unique porting cord for the purpose of Mobile Number Portability, as ordinary SMS for the purpose of charging and the rate for such SMS shall not exceed the tariff applicable for ordinary SMS under the tariff plan opted by the subscriber.

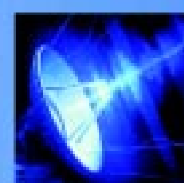
8. TRAI continued to monitor the retail tariffs on a regular basis; as per the reporting requirements, the service providers have been filing tariff with TRAI within seven days of implementation. Thousands of tariffs are filed with TRAI under this requirement and they are monitored by the TRAI. Though the service providers have been mandated to implement the tariff only after conducting a self check, TRAI examines the tariffs filed as well as those displayed in public domain by service providers with a view to ensure their consistency with regulatory guidelines.

9. Detailed analysis is also being carried out after obtaining the revenue and subscriber data from all the operators on quarterly basis. The results of the analysis are published through quarterly reports on "The Indian Telecom Services Performance Indicators". These periodical reports provide an update on growth trend for the telecom services in the country and present a broad perspective on the telecom services to serve as reference documents for various stakeholders. Besides this, the representations and complaints received from consumers and their organizations as well as media reports also give indication of possible inconsistencies of the prevailing tariff in the market with the regulatory guidelines. These complaints are examined in detail to find out the corrective measures in this regard.

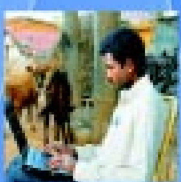
10. A general advisory was issued to all access service providers under the provision of TTO-1999 regarding prohibition of discriminatory tariff. Through this advisory, access service providers were advised to comply with the provisions in the context of special tariffs offers exclusively for MNP subscribers and immediately withdraw any tariff in operation which is inconsistent with the provisions of said TTO.

11. During the period 2010-11, in the Broadcasting & Cable Sector, two Consultation Papers relating to tariff were issued. This consultation process culminated in issue of the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order 2010 dated 21st July 2010. The details of the Tariff Order










have already been discussed in Part II of this Report.

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

12. 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. Recommendations given by TRAI to Government during 2010-11 are given below.

    i. Revised Recommendations dated 14th April 2010 on issues relating to Mobile TV services

    ii. Recommendations dated 11th May 2010 on Spectrum Management and Licensing Framework

    iii. Recommendations dated 30th June 2010 on Foreign Direct Investment Limits for Broadcasting Sector

    iv. Recommendations dated 22nd July 2010 on Issues relating to Uplinking/Downlinking of Television channels in India

    v. Recommendations dated 5th August 2010 on Implementation of Digital Addressable Cable TV Systems in India

    vi. Recommendations dated 20th August 2010 on “Efficient Utilization of Numbering Resources”

    vii. Recommendations dated 8th December 2010 on National Broadband Plan

    viii. Recommendations dated 18th November and 22nd December 2010 on Status of Roll Out Obligations in respect of Licenses issued from December 2006 onwards

    ix. Recommendations dated 8th February 2011 on ‘2010 Value of Spectrum in 1800 MHz band’

    x. Revised Recommendations dated 9th February 2011, on 3rd phase of Private FM Radio Broadcasting.

    xi. Revised Recommendations dated 22nd February 2011 on policy issues relating to Uplinking / Downlinking of TV channels in India

    xii. Revised Recommendations dated 22nd February 2011 on Implementation of Digital Addressable Cable TV Systems in India

13. Following recommendations are outcome of the consultation process taken during the period 2010-11:

(i) Recommendations on 'Telecom Equipment Manufacturing Policy'

(ii) Recommendations on 'Approach towards Green Telecommunications'

(iii) Recommendations on 'Telecommunications Infrastructure Policy'

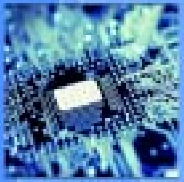
14. The details of these Recommendations have already been discussed in Part II of this Report.

C) ENSURING TECHNICAL COMPATIBILITY AND EFFECTIVE INTER-CONNECTION

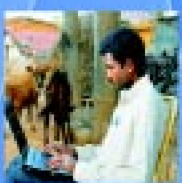
15. The steps taken by TRAI for ensuring Technical Compatibility and effective interconnection in respect of Telecom and Broadcasting & Cable Sectors are enumerated below.

16. 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. The IUC amendment that became effective from 1st April 2009 reduced the domestic termination to 20 paise per minute and increased international termination to 40 paise per minute.

17. 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 846.32 million in March, 2011

18. During the year, to review the IUC regulation, TRAI issued a pre-consultation paper on 24th December 2010 wherein the Service Providers were requested to furnish information on various aspects of IUC. Taking into consideration the inputs provided by these Service Providers and Associations, a detailed consultation paper was issued on 27th April 2011 and an addendum thereto on 29th April 2011. With a view to ensure compliance of the provisions of "Schedule IV" of IUC Regulations, TRAI has also issued Direction dated 22nd February 2010 to M/s Bharti Airtel Ltd. and M/s Idea Cellular Ltd. wherein, the Authority directed them to stop applying discriminatory termination charges on SMS.

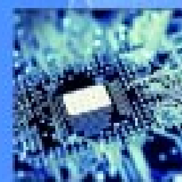
19. TRAI sent recommendations on "Provision of Calling Cards by Long Distance Operators" to the DOT on 20th August 2008**.** TRAI had recommended that License conditions of the NLD and ILD license may be amended to allow NLDOs and ILDOs to have direct access to consumers, through calling cards for provision of national and international voice telephony services, respectively. These recommendations were accepted by the DOT in August 2009 and licence conditions were appropriately modified. Subsequent to acceptance of TRAI's recommendation by DOT and simultaneous resultant amendment in the related clauses of the NLD and ILD Licences agreement, NLDOs and ILDO have now become eligible to issue calling cards for national and international calls respectively. TRAI issued draft Amendment to the Intelligent Network Services in Multi Operator Multi Service Scenario Regulations, 2006 on 12.10.2010 so that service Providers can enter into agreement with all other service providers in a time bound manner for the comments of stakeholders.

20. Government of India (Ministry of Information and Broadcasting) announced Policy guidelines for providing Headend-in-the-Sky (HITS) service in India on 26 Nov, 2009. Pursuant to the said announcement of HITS policy, the Ministry of Information and Broadcasting requested TRAI, vide its letter dated 10th December, 2009, to revisit the relevant interconnection regulations, tariff orders, etc., in order to take a view on whether there was any amendment required in them in the interest of the service so that the benefits of the policy can be fully achieved. On the basis of the said request, TRAI initiated a consultation process on the subject "Interconnection and Tariff Issues related to HITS services".

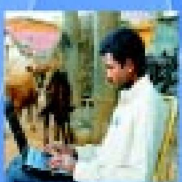
21. The consultation paper for the purpose was issued on 6th April, 2010. The consultation paper had grouped the issues posed for consultation into two broad categories, namely, interconnection issues and tariff issues. Issues relating to tariff have been addressed separately. Considering all the aspects of the matter including that emerging from the consultation process, the Authority amended the interconnection regulation by amending the definition of the HITS operator to provide for use of both C and Ku band by these operators. Since the policy guidelines issued by the Ministry of Information and Broadcasting permit HITS operator to distribute multi channel TV programmes on its own cable network (after first downlinking the signals at its terrestrial receiving station) and also provides for HITS operator to be a passive infrastructure facility provider to other MSO or consortium of cable operators, the scope of the existing definitions of "HITS operator" and "multi system operator" have been appropriately enlarged. Accordingly, The Telecommunication (Broadcasting and Cable Service) Interconnection (Sixth Amendment) Regulation was issued on 30th July 2010.

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

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



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.



established an IUC regime that governs inter-operator payments. The table at the previous page indicates these charges:

23. To review the IUC Regulations, TRAI issued a pre-consultation paper on 24th December 2010 wherein the service providers were requested to furnish information on various aspects of IUC. Taking into consideration the inputs provided by these Service Providers and Associations, a detailed consultation paper was issued on 27th April 2011 and an addendum thereto on 29th April 2011.

24. TRAI issued Consultation Paper "REVENUE SHARING ARRANGEMENT FOR INTELLIGENT NETWORK SERVICES" on 03.11.10. Through this consultation paper the TRAI aimed to involve all the stakeholders to deliberate on the complex issue of sharing of revenue from Intelligent Network (IN) based services among the interconnecting service providers and assist TRAI in arriving at an arrangement by which work done of interconnecting service providers may be compensated.

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

25. 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. From the analysis of the reports received it is observed that since the release of DLC regulations, the provision of DLCs / local leads have been streamlined.

26. Timely provision of number of E1 ports have been continuously monitored by TRAI during the year. Quarterly compliance of direction which require timely provision of E1 ports have been sought from service providers. In case of service providers were not able to provide E1 ports timely, they have furnished reasons which were verified from seeker service providers. Pending E1 was cross verified from congestion report furnished by service providersfor various locations. Service providers have been asked to reconcile Point of Interconnection (POI) congestion with pending E1 ports at various locations and to take appropriate action.

F) ENSURING COMPLIANCE OF THE TERMS AND CONDITIONS OF LICENSE

27. 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.

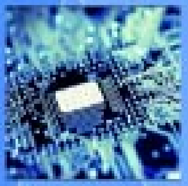
28. Through the direction dated 3^{rd} December 2010, the Authority directed the Cellular Mobile Telephone Service Providers and Unified Access Service Providers to treat the SMS sent to short code number 1900 requesting for Unique Porting Code for the purpose of Mobile Number Portability, as ordinary SMS for the purpose of charging and the rate for such SMS shall not exceed the tariff applicable for ordinary SMS under the tariff plan opted by the subscriber.

29. TRAI issued direction dated 22^{nd} February 2010 to M/s Bharti Airtel Ltd. and M/s Idea Cellular Ltd. regarding application of Interconnection Usage Charges on Short Messaging Services. With a view to ensure compliance of provisions of "Schedule IV" of Telecommunications Interconnection Usage Charges Regulations, 2003 dated 29^{th} October 2003, the Authority issued the direction to stop applying discriminatory termination charges on SMS.

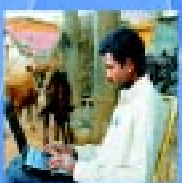
30. Tariff filed by the various Services Providers are examined in TRAI from technical and licensing angle to ensure that services offered by the Service Providers are in compliance with the licensing conditions.

G) Steps taken to protect the Interest of the Consumers of Telecommunications Services

31. TRAI had issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006 on 21^{st} 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; (v) and 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 30^{th} 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 30^{th} September of every financial year. Various customer complaints






relating to VAS provisioning and wrong billing are also forwarded to Audit agencies for verification during audit and corrective actions thereupon.

32. In accordance with Telecom Consumers Protection and Redressal of Grievances Regulations, 2007 and subsequent instructions thereupon, the complaints booked with call centres, nodal officers and appellate authorities of Service Providers are monitored. The matters of concern arising out of Quality of Service monitoring, audit and survey are taken up with service providers. TRAI had initiated consultation process in May 2010 to curb the unsolicited Commercial Communications. After extensive discussions with all stakeholders, TRAI issued "The Telecom Commercial Communications Customer Preference Regulations 2010" on 1st December 2010. The details of the Regulations have been discussed in Part II of this report.

33. Further, TRAI continued its effort in the direction of launching the Mobile Number Portability services and issued Telecommunications Mobile Number Portability (amendments) Regulations. The services for MNP were started in Haryana Licensed service area with effect from 25th November 2010 and in the rest of the country from 20th January 2011. The details of this amendment of Regulation are discussed in Part II of this Report.

34. In January 2001, TRAI issued a Regulation formalizing the mode of its interaction with Consumer Organizations and NGOs related with telecom functions. This regulation provides the modalities for free registration of NGOs and Consumer Organizations with TRAI to enable two-way interaction on a sustainable basis. The registered Consumer Organizations/NGOs are kept informed about the developments by providing them with consultation papers, involving them in the consultation process and arranging their meetings with the Authority. The consumer groups and NGOs contribute to the policy formulation process of TRAI by bringing important consumer concerns to the notice of TRAI. At the end of March 2011, there were 41 consumer organizations registered with TRAI from all over the country.

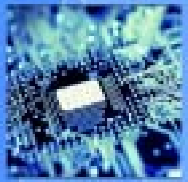
35. Though TRAI is not mandated to resolve individual consumer complaints, it takes up such complaints if they relate to systemic problems / shortcomings. Complaints received in TRAI also help gauge the performance of the sector. Based on such complaints, the Authority has addressed a number of issues, by issuing suitable directions, orders and regulations to protect the interests of consumers of telecom sector. It is important that consumers are aware of these so that their right and privileges can be effectively safeguarded. Focused on consumer education and capacity building of Consumer Advocacy Groups (CAGs), the Telecom Regulatory Authority organises workshops in

different parts of the country. The service providers are also invited to these workshops so that they also become aware of these regulations and other steps initiated by TRAI to protect the interest of consumers, redressal of their grievances and offering qualitative services.

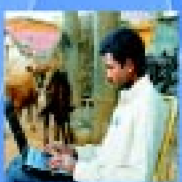
36. During the year 2010-11, TRAI conducted five regional workshops 1st at Bangalore on 4.8.2010, 2nd at Kolkata on 5.2.2011, 3rd at Mumbai on 17.2.2011, 4th at Lucknow on 10.3.2011 and 5th at Shillong on 15.3.2011. Earlier in May 2010, the Authority held a special meeting of Chief Executive of Service Providers and CAGs to discuss issues such as transparency in tariff orders, problem of prepaid subscribers, and effective grievance redressal at call centre etc. which are of primary concern to the consumers and the CAGs. Annual meeting Consumer Advocacy Groups registered with TRAI has also been conducted at Chennai on 17.12.2010.

37. Authority approved holding of 100 District/Block level Consumer Education Workshops during the year 2010-11 by the consumer Advocacy Groups (CAGs) registered with TRAI, out of which they have organized 72 workshops in different parts of the country. In order to include Consumer Advocacy Groups

Half Yearly Meeting of Consumer Advocacy Groups
at Chennai on 17th December, 2010






from each zone and Internet Service Providers Association of India in the Committee for Utilisation of Consumer Education and Protection Fund (CUTCEF), Telecommunication Consumer Education and Protection Fund Regulations have been amended and notified on 7th March 2011. The CUTCEF has been accordingly reconstituted on 24th March 2011.

38. From January 2011, monthly News letter conveying important activities/ initiation taken by the Authority in telecom sector are being circulated to all registered CAGs. TRAI has been issuing various Regulations and Orders to protect the interests of consumers of telecom services from time to time. A handbook containing some important Regulations, directions and orders was compiled by the Authority for information of all stakeholders and this compilation is available in the website of TRAI.

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

39. 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.

40. 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.

41. To facilitate competition and promote efficiency in the operation of

telecommunications and Broadcasting services TRAI issued the following Regulations during 2010-11.

(i) The Telecommunication (Broadcasting and Cable Service) Interconnection (Sixth Amendment) Regulations, 2010 dated 30th July 2010

(ii) Telecommunication Mobile Number Portability (Second Amendment) Regulations, 2010 dated 24th November, 2010.

(iii) The Telecom Commercial Communications Customer Preference Regulations, 2010 dated 1st December 2010

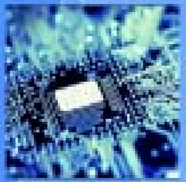
42. The details of these Regulations have been discussed in Part II of this Report.

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

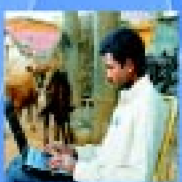
43. After a comprehensive review of the tariff for all the broadcasting services viz., analog cable TV services (non CAS) and digital addressable services such as CAS, DTH, IPTV and HITS, the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 was issued on 21st July 2010. This tariff order covers all digital addressable systems such as DTH, HITS, IPTV, and digital addressable Cable TV. The Tariff Order provides for a-la-carte choice of channels to the subscribers. In addition to a-la-carte provisioning of channels, the operator can also offer bouquet of channels. The price of channels / bouquets to the subscribers at retail level has been kept under forbearance but there shall not be any increase in subscription charges for 6 months from the date of enrolment with the operator. An operator can specify monthly subscription not exceeding Rs 150/- (excluding taxes) per month per subscriber for availing the services of the operator.

J) STEPS TAKEN TO ENSURE EFFECTIVE COMPLIANCE OF UNISVERSAL SERVICE OBLIGATION (USO)

44. TRAI has made various recommendations to promote universal service in telecommunications in the country. The ubiquitous service was aimed to be achieved through roll out obligations and through use of the Universal Services Obligation Fund (USOF). However, till date, USO schemes have met with limited success. To provide impetus to rural telephony, TRAI in its recommendations on “Spectrum management and licensing framework” of May 2010 and ‘National Broadband Plan’ of December 2010, revisited the issue of penetration of mobile services and broadband in the rural areas. One of the major shifts stemming out of these recommendations is that the areas for utilization of the USO Fund have been








redefined. Some of these areas include laying of optical fibre up to BHQ level to provide backhaul for broadband in rural areas and providing coverage for habitations having population less than 500 persons.

K) 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.

45. 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. Recommendations dated 11th May 2010 on Spectrum Management and Licensing Framework

ii. Recommendations dated 20th August 2010 on "Efficient Utilization of Numbering Resources"

iii. Recommendations dated 8th December 2010 on National Broadband Plan

iv. Recommendations dated 18th November and 22nd December 2010 on Status of Roll Out Obligations in respect of Licenses issued from December 2006 onwards

v. Recommendations dated 8th February 2011 on 'The 2010 Value of Spectrum in 1800MHz band'

vi. Revised Recommendations dated 14th April 2010 on issues relating to Mobile TV services

vii. Recommendations dated 30th June 2010 on Foreign Direct Investment Limits for Broadcasting Sector

viii. Recommendations dated 22nd July 2010 on Issues relating to Uplinking/Downlinking of Television channels in India

ix. Recommendations dated 5th August 2010 on Implementation of Digital Addressable Cable TV Systems in India

x. Revised Recommendations dated 9th February 2011, on 3rd phase of Private FM Radio Broadcasting.

xi. Revised Recommendations dated 22nd February 2011 on policy issues relating to Uplinking / Downlinking of TV channels in India

xii. Revised Recommendations dated 22nd February 2011 on Implementation of Digital Addressable Cable TV Systems in India

46. Following recommendations are outcome of the consultation process taken during the period 2010-11:

(i) Recommendations on ‘Telecom Equipment Manufacturing Policy’

(ii) Recommendations on ‘Approach towards Green Telecommunications’

(iii) Recommendations on ‘Telecommunications Infrastructure Policy’

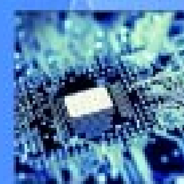
L) MONITORING OF THE QUALITY OF SERVICES AND DETAILS OF PROMOTIONAL SURVEY OF SUCH SERVICES BY THE SERVICE PROVIDERS

47. 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.

48. 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 concerned service provider for remedial action in a time bound basis.

49. 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.

50. TRAI is monitoring the level of congestion at the POI between various Service Providers on Monthly basis. This parameter signifies the ease with 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 notified by TRAI in the QoS Regulations of July 2005 for this parameter is <0.5%. The POI Congestion Report analysis for the year 2010-11 shows that the performance of the CMSPs with respect to the congestion on POIs has improved as compared with the performance in March 2011. During the period Cellular Mobile Telephone Subscriber base has increased from 584.32 million in March 2010 to 811.59 million in March 2011. The number of POIs having congestion has decreased from 82 in March 2010 to 63 in March 2011.

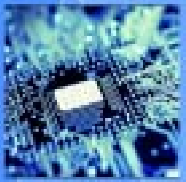


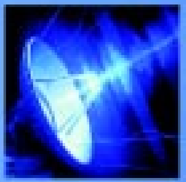
Open House Discussion on 'Telecom Equipment Manufacturing'
at New Delhi on 2nd February, 2011

Chairman, Member, Secretary & Senior Officers of TRAI in Open House Discussion on 'Review of Measures to Protect the Interest of Consumers in Telecom Sector'
at Chennai on 21st January, 2011

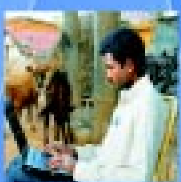
PART-IV

ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA AND FINANCIAL PERFORMANCE

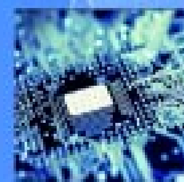









A) ORGANIZATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA AND FINANCIAL PERFORMANCE

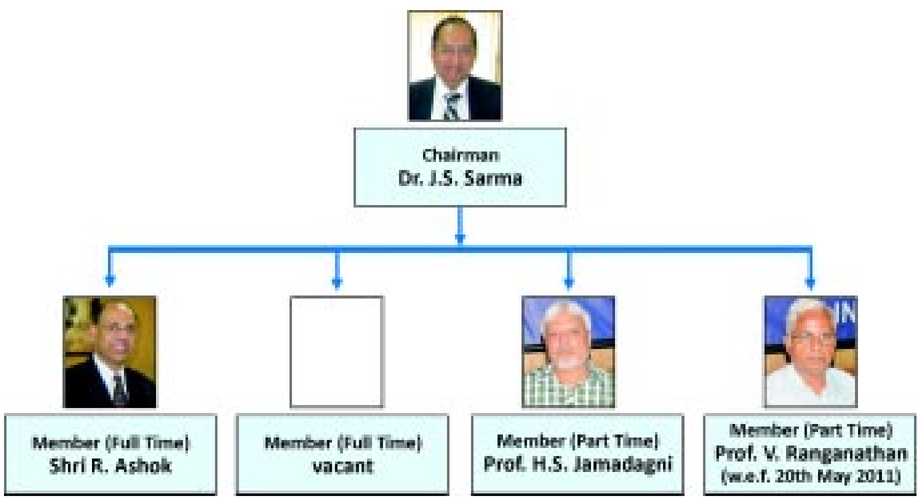


A) Organizational matters of Telecom Regulatory Authority of India

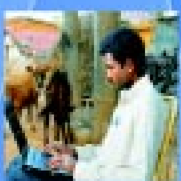
This section provides information on organizational matters of TRAI relating particularly to organization, funding, human resources covering the areas of recruitment, training and seminars and some general issues are detailed in the following paragraphs.

(a) ORGANISATION

2. The Telecom Regulatory Authority of India (Authority) is a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. 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. The Authority now 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 head office of the Authority is at New Delhi.

(b) SECRETARIAT OF TRAI

3. The Authority functions with a Secretariat headed by Secretary. The Secretariat works through functional divisions, viz. Administration & Human Resources; Broadcasting & Cable Services; Broadband & Policy Analysis; Consumer Affairs; International Relation; Special Projects; Economic Regulation; Financial Analysis & Internal Financial Advice; Interconnection & Fixed Network; Legal; Mobile Network; Quality of Service; Regulatory Enforcement and Technology Development. The Divisions are headed by Principal Advisors / Advisors.

ADMINISTRATION, HRM AND REGULATORY ENFORCEMENT DIVISION

4. Administration & HRM and RE Division is responsible for all administrative and personnel functions which include planning and control of human resource development in TRAI as well as for enforcement of all the Regulations/ Directions/Orders issued by TRAI. Admn. & HRM and RE Division has the responsibility of management and control of activities of General Administration Section, Public Relation Section, RE Section, OL Section, MR Section and RTI Section. On Regulatory Enforcement front, it is responsible for enforcement of all Regulations/ Directions/Orders issued by TRAI.

BROADBAND & POLICY ANALYSIS (BB&PA) DIVISION

5. BB&PA Division is responsible for dealing with technical issues relating to convergence in telecommunication and IT Sectors. The Division handles issues relating to Broadband, Internet, Internet Telephony & VoIP, IPv6, IPTV and monitoring of performance of Internet Service Providers (ISPs) including subscribers growth on quarterly and monthly basis. The Division is responsible for IT needs of office including creation and maintenance of IT infrastructure. The Division also handles various policy related issues in Telecommunications.

BROADCASTING & CABLE SERVICES (B&CS) DIVISION

6. B&CS Division is responsible for advising the Authority, for laying down the overall regulatory framework for the broadcasting and cable TV sector

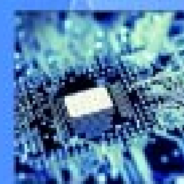
encompassing the interconnection, quality of service and tariff aspects, to ensure effective interconnection between the service providers, to ensure implementation of laid down quality of service and tariff norms by service providers and to ensure compliance of license conditions in the sector by the service providers. B&CS division is also responsible for examination of issues relating to the modernization/ digitization of the Broadcasting and cable TV sector and proposing recommendations regarding the same, monitoring and follow up of the complaints as provided in the laid down regulations, examination and proposing recommendations regarding introduction of new broadcasting and cable TV services and measures to protect the interest of all the stakeholders of the industry.

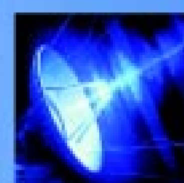
CONSUMER AFFAIRS (CA) & INTERNATIONAL RELATION (IR) DIVISION

7. Consumer Affairs Division is responsible for development of consumer advocacy in the telecommunication sector and creating general awareness amongst consumers about various measures taken by the Telecom Regulatory Authority of India to protect the interest of consumers. The CA division facilitates registration of consumer organizations and non-governmental organizations from all over the country with TRAI and interacts with them on various issues concerning the consumers. The other activities of CA division include organization of consumer education workshops in all the regions of the country assisting the consumer organizations registered with TRAI to organize consumer education workshops at district and block levels and handling of generic consumer complaints. IR Division handles the International Relations which includes coordination with all International Organisations / bodies viz ITU, APT, World Bank, WTO, ADB, SATRC, OECD and Regulatory Bodies in other countries.

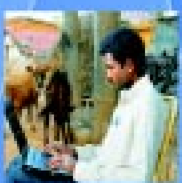
ECONOMIC REGULATION (ER) DIVISION

8. 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) & INTERNAL FINANCE ADVICE (IFA) DIVISION

9. FA&IFA 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.

INTERCONNECTION & FIXED NETWORK (I&FN) DIVISION

10. I&FN Division is responsible for fixing the terms & conditions of interconnection, ensuring effective interconnection between various service providers, handling of all interconnection issues including determination of Interconnection Usage Charges (IUC) and regular review thereof, optical access issues and access charges related to cable landing stations. I&FN Division is also responsible for monitoring of compliance of license conditions of Basic, National Long Distance (NLD) and International Long Distance (ILD) licenses and also the Regulations/ Directions/Orders issued by the Division.

LEGAL DIVISION

11. 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.

MOBILE NETWORK (MN) DIVISION

12. Mobile Network Division handles issues relating to compliance of terms and conditions of various licenses issued to mobile operators; recommendations related to various issues/aspects of wireless services including Mobile Number Portability; ensuring compliance of matters relating to Universal Service Obligations and efficient management of available spectrum for telecom services; preparation of Quarterly PMR pertaining to mobile services and support to ITU/APT Study Group activities.

QUALITY OF SERVICE (QOS) DIVISION

13. 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 the periodical survey of such service provided by the service providers so as to protect interest of the

consumers of telecommunication service. 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.

TECHNOLOGY DEVELOPMENT, RESEARCH & ANALYSIS (TDRA) DIVISION

14. Development of telecommunications technology has a profound impact on how regulatory practices evolve over time. Investment in new type of networks & technologies needs a supportive regulatory regime that provides certainty over a period of time. TRAI's Technology Development, Research & Analysis Division seeks to build up capacity for technical research in telecommunications with the aim of understanding and identifying the technology trends, their uses and potential uses so that TRAI is able to make informed decisions with an understanding of the implications for service providers, consumers and citizens in the regulation of communications markets. Through research TRAI would seek to understand the drivers of change in telecommunications particularly convergence in various forms. Of special importance would be the implications of new development on regulation and areas that require new or different regulatory or non-regulatory responses. The Division publishes a Monthly Technology Digest consisting of a fairly detailed coverage of an area of topical interest and a Quarterly Technology journals as a reference material for some of the finest papers published in international telecommunications journals. The division also handles Next Generation networks and matters.

(c) HUMAN RESOURCES

(i) Staff strength of TRAI (as on 31.03.2011)

15. A staff of 188 (as on 31.03.2011) is handling the work in the Secretariat, which performs the tasks assigned to it by the Authority in the discharge of its functions. Wherever necessary, Consultants are engaged on the following basis:

– Individual Consultants on retainership basis

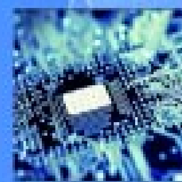
– Consultants for specific projects

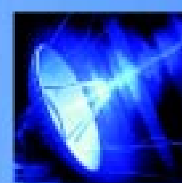
– Consulting Firms on retainership basis

– Consulting Firms for specific projects

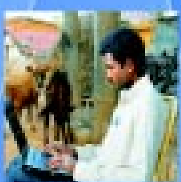
Engagement of Consultants is either on secondment or assignment basis.

As on 31st March 2011, the Staff strength of the TRAI was as under:



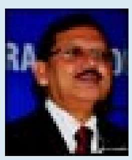
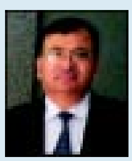
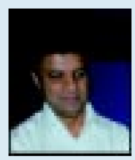


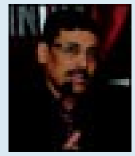
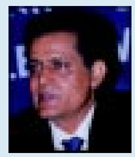




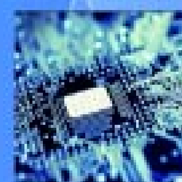

S.No.	Posts	Sanctioned	Actual
1.	SECRETARY	01	01
2.	PR. ADVISOR / ADVISOR	15	15
3.	JT. ADVISOR /DY. ADVISOR	35	21
4.	SR. PR. PRIVATE SECRETARY	03	03
5.	SR. RESEARCH OFFICER	37	28
6.	PPS	02	02
7.	TECHNICAL OFFICER	12	10
8.	SECTION OFFICER	19	16
9.	PS	14	10
10.	LIBRARIAN	1	—
11.	ASSISTANT	48	34
12.	PA	18	17
13.	STENO'D'	01	—
14.	JR. HINDI TRANSLATOR	01	—
15.	LDC	07	05
16.	DRIVERS	15	15
17.	PCM OPERATOR	02	02
18.	DESPATCH RIDER	01	01
19.	ATTENDANTS	08	08
	TOTAL	**240**	**188**

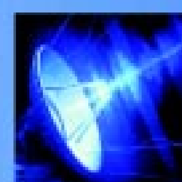
Details of Secretary, Pr. Advisors / Advisors

Sl. No.	Name of the Officer / Designation	
1.	Sh. R.K. Arnold Secretary	
2.	Sh. R.K. Mishra Principal Advisor (Administration & HRM and RE)	
3.	Sh. Elias G. Principal Advisor (Broadcasting & Policy Analysis)	
4.	Sh. N. Parameswaran Principal Advisor (Consumer Affairs & International Relations)	

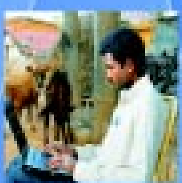
Sl. No.	Name of the Officer / Designation	
5.	Sh. Lav Gupta Principal Advisor (Technology Development)	
6.	Sh. Sudhir Gupta Principal Advisor (Mobile Network)	
7.	Mrs. Anuradha Mitra Principal Advisor (Financial Analysis & Internal Finance)	
8.	Sh. Harsh Bardhan Principal Advisor (Legal)	
9.	Sh. S.K. Gupta Advisor (Consumer Affairs & Special Projects)	
10.	Sh. K.J.S. Bains Advisor (Legal)	
11.	Sh. Raj Pal Advisor (Economic Regulation)	
12.	Sh. Wasi Ahmad Advisor (Broadcasting & Cable Services)	
13.	Sh. A. Robert Jerard Ravi Advisor (Quality of Services)	
14.	Sh. Arvind Kumar Advisor (Interconnection and Fixed Network)	
15.	Sh. Sanjeev Banzal Advisor (Mobile Network)	
16.	Sh. Raj Kumar Upadhyay Advisor (Broadband & Policy Analysis)	

16. TRAI officials are initially drafted on deputation from the Government Departments. These deputationists with relevant experience in the fields of telecommunication, economics, finance, administration, etc., are initially appointed for two years and thereafter, if required, requests are sent to different Government departments for extending their deputations. Seeking extension of deputations in respect of trained and experienced existing employees has often proved to be a time taking process and not always an effective process. While the scope, scale and complexity of Authority's functions continue to grow at a fast pace, the Authority is continuously facing the










problem of losing trained and experienced personnel due to frequent repatriation of the existing personnel to their parent departments. To overcome this difficulty, TRAI has amended the Telecom Regulatory Authority of India (Officers and Staff Appointment) Regulations, 2010 (Ninth and Tenth Amendments) on 23rd April 2010 and 13th July 2010, respectively vide which the eligibility criteria of various grade officers coming to TRAI on deputation were modified for senior officers.

ii) Recruitment

17. The Authority has constituted its own cadre of officers and staff by way of absorbing the officials who are on deputation to TRAI from various Ministries and Departments. However, most of the deputationists, particularly in the senior and middle levels did not exercise option for permanent absorption. Therefore, the recruitment of personnel for its Secretariat by way of deputation from other Ministries / Departments / PSUs still continues. This is due to two reasons. Firstly, the prevailing remuneration package does not attract independent talent with expertise and experience in the areas covered by the Authority. Secondly, among Government employees, the relevant expertise is available mainly in the Ministries or with the Government owned Telecom Operators. Even for this group, the remuneration package, which the Authority is in a position to offer, is not handsome enough to attract appropriate talent. Hence, the Authority is facing major difficulties in getting appropriate personnel for its secretariat.

18. As regards the terms and conditions of service in the TRAI, the opinion in the Government circles has mostly been that these should be the same or almost similar to the Government Service Rules. Such a view overlooks the fact that the TRAI is a specialised body, which requires expertise in different areas of telecommunication and therefore needs to attract persons not only from the Government but also from the market. To attract the appropriate talent, TRAI's terms and conditions of service must be competitive with the prevailing market terms and conditions. At the very least, TRAI should be able to provide terms and conditions applicable in general to the telecom companies and PSUs.

iii) Training

19. TRAI has given utmost importance to its HRD programme with a view to develop expertise and ability of its staff to handle vast amount of data to monitor the various developments and proposals with respect to tariffs and quality of services standards, conduct and co-ordinate surveys on Quality of Service issues and other consumer related matters. This initiative has proved to be useful in preparation of consultation papers and analysis of feedback and

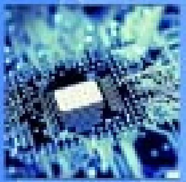
responses received thereon and also for conducting Open House Discussion meetings. In selecting/designing training programmes/workshops, TRAI's endeavour is to impart diverse skills for macro level policy framing and handling of large mass of techno-economic operating details relevant for implementation and monitoring of the policies. The immense logistical as well as analytical preparation involved in this process imply the need for staff which is highly trained and knowledgeable and also adaptive and flexible in its approach and functioning. 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 and Training Management (ISTM), Advance Level Telecom Training Centre (ALTTC) 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.

20. Few TRAI officers were deputed during the year to attend International Training programmes conducted by various Institutions and International Telecommunications Union. The officers have received valuable inputs through these trainings and the inputs have enriched their skills in their respective area of regulatory work. Thirty one officers/officials of TRAI were also deputed for training programmes conducted by ten different training institutions within the country.

21. 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. To strengthen the computer knowledge of TRAI officers/ officials, 67 officers were deputed for advance level computer training programme conducted by DOEACC/ ALTTC/IICA and 52 officials for NIIT computer training programme respectively. These are the steps for capacity building by TRAI for its officers and staff.

iv) Seminar/Workshops

22. In order to keep pace with the developments taking place globally, the Authority has deputed members of its staff for 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 thirty one deliberations at international level during the year 2010-11 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) Office accommodation

23. As per the policy of the Government of India TRAI is an eligible office for Office Accommodation from Government pool. But, from its inception in 1997 TRAI has been functioning through rented accommodation. In the past TRAI had made vigorous attempt to get its own office premises through Ministry of Communications & IT but of no avail. TRAI being an autonomous regulatory body for regulating the affairs of Telecom Sector and Broadcasting and Cable Services needs it own office premise to keep its autonomous character intact. Presently, TRAI's office is located in the building owned by MTNL on rental basis.

vi) Residential quarters for TRAI staff

24. As per the existing policy of the Government of India employees joining the Authority on deputation are permitted retention of general pool accommodation on payment of Special Licence Fee by the Authority who may recover normal licence fee from the employees. Permissible period of retention will be till the superannuation of the employees or till the duration of their tenure with the Authority, whichever is earlier. The eligibility for allotment of General Pool residential accommodation would be restricted to the officers posted in the Secretariat of the Authority (TRAI) in Delhi, who were eligible for allotment of accommodation from General Pool prior to their joining in the Authority on payment of special licence fee by TRAI to the Directorate of Estates. In view of the forgoing position, the Directorate of Estates is neither allotting the general pool accommodation nor allowing retention of the accommodation already allotted, either to the officers or to the staff, after they get absorbed in TRAI.

(d) FUNDING

25. TRAI is an autonomous body and it is wholly funded by grant received from the Consolidated Fund of India. The total expenditure on the functioning of TRAI in the year 2010-11 was Rs. 41.62 crores out of this, Rs. 7.34 crores was incurred during 2010-11 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.

26. 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. It is worth mentioning that 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.

(e) RIGHT TO INFORMATION ACT

27. 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. Officers of the level of Principal Advisors have been designated as Appellate Authority and Transparency officers under the Act. 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.

28. During the year 2010-11, 457 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.

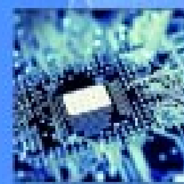
(f) IS/ISO 9001 : 2008 CERTIFICATION TO TRAI

29. TRAI had been awarded ISO 9001:2000 certification in December 2004 by Bureau of Indian Standards (BIS). The same was renewed twice in the year 2007 and 2010 with the validity period of three years. The present series of ISO Standards IS/ISO 9001:2008 certification awarded to TRAI is valid for period upto November, 2013. To evaluate the implementation and effectiveness of Quality Management System (QMS) in TRAI, BIS has also conducted six surveillance audits and two renewal audits since December, 2004. The quality-auditors have found the QMS functioning satisfactorily and had recommended the continuance of the license issued by the BIS.

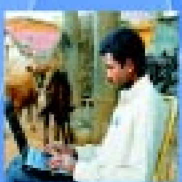
30. Conducting internal quality audit on a quarterly basis has also ensured the continual improvement in the system. TRAI has 61 internal quality auditors for the purpose. The Quality Management System is also reviewed by the Secretary on a monthly basis and by the Top Management in a year. The last Management review meeting was held in the month of August, 2010.

(g) IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

31. An Official Language Section is functioning under the supervision of Secretary 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.

32. 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 Pr. Advisor (Admn. & HRM) and RE. 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 18th May 2010; 13th September 2010; 19th January 2011 and 29th March 2011.

33. 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, 2010 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, 2010. Chairman, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 23rd December 2010. The "Hindi Pakhwara" organized in the month of September 2010 proved successful in promoting and propagating the maximum use of Hindi in official work.

34. 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.

35. With a view to facilitate officers/staff to do noting and drafting in Hindi and also to apprise them of the Official Language policy of the Union government, 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 2010; and 10th February 2011.

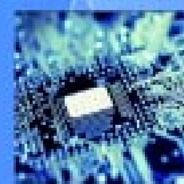
36. The bilingual magazine 'TRAI DARPAN' is a representative in-house magazine of TRAI and it is published half yearly. Two issues of 'TRAI DARPAN' (Issue No.7 and 8) were published during the period of the Report. These issues were widely appreciated both within the Authority and by the members of Hindi Salahakar Samiti of the Department of Telecommunications.

Chairman, Member & Secretary, TRAI at the 'Hindi Pakhwara' prize distribution function organised in TRAI on 23rd December, 2010

In-House Magazine 'TRAI Darpan' being released

Chairman, TRAI distributing prizes at the 'Hindi Pakhwara' function
on 23rd December, 2010

B) AUDITED ACCOUNTS OF TRAI FOR THE YEAR 2010-11



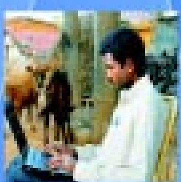
Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India for the year ended 31 March 2011

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as on 31 March 2011 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, 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 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 35.21crore (including unspent balance of Rs 1.71 crore (Non Plan) out of the earlier year's grants in aid) received during the year, TRAI could utilise a sum of Rs 34.32 crore (Non Plan), leaving a balance of Rs 0.89 crore (Non Plan) as unutilised grant as on 31 March 2011.

Further, out of the grants in aid (Plan) of Rs 5.99 crore (including unspent balance of Rs 0.49 crore (Plan) out of the earlier year's grant (Plan) lying with TRAI) received during the year, TRAI could utilise a sum of Rs 5.84 crore (Plan), leaving a balance of Rs 0.15 crore (Plan) as unutilised grant as on 31 March 2011.

   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:

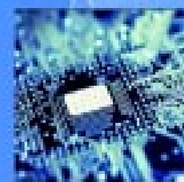
a. In so far as it relates to the Balance Sheet (both Plan and Non-Plan) of the state of affairs of the Telecom Regulatory Authority of India as on 31 March 2011; and

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.

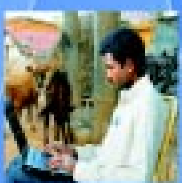
For and on behalf of the C&AG of India

Sd/-
(Revathi Bedi)
Director General of Audit (P&T)

Place: Delhi
Date: 21 September 2011






ANNEXURE-I

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

The internal Audit System of the organisation is adequate and commensurate with its size and the nature of its functions. But the Internal Audit is not independent (Reporting to the head of finance instead of head of orgnisation) as the compliance of scope and observations rests with the auditee unit themselves.

(2) Adequacy of Internal Control System

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 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

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

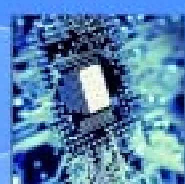
There was no disputed amount payable in respect of any other statutory dues including Contributory Provident Fund.

FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
BALANCE SHEET AS AT 31-03-2011

	Schedule	NON-PLAN		PLAN	
		Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
CORPUS/CAPITAL FUND	1	(2,10,72,360)	2,84,12,319	14,81,92,501	9,16,57,454
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	10,74,53,040	9,61,50,546	2,52,17,504	1,59,94,880
TOTAL		**8,63,80,680**	**12,45,62,865**	**17,34,10,005**	**10,76,52,334**
ASSETS					
FIXED ASSETS	8	2,54,01,358	2,42,30,840	2,02,114	2,53,560
INVESTMENTS-FROM EARMARKED/ ENDOWMENT FUNDS	9				
INVESTMENTS-OTHERS	10				
CURRENT ASSETS,LOANS,ADVANCES ETC	11	6,09,79,322	10,03,32,025	17,32,07,891	10,73,98,774
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
TOTAL		**8,63,80,680**	**12,45,62,865**	**17,34,10,005**	**10,76,52,334**
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25				

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





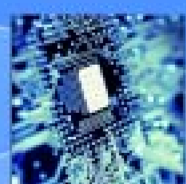

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2011

	Schedule	NON-PLAN		PLAN	
		Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
INCOME					
Income from Sales/Services	12				
Grants/Subsidies	13	29,00,00,000	24,00,00,000	13,00,00,000	10,00,00,000
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	3,17,827	2,287		
Other Income	18	1,67,385	19,887		
Increase (decrease) in stock of Finished goods and works-in-progress	19				
TOTAL (A)		**29,04,85,212**	**24,00,22,174**	**13,00,00,000**	**10,00,00,000**
EXPENDITURE					
Establishment Expenses	20	12,98,22,824	13,38,32,475		
Other Administrative Expenses etc	21	20,71,38,686	16,44,65,856	7,34,13,506	2,09,39,601
Expenditure on Grants, Subsidies etc	22				
Interest	23				
Depreciation(Net Total at the year end-corresponding to Schedule 8)		58,13,356	57,01,113	51,446	1,10,847
TOTAL (B)		**34,27,74,866**	**30,39,99,444**	**7,34,64,952**	**2,10,50,448**

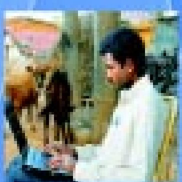
	Schedule	NON-PLAN Current Year 2010-11	NON-PLAN Previous Year 2009-10	PLAN Current Year 2010-11	PLAN Previous Year 2009-10
Balance being excess of Income over Expenditure (A-B)					
Transfer to Special Reserve (Specify each)					
Transfer to / from General Reserve					
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/CAPITAL FUND		(5,22,89,654)	(6,39,77,270)	5,65,35,048	7,89,49,552
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25				

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








FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-03-2011

SCHEDULE 1 - CORPUS/CAPITAL FUND

	NON - PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
Balance as at the beginning of the year	2,84,12,319	9,31,95,742	9,16,57,453	1,23,12,335
Add:/Less Contributions towards Corpus/Capital Fund	28,04,975	(8,06,153)		3,95,567
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	(5,22,89,654)	(6,39,77,270)	5,65,35,048	7,89,49,552
BALANCE SHEET AS AT THE YEAR-END	(2,10,72,360)	2,84,12,319	14,81,92,501	9,16,57,454

SCHEDULE 2 - RESERVES AND SURPLUS

	NON - PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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/-
Dy. Advisor

SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	FUND-WISE BREAKUP				TOTALS			
	Fund WW	Fund XX	Fund YY	Fund ZZ	NON-PLAN Current Year 2010-11	NON-PLAN Previous Year 2009-10	PLAN Current Year 2010-11	PLAN Previous Year 2009-10
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/exependiture towards objectives of funds								
i. Capital Expenditure								
- Fixed Assets					NIL	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)								

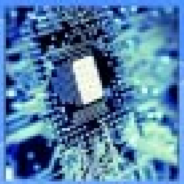
Notes

1) Disclosures shall be made under relevant head based on conditions attaching to the grants

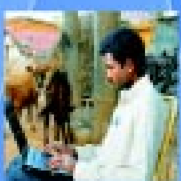
2) Plan funds received from the Central/State Governments are to be shown as separate funds and not to be mixed up with any other Funds

Sd/-
Dy. Advisor








SCHEDULE 4 - SECURED LOANS AND BORROWINGS

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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

Sd/-
Dy. Advisor

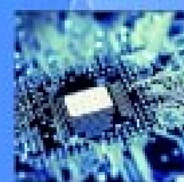
SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. Acceptance secured by hypothecation of capital equipment and other assets	-	-	-	-
2. State Government (Specify)	-	-	-	-

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
A. CURRENT LIABILITIES				
1) Acceptances				
2) Sundry Creditors				
a) For Goods				
b) Others				
3) Advances Received				
4) Interest accured but not due on:				
a) Secured loans/borrowings				
b) Unsecured Loans/borrowings				
5) Statutory Liabilities				
a) Overdue				
b) Others				
6) Other current Liabilities				
1) For TRAI General Fund)	21,86,000	5,50,000	6,00,000	
2) For Telemarketers Registration fees)	6,70,000			
3) For Customer Education Fees)	97,76,062			
TOTAL (A)	**1,26,32,062**	**5,50,000**	**6,00,000**	
B. PROVISIONS				
1. For Taxation				
2. Gratuity	1,25,17,450	1,32,29,591		
3. Superannuation/Pension				
4. Accumulated Leave Encashment	1,42,53,725	1,17,27,827		
5. Trade Warranties/Claims				
6. Other (Specify)				
Provisions for expenses	6,80,49,803	7,06,43,128	2,46,17,504	1,59,94,880
TOTAL (B)	**9,48,20,978**	**9,56,00,546**	**2,46,17,504**	**1,59,94,880**
TOTAL (A+B)	**10,74,53,040**	**9,61,50,546**	**2,52,17,504**	**1,59,94,880**

Sd/-
Dy. Advisor

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	Additions during the year	Deductions 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 belongng to the entity	-		-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES	60,77,905	13,57,791	9,50,258	64,85,438	34,57,340	3,32,230	9,50,258	28,39,312	36,46,126	26,20,565
5. FURNITURE, FIXTURES	1,60,81,758	22,08,071		1,82,89,829	77,76,428	14,63,764		92,40,192	90,49,637	83,05,330

(Contd...)

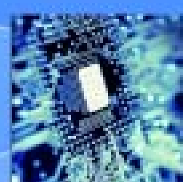
SCHEDULE 8 - FIXED ASSETS NON-PLAN (Contd...)

(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	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
6. OFFICE EQUIPMENT	1,05,56,196	2,94,842		1,08,51,038	70,74,174	9,54,631		80,28,805	28,22,233	34,82,022
7. COMPUTER/ PERIPHERALS	2,74,41,404	16,55,909	30,32,295	2,60,65,018	2,17,54,357	23,40,230	30,32,295	2,10,62,292	50,02,726	56,87,047
8. ELECTRIC INSTALLATIONS	50,01,490	12,21,458		62,22,948	11,57,013	5,36,461		16,93,474	45,29,474	38,44,477
9. LIBRARY BOOKS	33,44,194	2,45,803		35,89,997	30,52,795	1,86,040		32,38,835	3,51,162	2,91,399
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS										
TOTAL OF CURRENT YEAR	**6,85,02,947**	**69,83,874**	**39,82,553**	**7,15,04,268**	**4,42,72,107**	**58,13,356**	**39,82,553**	**4,61,02,910**	**2,54,01,358**	**2,42,30,840**
PREVIOUS YEAR	**6,29,11,319**	**59,92,458**	**4,00,830**	**6,85,02,947**	**3,89,05,963**	**57,01,113**	**3,34,969**	**4,42,72,107**	**2,42,30,840**	**2,40,05,356**
B. CAPITAL WORK-IN-PROGRESS										
TOTAL										

Sd/-
Dy. Advisor






SCHEDULE 8 - FIXED ASSETS 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	Additions during the year	Deductions 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 belongng to the entity	-	-	-	-	-	-	-	-	-	-
3. PLANT MACHINERY & EQUIPMENT	-	-	-	-	-	-	-	-	-	-
4. VEHICLES										

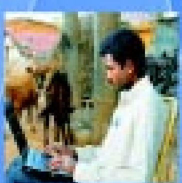
(Contd...)

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

(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	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
5. FURNITURE, FIXTURES										
6. OFFICE EQUIPMENT										
7. COMPUTER/PERIPHERALS										
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS	3,64,407	-	-	3,64,407	1,10,847	51,446	-	1,62,293	2,02,114	2,53,560
10. TUBEWELLS & W.SUPPLY										
11. OTHER FIXED ASSETS	-				-			-		
TOTAL OF CURRENT YEAR	**3,64,407**	**-**	**-**	**3,64,407**	**1,10,847**	**51,446**	**-**	**1,62,293**	**2,02,114**	**2,53,560**
PREVIOUS YEAR		**3,64,407**		**3,64,407**		**1,10,847**		**1,10,847**	**2,53,560**	
B. CAPITAL WORK-IN-PROGRESS										
TOTAL										

Sd/-
Dy. Advisor



SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. In Governement 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 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. In Government Securities	-	-	-	-
2. Other approved Securities	-	-	-	-
3. Shares	-	-	-	-
4. Debentures and Bonds	-	-	-	-
5. Subsidiaries and Joint Ventures	-	-	-	-
6. Others (Bank FDRs)	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

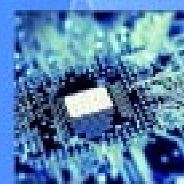
Sd/-
Dy. Advisor

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

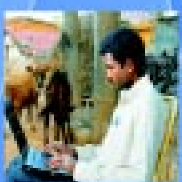
(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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)	90,640	92,415		
4. Bank Balances:				
a) With Scheduled Banks				
- On Current Accounts TRAI General fund	1,19,06,421	1,70,86,623	20,93,027	48,98,572
- On Current Accounts Registration Fees	6,70,000			
- On Deposit Accounts (includes margin money)				
- On Savings Account Customer education fees	97,76,062			
b) With non-Scheduled Banks				
- On Current Accounts				
- On Deposit Accounts				
- On Savings				
5. Post Office-Savings Accounts				
TOTAL (A)	**2,24,43,123**	**1,71,79,038**	**20,93,027**	**48,98,572**

Sd/-
Dy. Advisor






SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans				
a) Staff	33,83,771	37,48,399		
b) Other Entities engaged in activities/objectives similar to that of Entity				
c) Others (TA, LTC and Festival Advances to Officers & Staff)	2,30,700	3,89,440	1,14,864	24,427
2. Advance and other amounts recoverable in cash or in kind or for value to be received:				
a) On Captial Account	3,16,00,000	7,66,00,000	17,10,00,000	9,60,00,000
b) Prepayments		2,17,436		11,41,675
c) Others	11,72,165	17,10,044		53,34,100
3. Income Accrued				
a) On Investments from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances	16,58,643			
d) Others (includes income due unrealised Rs.)				
4. Claims Receivable	4,90,920	4,87,668		
TOTAL (B)	**3,85,36,199**	**8,31,52,987**	**17,11,14,864**	**10,25,00,202**
TOTAL (A+B)	**6,09,79,322**	**10,03,32,025**	**17,32,07,891**	**10,73,98,774**

Sd/-
Dy. Advisor

SCHEDULE 12 - INCOME FROM SALES/SERVICES

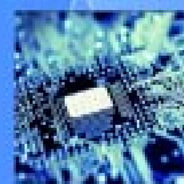
(Amount-Rs.)

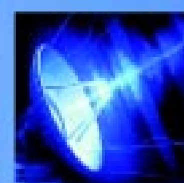
	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. Income from Sales	-	-	-	-
a) Sale of Finished Goods	-	-	-	-
b) Sale of Raw material	-	-	-	-
c) Sale of Scraps	-	-	-	-
2. Income from Services	-	-	-	-
a) Labour and Processing Charges	-	-	-	-
b) Professional/Consultancy Services	-	-	-	-
c) Agency Commission and Brokerage	-	-	-	-
d) Maintenrance Services (Equipment/Property)	-	-	-	-
e) Others(Specify)	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

SCHEDULE 13 - GRANTS/SUBSIDIES

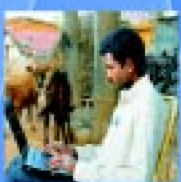
	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
(Irrevocable Grants & Subsidies Received)				
1) Central Government	29,00,00,000	24,00,00,000	13,00,00,000	10,00,00,000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
TOTAL	**29,00,00,000**	**24,00,00,000**	**13,00,00,000**	**10,00,00,000**

Sd/-
Dy. Advisor








SCHEDULE 14 - FEES/SUBSCRIPTIONS

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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

	Investment from Earmarked Fund			
	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
(Income on Invest.from Earmarked/Endowment Funds Transferred to Funds)				
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/-
Dy. Advisor

SCHEDULE 16 -INCOME FROM ROYALTY, PUBLICATION ETC

(Amount-Rs.)

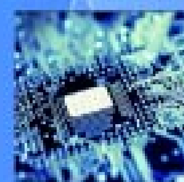
	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. Income from Royalty	-	-	-	-
2. Income from Publications	-	-	-	-
3. Others (specify)	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

SCHEDULE 17 - INTEREST EARNED

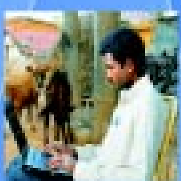
	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1) On Term Deposits				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-		-	-
c) With Institutions	-	-		-
d) Others	-		-	-
2) On Savings Account				
a) With Scheduled Banks	-	-	-	-
b) With Non-Scheduled Banks	-	-	-	-
c) With Institutions	-	-		-
d) Others	-	-	-	-
3) On Loans	-	-	-	-
a) Employees/Staff	3,17,827	2,287	-	-
b) Others	-	-	-	-
4) Interest on Debtors and Other Receivables	-	-	-	-
TOTAL	**3,17,827**	**2,287**	**-**	**-**

Note-Tax deducted at source to be indicated

Sd/-
Dy. Advisor






SCHEDULE 18 - OTHER INCOME

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
1. Profit on Sale/disposal of Assets				-
a) Owned assets	1,12,600	35		-
b) Assets acquired out of grants, or received free of cost				-
2. Export Incentives realized				-
3. Fees for Miscellaneous Services				-
4. Miscellaneous Income	54,785	19,852		-
TOTAL	**1,67,385**	**19,887**		**-**

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

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
a) Closing stock				
- Finished Goods	-	-		-
- Work-in-progess	-		-	-
b) Less Opening Stock				
- Finished Goods	-	-	-	-
- Work-in-progess	-	-	-	-
NET INCREASE/(DECREASE) [a-b]		-		-

SCHEDULE 20 - ESTABLISHMENT EXPENSES

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
a) Salaries and Wages	10,74,54,388	11,46,45,616	-	-
b) Allowances and Bonus	2,71,678	2,95,349	-	-
c) Contribution to Provident Fund	33,35,995	34,07,587	-	-
d) Contribution to Other Fund(specify)			-	-
e) Staff Welfare Expenses	3,21,738	3,36,899	-	-
f) Expenses on Employees Retirement and Terminal Benefits	1,02,20,440	79,71,540	-	-
g) Others (LTC, Medical to Officers & Staff and OTA to Staff)	82,18,585	71,75,484	-	-
TOTAL	**12,98,22,824**	**13,38,32,475**	**-**	**-**

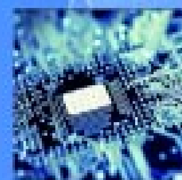
Sd/-
Dy. Advisor

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

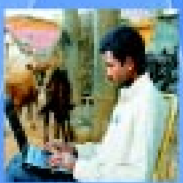
(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
a) Purchases				
b) Labour and processing expenses				
c) Cartage and Carriage Inwards				
d) Electricity and power	13,72,422	12,61,418		
e) Water charges				
f) Insurance	1,69,647	1,20,980		
g) Repairs and maintenance	34,03,255	30,06,735		
h) Excise Duty				
i) Rent,Rates and Taxes	11,07,42,133	8,62,08,792		
j) Vehicles Running and Maintenance	22,41,168	23,32,116		
k) Postage, Telephone and Communication Charges	74,52,217	71,98,930		
l) Printing and Stationery	52,94,186	44,00,532		
m) Travelling and Conveyance Expenses	1,65,18,050	1,54,91,323		
n) Expenses on Seminar/Workshops	39,02,739	23,61,366		
o) Subscription Expenses	5,36,808	7,31,047		
p) Expenses on Fees				
q) Auditors Remuneration	1,12,700	81,243		
r) Hospitality Expenses	18,93,672	17,91,007		
s) Professional Charges	2,87,60,976	2,62,89,262		
t) Provision for Bad and Doubtful Debts/Advances				
u) Irrecoverable Balances Written-off		38,221		
v) Packing Charges				
w) Freight and Forwarding Expenses				
x) Distribution Expenses				
y) Advertisement and Publicity	1,38,17,357	52,86,127		
z) Others				
(i) Others (Payment to Security, Housekeeping etc.)	1,09,21,356	78,38,757		
(ii) Expenditure on Capacity Building			7,34,13,506	2,09,39,601
SATRC meeting expenses and fees		28,000		
TOTAL	**20,71,38,686**	**16,44,65,856**	**7,34,13,506**	**2,09,39,601**

Sd/-
Dy. Advisor






SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

(Amount-Rs.)

	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
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 Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
a) On Fixed Loans	-	-	-	-
b) On Other Loans (including Bank Charges)	-	-	-	-
c) Others (specify)	-		-	-
TOTAL	-	-		-

Sd/-
Dy. Advisor

TELECOM REGULATORY AUTHORITY OF INDIA

RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2011

RECEIPTS	NON-PLAN		PLAN		PAYMENTS	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10		Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
I. Opening Balance					**I. Expenses**				
a) Cash in hand	92,415	46,694			a) Establishment Expenses (corresponding to Schedule 20)	12,56,42,776	13,56,62,766		
i) In current accounts	1,70,86,623	30,39,914	48,98,572	46,86,564	b) Administrative expenses (corrosponding to Schedule 21)	21,00,19,432	15,48,82,015	5,83,15,108	1,71,78,985
ii) In deposit accounts					**II. Payments made against funds for various projects**				
ii) Savings accounts					(Name the fund or project should be shown alongh with the particulars of payments made for each project)				
II. Grants Received									
a) From Government of India	33,50,00,000	31,00,00,000	5,50,00,000	2,30,00,000	**III. Investments and deposits made**				
b) From State Government					a) Out of Earmarked/Endowment funds				
c) From other sourches(details)					b) Out of Own Funds (investments-Others)				
(Grants for capital & revenue exp to shown sperate ly)					**IV. Expenditure on Fixed Assets & Capital Work-in-progress**				
III. Income on Investments from					a) Purchase of Fixed Assets	76,00,448	58,03,855		3,64,407
a) Earmarked/Endow Funds					b) Expenditure on Capital Work-in-progress				
b) Own Funds(Oth Investment)					**V. Refund of surplus money/ Loans**				
IV. Interest Received					a) To the Government of India		48,000		
a) On Bank depostis					b) To the State Government				

(Contd...)




RECEIPTS	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
b) Loans,Advances et	4,363	2,287		
c) Miscellaneous				
V. Other Income(Specify)				
To Miscellaneous Income	54,785	19,852		
VI. Amount Borrowed				
VII. Any other receipts (give details)				
To Fees				
To Security Deposits	16,36,000		6,00,000	
To Sale of Assets	1,12,600	27,675		
To loans and advances & security deposits	12,72,931	4,39,252		
To Registration Fees	6,70,000			
To Customer Education Fees	97,76,062			
TOTAL	**36,57,05,779**	**31,35,75,674**	**6,04,98,572**	**2,76,86,564**

PAYMENTS	NON-PLAN		PLAN	
	Current Year 2010-11	Previous Year 2009-10	Current Year 2010-11	Previous Year 2009-10
c) To other providers of funds(Consumer Protection Fund)				
VI. Finance Charges(Interest)				
VII. Other Payments(Specify)				
Loans and advances and security deposits			90,437	52,44,600
VIII. Closing Balances				
a) Cash in hand	90,640	92,415		
b) Bank Balances				
i) In current accounts TRAI General fund	1,19,06,421	1,70,86,623	20,93,027	48,98,572
ii) In current accounts Registration fees	6,70,000			
ii) In deposit accounts				
iii) Savings accounts Customer Education Fees	97,76,062			
TOTAL	**36,57,05,779**	**31,35,75,674**	**6,04,98,572**	**2,76,86,564**

Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (FA/ IFA)	**Secretary**	**Member**	**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., 2010-11 - 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.

(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:

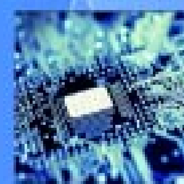
Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition.

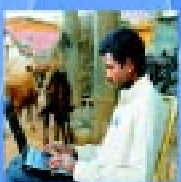
3. Depreciation:

(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 31.03.2011 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 2010-11 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

1. Contingent Liabilities:

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:-**

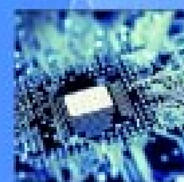
Out of four vehicles purchased from DoT for Rs. 14, 71,692/- during 1997-98, two cars were transferred to TDSAT in October, 2000. The cost of these two cars was Rs. 7,35,846/- and accumulated depreciation on date of transfer was Rs. 2,48,211. The amount of WDV of such cars on the date of transfer was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

5. Grants:

During the accounting year i.e. 2010-11 the grants sanctioned for transfer to TRAI General Fund under Non – Plan head was Rs. 29.00 crore against which a sum of Rs.33.50 crores was received as grant from DoT. A sum of Rs. 3.16 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 for transfer to TRAI General Fund under PLAN head of account was sanctioned as Rs. 13.00 crore against which a sum of Rs. 5.50 crore was received as grant from DoT. A sum of Rs. 17.10 crore receivable from DoT has been shown in Schedule-11.

6. Transactions relating to the Telecom Commercial Communications Customer Preference Regulations, 2010



As per the provisions of “The Telecom Commercial Communications Customer Preference Regulations,2010, TRAI has opened four accounts with corporation Bank for deposition of Registration Fee, Customer Education Fee, Penalty TelemarMarketers and Financial Disincentive Accounts. During the financial year ending on 31-03-2011 a sum of Rs.6,70,000/- & Rs.97,76,062/- has been received in account of Registration Fee and Customer Education Fee respectively. This amount has been shown in Schedule 7 - Current liabilities & provisions under the head Other liabilities.

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.

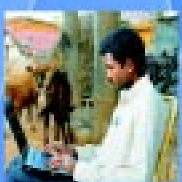
8. Transactions in Foreign Currencies

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, 2011 and the Income and Expenditure Account for the year ended on that date.

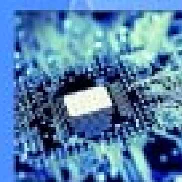
Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (FA/ IFA)	**Secretary**	**Member**	**Chairperson**

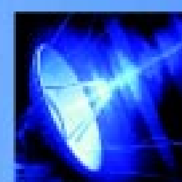





C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNT OF TRAI FOR THE YEAR 2010-11

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 2011





We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2011 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. Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and the Income and Expenditure Account/Receipt 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 on 31 March 2011; 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

Sd/-
(Revathi Bedi)
Director General of Audit (P&T)

Place: Delhi
Date: 23 September 2011

ANNEXURE-I TO SEPARATE AUDIT REPORT

(Referred to in paragraph 4(v) of Separate Audit Report of even date on the accounts of Telecom Regulatory Authority of India - Contributory Provident Fund Account for the year ended 31st March 2011)

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

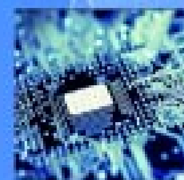
TRAI has appointed a full-time Technical Officer (Internal Audit) with independent charge till August 2009, who was also responsible for conducting internal audit of TRAI-CPF Account. Thereafter, SO (Accounts) with additional charge of Internal Audit has inspected the accounts and paid vouchers of TRAI-CPF Accounts for the financial year 2010-11.

In our opinion, the internal Audit System of the organisation is adequate and commensurate with its size and the nature of its functions. But the Internal Audit is not independent (reporting to the head of finance instead of head of organization) as the compliance of Scope and observations rest with the auditee unit themselves.

(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)
TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
BALANCE SHEET AS AT 31-MAR-2011

CORPUS/CAPITAL FUND AND LIABILITIES	Schedule	Current Year	Previous Year
TRAI - CPF MEMBERS' ACCOUNT	1	55969295.00	45396949.00
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		**55969295.00**	**45396949.00**
ASSETS			
FIXED ASSETS	8		-
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9		-
INVESTMENTS - OTHERS	10	49937216.00	40656924.00
CURRENT ASSETS, LOANS, ADVANCES ETC	11	6032079.00	4740025.00
MISCELLANEOUS EXPENDITURE - on account of Diminution on Value of Investments (to the extent not written off or adjusted)			-
TOTAL		**55969295.00**	**45396949.00**
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

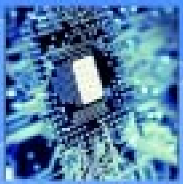
Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Sh. J.S. Bhatia	**Sh. S.D. Sharma**	**Sh. S.B. Singh**	**Smt. Poonam Khurana**	**Sh. R.K. Mishra**
Jt. Advisor (Accounts)	**Dy. Advisor (HR &OS)**	**Jt. Advisor (Legal)**	**P. A. (B&CS)**	**Pr. Advisor (A&P)**
Ex - Officio Trustee	**Ex - Officio Trustee**	**Trustee**	**Trustee**	**Ex - Officio President**

TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/ YEAR ENDED 31-MAR-2011

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	2632661.20	2290442.62
Other Income	18		0.00
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	-
TOTAL (A)		**2632661.20**	**2290442.62**
EXPENDITURE			
Establishment Expenses	20	-	-
Other Administrative Expenses etc	21	50.00	499.25
Expenditure on Grants, Subsidies etc	22	-	-
Interest	23	3627507.00	2841422.00
Diminution Value of Investments in Mutual Funds		17110.00	162883.00
Depreciation (Net Total at the year end-corresponding to Schedule 8)			
TOTAL (B)		**3644667**	**3004804.25**

(Contd...)






Balance being excess of Income over Expenditure (A-B)		**-1012005.80**	**-714361.63**
Transfer to Misc Expenditure to the extent not written off - on account of Diminution Value of Investments			-
Transfer to / from General Reserve			-
Balance being Surplus/ (Deficit) carried to **Recoverable from TRAI General Fund**	11	**-1012005.80**	**-714361.63**
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25		

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Sh. J.S. Bhatia	**Sh. S.D. Sharma**	**Sh. S.B. Singh**	**Smt. Poonam Khurana**	**Sh. R.K. Mishra**
Jt. Advisor (Accounts)	**Dy. Advisor (HR &OS)**	**Jt. Advisor (Legal)**	**P. A. (B&CS)**	**Pr. Advisor (A&P)**
Ex - Officio Trustee	**Ex - Officio Trustee**	**Trustee**	**Trustee**	**Ex - Officio President**

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-MAR-2011

SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT

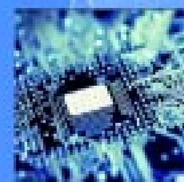
(Amount-Rs.)

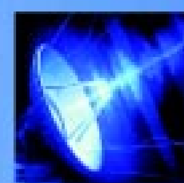
	Current Year	Previous Year
Balance as at the beginning of the year	45396949.00	30077334.00
Add: Contributions towards Members' Account	10572346.00	15319615.00
Add/(Deduct): Balance of net income/ (expenditure) transferred from the Income and Expenditure Account		
BALANCE AS AT THE YEAR-END	**55969295.00**	**45396949.00**

SCHEDULE 2 - RESERVES 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:		N.A.
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/-
Dy. Advisor






SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

	FUND-WISE BREAKUP				Current Year	Previous Year
	Fund WW	Fund XX	Fund YY	Fund ZZ		
a) Opening balance of the funds						
b) Additions of the funds:						
i. Donations/grants				N.A.		
ii. Income from investments made on account of funds						
iii. Other additions(Misc income , receipt of advances)						
TOTAL (a+b)						
c) Utilisation/exependiture towards objectives of funds						
i. Capital Expenditure						
- Fixed Assets						
- Others						
Total						
ii. Revenue Expenditure						
- Salaries,Wages and allowances etc						N.A.
- 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/-
Dy. Advisor

SCHEDULE 4 - SECURED LOANS AND BORROWINGS

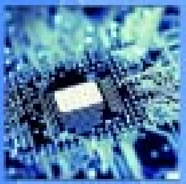
	Current Year	Previous Year
1. Central Government		
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		N.A.
- Interest accrued and due		
b) Other-Loans(Specify		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others(Specify)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

Note : Amount due within one year

SCHEDULE 5 - UNSECURED LOANS AND BORROWINGS

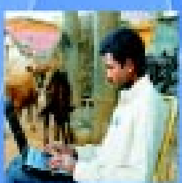
	Current Year	Previous Year
1. Central Government		
2. State Government (Specify)		
3. Financial Institutions		
4. Banks		
a) Term Loans		N.A.
- Interest accrued and due		
b) Other-Loans(Specify		
- Interest accrued and due		
5. Other Institutions and Agencies		
6. Debentures and Bonds		
7. Others(Specify)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

Note : Amount due within one year



Sd/-
Dy. Advisor






SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

	Current Year	Previous Year
1. Acceptance secured by hypothecation of capital equipment and other assets		N.A.
2. State Government (Specify)		

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

	Current Year	Previous Year
A. CURRENT LIABILITIES		
1) Acceptances		
2) Sundry Creditors		
a) For Goods		
b) Others		
3) Advances Received		
4) Interest accured but not due on:		
a) Secured loans/borrowings		N.A.
b) Unsecured Loans/borrowings		
5) Statutory Liabilities		
a) Overdue		
b) Others		
6) Other current Liabilities		
1) For TRAI General Fund)		
2) For Telemarketers Registration fees)		
3) For Customer Education Fees)		
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/-
Dy. Advisor

SCHEDULE 8 - FIXED ASSETS

(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	Additions during the year	Deductions 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										N.A.
2. BUILDINGS										
a) On Freehold Land										
b) On Leasehold Land										
c) Ownership Flats/Premises										
d) Superstructures on land not belongng to the entity										
3. PLANT MACHINERY & EQUIPMENT										
4. VEHICLES										
5. FURNITURE, FIXTURES										

(Contd...)

SCHEDULE 8 - FIXED ASSETS

(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	Additions during the year	Deductions during the year	Total up to the year-end	As at the current year-end	As at the previous year-end
6. OFFICE EQUIPMENT										
7. COMPUTER/ PERIPHERALS										N.A.
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/-
Dy. Advisor

SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

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

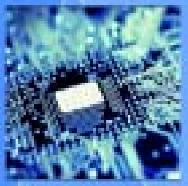
SCHEDULE 10 - INVESTMENTS OTHERS

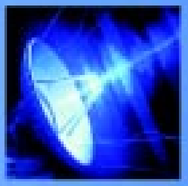
	Current Year	Previous Year
1. In Government Securities		
2. Other approved Securities		
3. Shares	14450007.00	14467117.00
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (Fixed Deposits in Banks/PSU)	35487209.00	26189807.00
TOTAL	**49937216.00**	**40656924.00**

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

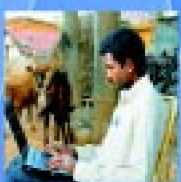
	Current Year	Previous Year
A. CURRENT ASSETS:		
1. Inventories		
a) Stores and Spares	-	-
b) Lose tools	-	-
c) Stock-in-trade		
Finished Goods	-	-
Work in progress	-	-
Raw Material	-	-
2. Sundry Debtors:		
a) Debts Outstanding for a period exceeding six months	-	-
b) Others	-	-
3. Cash balances in hand (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	825953.40	1174760.44
b) With non-Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts	-	-
- On Savings Account	-	-
5. Post Office-Savings Accounts		
TOTAL (A)	**825953.40**	**1174760.44**
B. LOANS, ADVANCES AND OTHER ASSETS		
1. Loans		
a) Staff		-
b) Other Entities engaged in activities/ objectives similar to that of Entity		-
c) Others (Specify)		-
2. Advance and other amounts recoverable in cash or in kind or for value to be received:		
a) On Captial Account		-
b) Prepayments		-
c) Others		-
3. Income Accrued		
a) On Investments from Earmarked/ Endowment Funds		-
b) On Investments - Others	4194119.41	2850904.17
c) On Loans and Advances		
d) Others (includes income due unrealised Rs.)		
4. Claims Receivable - (0.39 + 1012005.80)	1012006.19	714360.39
TOTAL (B)	5206125.60	3565264.56
TOTAL (A+B)	**6032079.00**	**4740025.00**

Sd/-
Dy. Advisor

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) Maintenrance Services (Equipment/Property)		
e) Others(Specify)		
TOTAL		

SCHEDULE 13 - GRANTS/SUBSIDIES

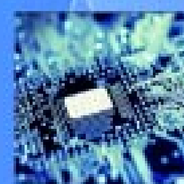
	Current Year	Previous Year
(Irrevocable Grants & Subsidies Received)		
1) Central Government		
2) State Govenemnt(s)		
3) Government Agencies		N.A.
4) Institutions/Welfare Bodies		
5) International Organisations		
6) Other (Specify)		
TOTAL		

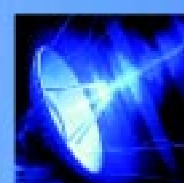
SCHEDULE 14 - FEES/SUBSCRIPTIONS

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

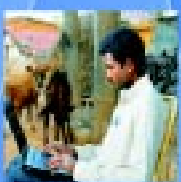
Note: Accounting Policies towards each item are to be disclosed

Sd/-
Dy. Advisor








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		
b) Other Bonds/Debentures		N.A.
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		N.A.
3. Others (specify)		
TOTAL		

SCHEDULE 17 - INTEREST EARNED

	Current Year	Previous Year
1) On Term Deposits		
a) With Scheduled Banks	311139.00	301272.78
b) With Non-Scheduled Banks		-
c) With Institutions	2225275.20	1878714.84
d) Others		
2) On Savings Account		
a) With Scheduled Banks	96247.00	110455.00
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	**2632661.20**	**2290442.62**

Sd/-
Dy. Advisor

SCHEDULE 18 - OTHER INCOME

(Amount-Rs.)

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

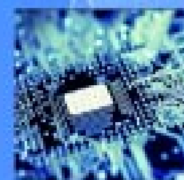
SCHEDULE 19 - INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS & WORK IN PROGRESS

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

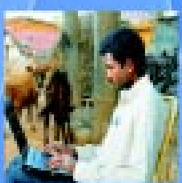
SCHEDULE 20 - ESTABLISHMENT EXPENSES

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

Sd/-
Dy. Advisor






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) Postage, 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*	50.00	499.25
TOTAL	**50.00**	**499.25**

SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

	Current Year	Previous Year
a) Grants given to Institutions/Organisations		
b) Subsidies given to Institutions/Organisations		N.A.
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)		-
c) Others (specify)	3627507.00	2841422.00
TOTAL	**3627507.00**	**2841422.00**

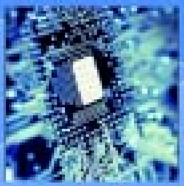
Sd/-
Dy. Advisor

TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MAR-2011

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
I. Opening Balance			**I. Expenses**		
a) Cash in hand		-	a) Establishment Expenses (corresponding to Schedule 20)		-
b) Bank Balances			b) Administrative Expenses (corresponding to Schedule 21)	50.00	499.25
i) In current accounts		-			
ii) In deposit accounts		-			
iii) Savings accounts	1174760.44	453752.96			
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 the particulars of		
b) From State Government			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)	14835361.00	19689807.00
IV. Interest Received			**IV. Expenditure on Fixed Assets & Capital Work-in-progress**		
a) On Bank Deposits - *(Sch. A)*	329716.00	580433.00	a) Purchase of Fixed Assets		

(Contd...)






RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MAR-2011 (Contd...)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
b) Loans, Advances etc.			b) Expenditure on Capital Work-in-progress		
c) Miscellaneous - *(Sch. B)*	959729.96	783488.73			
V. Other Income (Specify)			**V. Refund of surplus money/Loans**		
To Miscellaneous Income			a) The Government of India		
			b) The State Government		
VI. Amount Borrowed			c) Other providers of funds		
VII. Any other Receipts (Give Details)			**VI. Finance Charges (Interest)**		
Fees					
Capital Fund			**VII. Other Payments (Specify)**		
Sales of Publication			Final Payments	4052420.00	1732366.00
Sale of Assets			Advances and Withdrawals	6484120.00	2529420.00
Contribution from Members	10553240.00	10135390.00			
Contribution from TRAI	3331417.00	3415482.00	**VIII. Closing Balances**		
Transfer of Balances	2986267.00	2722501.00	a) Cash in hand		
Repayment of Advances	610455.00	466606.00	b) Bank Balances		
Maturity of FDs/ Encashment of Mutual Funds	5537959.00	6182216.00	i) In current accounts		
Interest Shortfall Recovered from TRAI Gen. Fund	714360.00	386983.00	ii) In deposit accounts		
Payable to TRAI	-	-	iii) Savings accounts	825953.40	1174760.44
TOTAL	**26197904.40**	**25126852.69**	**TOTAL**	**26197904.40**	**25126852.69**

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Sh. J.S. Bhatia	**Sh. S.D. Sharma**	**Sh. S.B. Singh**	**Smt. Poonam Khurana**	**Sh. R.K. Mishra**
Jt. Advisor (Accounts)	**Dy. Advisor (HR & OS)**	**Jt. Advisor (Legal)**	**P.A. (B&CS)**	**Pr. Advisor (A&P)**
Ex - Officio Trustee	**Ex - Officio Trustee**	**Trustee**	**Trustee**	**Ex - Officio President**

SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions:

i) The financial statements have been prepared in the "Uniform Format 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.

ii) Accounts have been prepared on accrual basis for the current year i.e., 2010-11. 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

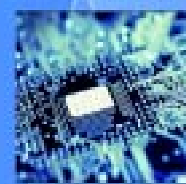
Notes on Accounts

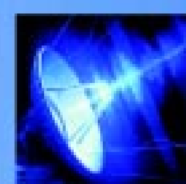
1. Investments have been made on the pattern prescribed in the Notification of Ministry of Finance (Department of Economic Affairs) dated 14th August 2008, effective from 1st April 2009.

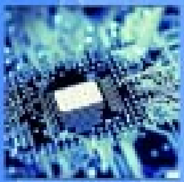
2. As per approval of Competent Authority, the shortfall of Interest, if any, between Interest Earned on Investments made and Interest Payable to Subscribers, will be borne out of the TRAI General Fund. Accordingly, in this year, a sum of Rs. 1012006.19/- recoverable from TRAI General Fund has been accounted for.

3 In compliance with the requirements of Accounting Standards (AS) - 13 issued by the Institute of Chartered Accountants of India (ICAI) and as suggested by the Audit party in the SAR of the financial year 2008-09, a sum of Rs. 17110/- as Diminution Value in some Mutual Fund Investments as on 31-03-2011 has been duly accounted for in the Books of Accounts.

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Sh. J.S. Bhatia	**Sh. S.D. Sharma**	**Sh. S.B. Singh**	**Smt. Poonam Khurana**	**Sh. R.K. Mishra**
Jt. Advisor (Accounts)	**Dy. Advisor (HR & OS)**	**Jt. Advisor (Legal)**	**P.A. (B&CS)**	**Pr. Advisor (A&P)**
Ex - Officio Trustee	**Ex - Officio Trustee**	**Trustee**	**Trustee**	**Ex - Officio President**





ANNEXURES

Annexure-I

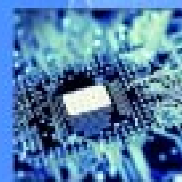
Subscriber Base of Wireless [GSM and CDMA] Services from 2005-06 to 2010-11

(Subscriber base in millions)

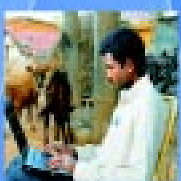
Service Providers	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	%age growth over FY ending 2010
Bharti	19.58	37.14	61.98	93.92	127.62	162.20	27.10%
Reliance	17.31	28.01	45.79	72.67	102.42	135.72	32.51%
Vodafone	15.36	26.44	44.13	68.77	100.86	134.57	33.42%
BSNL	17.65	30.99	40.79	52.15	69.45	91.83	32.23%
Idea	7.37	14.01	24.001	38.89	63.82	89.50	40.23%
Spice	1.93	2.73	4.21	4.13			
Tata	4.85	16.02	24.33	35.12	65.94	89.14	35.18%
Aircel	2.61	5.51	10.61	18.48	36.86	54.84	48.78%
Unitech				0	4.26	22.79	-
Sistema	0.03	0.10	0.11	0.60	3.78	10.06	-
Videocon				0	0.03	7.11	-
MTNL	2.05	2.94	3.53	4.48	5.09	5.47	7.44%
Loop	1.34	1.07	1.29	2.16	2.84	3.09	8.78%
S Tel				0	1.01	2.82	-
HFCL	0.06	0.15	0.30	0.39	0.33	1.47	-
Etisalat				0	0.0004	0.97	-
Total	90.14	165.11	261.07	391.76	584.32	811.59	38.89%

Data includes WLL (F) subscribers

Source: Service Provider





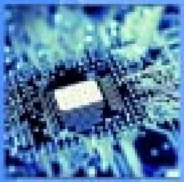



Annexure-II

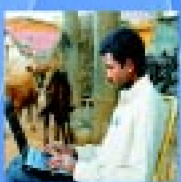
List of Wireless Service Providers Service Area wise as on 31st March 2011

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#

Sl. No.	Category	Service Area	Access Service Provider
			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#
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**	Maharashtra	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

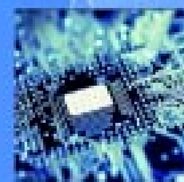



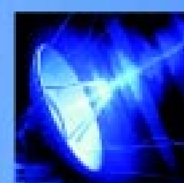




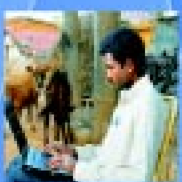

Sl. No.	Category	Service Area	Access Service Provider
			Reliance Infocomm
			Tata Teleservices
6		Gujarat	Vodafone
			Idea Cellular Ltd
			BSNL
			Bharti
			Aircel Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (West) Pvt. Ltd
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Private Ltd*
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
7		Andhra Pradesh	Idea Cellular Ltd
			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		Karnataka	Bharti
			Spice
			BSNL
			Vodafone

Sl. No.	Category	Service Area	Access Service Provider
			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		Tamil Nadu	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
			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

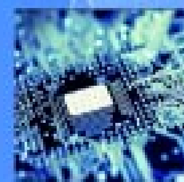


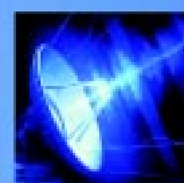




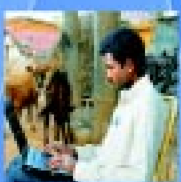

Sl. No.	Category	Service Area	Access Service Provider
			Reliance Infocomm
			Tata Teleservices
11		Punjab	Spice
			Bharti
			BSNL
			Vodafone
			Dishnet Wireless Ltd
			Idea Cellular Ltd*
			Unitech Wireless (North) Pvt. Ltd*
			Etisalat DB Telecom Pvt. Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam 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		Uttar Pradesh-(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		Uttar Pradesh (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		Rajasthan	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

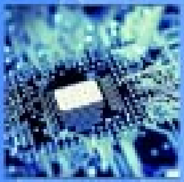




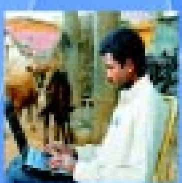



Sl. No.	Category	Service Area	Access Service Provider
			Sistema Shyam Teleservices Ltd
			Tata Teleservices
16		Madhya Pradesh	Idea Cellular Ltd
			Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Videocon Telecommunications Ltd
			Unitech Wireless (West) Pvt. Ltd*
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Essar Spacetel Pvt. Ltd (Vodafone)
			Allianz Infratech (P) Ltd
			Reliance Infocomm
			Tata Teleservices
17		West Bengal and Andaman & Nicobar Islands	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**	Himachal Pradesh	Bharti
			Reliance Telecom

Sl. No.	Category	Service Area	Access Service Provider
			BSNL
			Idea Cellular Ltd
			Dishnet Wireless Ltd
			Essar Spacetel 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 Spacetel Pvt. Ltd (Vodafone)
			Aditya Birla Telecom Ltd (Idea)
			Videocon Telecommunications Ltd
			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





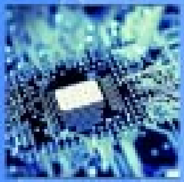

Sl. No.	Category	Service Area	Access Service Provider
			Idea Cellular Ltd
			Unitech Wireless (East) Pvt. Ltd
			S Tel Ltd
			Loop Telecom Pvt. Ltd
			Sistema Shyam Teleservices Ltd
			Reliance Infocomm
			Tata Teleservices
21		Assam	Reliance Telecom
			BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar 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		North East	Reliance Telecom
			Bharti
			BSNL
			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*

Sl. No.	Category	Service Area	Access Service Provider
23		Jammu & Kashmir	BSNL
			Bharti
			Dishnet Wireless Ltd
			Essar Spacetel 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

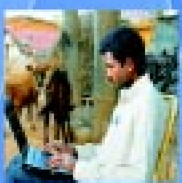
Note : * Services not yet Started

Single License for Tamil Nadu & Chennai

Source DOT/Service Providers






Annexure-III

Wireless Subscribers added and annual growth rate in different circles during 2008-09, 2009-10 and 2010-11

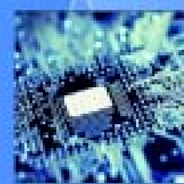
Circles	No. of Subscribers added during April, 08 to March, 09 (in million)	% Growth during year 2008-09	No. of Subscribers added during April, 09 to March,10 (in million)	% Growth during year 2009-10	No. of Subscribers added during April,10 to March,11 (in million)	% Growth during year 2010-11
Metro	17.28	38.56%	9.09	14.64%	25.65	36.03%
Circle 'A'	43.23	46.01%	75.13	54.77%	76.13	35.87%
Circle 'B'	51.75	54.42%	77.15	52.54%	94.55	42.21%
Circle 'C'	18.43	67.71%	31.19	68.32%	30.94	40.26%
All India	**130.69**	**50.06%**	**192.56**	**49.15%**	**227.27**	**38.89%**

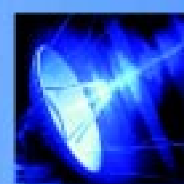
Source: Quarterly Reports of Service Providers

Annexure-IV

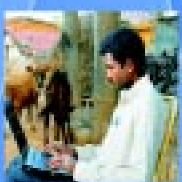
List of Permitted Teleport

Sl. No.	Name of Teleport	Location
1	AIRR X MEDIA LTD.	SURAT
2	AMRITA ENTERPRISES PVT. LTD.	THIRUVANANTHAPURAM
3	ASIANET INFRASTRUCTURE PVT. LTD.	THIRUVANANTHAPURAM
4	ASSOCIATED BROADCASTING CO. PVT. LTD.	HYDERABAD
5	AV ENTERTAINMENT PVT. LTD.	BHOPAL
6	BENNETT COLEMAN AND CO. LTD.	MUMBAI
7	BHARTI TELEPORTS LIMITED	Noida
8	BRAHMAPUTRA TELE-PRODUCTIONS PVT. LTD.	GUWAHATI
9	BROADCAST EQUIPMENTS INDIA PVT. LTD.	NEW DELHI
10	CALCUTTA TELEVISION NETWORK PVT. LTD.	KOLKATA
11	CHANNEL GUIDE INDIA LTD.	MUMBAI
12	COMSAT SYSTEM PVT. LTD.	HYDERABAD
13	DISH TV INDIA LIMITED	NOIDA
14	EASTERN MEDIA LTD.	BHUBANESHWER
15	ENTERTAINMENT TELEVISION NETWORK PVT.LTD.	MUMBAI
16	ESSEL SHYAM COMMUNICATION LIMITED	NOIDA
17	ESSEL SHYAM COMMUNICATION LTD.	NOIDA-2
18	ESSEL SHYAM COMMUNICATION LTD.	NOIDA -3
19	ESSEL SHYAM COMMUNICATION LTD.	MUMBAI
20	ESSEL SHYAM COMMUNICATION LTD.	AROOR KERALA
21	G. NEXT MEDIA PVT. LTD.	NEW DELHI
22	IN CABLENET ANDHRA LTD.	HYDERABAD
23	INDEPENDENT NEWS SERVICE PRIVATE LIMITED	NOIDA
24	INDEPENDENT NEWS SERVICES PVT. LTD.	NOIDA -2
25	INDIASIGN PVT. LTD.	GURGAON
26	INDIASIGN PVT. LTD.	KOLKATA
27	INDIASIGN PVT. LTD.	CHENNAI
28	INDIASIGN PVT. LTD.	HYDERABAD
29	INDIASIGN PVT. LTD.	HYDERABAD (Location shifted from Noida)

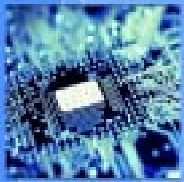




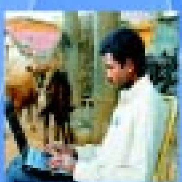



Sl. No.	Name of Teleport	Location
30	INDIAVISION SATELLITE COMMUNICATIONS LTD.	KOCHI - KERALA
31	INDRA TELEVISION LTD.	HYDERABAD
32	INFORMATION TV PVT. LTD.	NEW DELHI
33	JAIN STUDIOS LTD.	GREATER NOIDA
34	KAMYAB TV PVT. LTD. (Formerly known as MD TV Pvt. Ltd.)	BHUBANESHWER
35	KANSAN NEWS PRIVATE LIMITED	CHANDIGARH
36	KASTURI MEDIA PVT. LTD.	BANGALORE
37	KOHINOOR BROADCASTING CORPORATION LTD.	RAJPURA - PUNJAB
38	LAMHAS SATELLITE SERVICES LTD.	MUMBAI
39	LOK PRAKASHAN LTD.	AHMEDABAD
40	MALAYALAM COMMUNICATIONS LTD.	THIRUVANANTHAPURAM
41	MAVIS SATCOM LIMITED	CHENNAI
42	MEDIA CONTENT AND COMMUNICATION SERVICES INDIA PRIVATE LIMITED	NOIDA
43	MH ONE TV NETWORK LTD.	DELHI
44	MM TV LTD.	ALAPUZZA
45	NEW DELHI TELEVISION LTD. NDTV	NEW DELHI
46	NOIDA SOFTWARE TECHNOLOGY PARK LTD.	GREATER NOIDA
47	ORTEL COMMUNICATIONS LTD.	BHUBANESHWER
48	POSITIVE TELEVISION PVT. LTD.	GUWAHATI
49	POSITIVE TELEVISION PVT. LTD.	NOIDA
50	PRAGYA VISION PVT. LTD.	NOIDA
51	PRIDE EAST ENTERTAINMENT PVT. LIMITED	GUWAHATI
52	RACHANA TELEVISION PVT. LTD.	HYDERABAD
53	RAJ TELEVISION NETWORK LTD.	CHENNAI
54	RAJASTHAN PATRIKA PRIVATE LIMITED	JAIPUR
55	ROYS INSTITUTE OF COMPETITIVE EXAMINATION PVT LTD	KOLKATA
56	SAHARA SANCHAR LIMITED	NOIDA
57	SANSKAR INFO TV PVT. LTD.	MUMBAI
58	SATISH SUGERS LTD.	BANGALORE

Sl. No.	Name of Teleport	Location
59	SENIOR MEDIA LTD.	NEW DELHI
60	SHITAL FIBRES LTD.	JALANDHAR
61	SKYLINE TELE MEDIA SERVICES PVT. LTD.	NOIDA
62	SOWBHAGYA EXPORTS LTD.	HYDERABAD
63	SRI VENKATESWARA BHAKTI CHANNEL PVT. LTD.	TIRUPATI
64	SST MEDIA PVT. LTD.	KOLKATA
65	STV ENTERPRISES LTD.	NEW DELHI
66	SUN TV LTD.	CHENNAI
67	SUN TV LTD.	CHENNAI
68	TATA COMMUNICATIONS LIMITED	CHENNAI-2
69	TATA COMMUNICATIONS LIMITED	CHENNAI -3
70	TATA COMMUNICATIONS LTD. VSNL	CHENNAI -4
71	TATA COMMUNICATIONS LTD. VSNL	KOLKATTA
72	TATA COMMUNICATIONS LTD. VSNL	COCHIN
73	TATA COMMUNICATIONS LTD., VSNL	NEW DELHI
74	TATA COMMUNICATIONS LTD., VSNL	MUMBAI
75	TATA COMMUNICATIONS LTD., VSNL	CHENNAI
76	TATA SKY LIMITED	NEW DELHI
77	TELEVISION EIGHTEEN INDIA LIMITED	MUMBAI
78	TELEVISION EIGHTEEN INDIA LIMITED	NEW DELHI
79	TELEVISION EIGHTEEN INDIA LIMITED	NOIDA
80	TV TODAY NETWORK LIMITED	NEW DELHI
81	UNILAZER EXPORTS AND MANAGEMENT CONSULTANTS LIMITED	MUMBAI
82	USHODAYA ENTERPRISES LTD.	HYDERABAD
83	VINTAGE STUDIO PVT. LTD.	NEW DELHI
84	WINNING EDGE COMMUNICATIONS LTD.	HYDERABAD





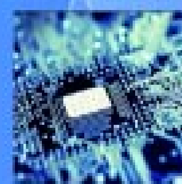

Annexure-V

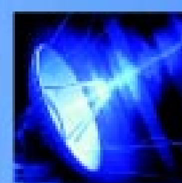
List of pay channels

S.No.	Name of the channel
1	Zee TV
2	Zee Cinema
3	Cartoon Network
4	Zee Marathi
5	Zee News
6	CNN
7	Zee Café
8	Zee Studios
9	Zee Bangla
10	Zee Punjabi
11	Zee Trendz
12	HBO
13	POGO
14	Zee Business
15	Zee Classic
16	Zee Action
17	Zee Premier
18	Zee Telugu
19	Zee Kannada
20	ETC Punjabi
21	ETC
22	Zing
23	Zee Jagran
24	Zee Smile
25	24 Ghante
26	24 Taas
27	Zee Talkies
28	WB
29	REAL
30	Zee 24 Ghantalu
31	Zee Salaam
32	SET (Sony Entertainment Television)
33	MAX
34	Discovery
35	Animal Planet
36	AXN
37	Animax
38	TLC
39	SAB TV
40	SET PIX
41	NDTV 24X7
42	NDTV Profit
43	Aaj Tak
44	Headlines Today
45	Tez
46	Channel 8 (Sony AATH)
47	Discovery Science
48	Discovery Turbo
49	Neo Sports
50	Neo Cricket
51	SUN TV
52	Gemini TV
53	Udaya TV
54	K TV
55	Gemini Comedy
56	Udaya Movies
57	Sun Music
58	Gemini Music

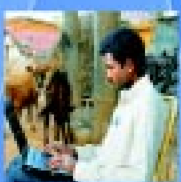
S.No.	Name of the channel
59	Sun News
60	Gemini News
61	Udaya Varthegalu
62	Gemini Movies
63	Chintu TV [v]
64	Udaya Comedy
65	Kushi TV
66	Chutti TV
67	Udaya II
68	Adithya TV
69	Surya TV
70	Kiran TV
71	The Disney Channel
72	Disney XD
73	Hangama TV
74	IBN 7
75	IBN Lokmat
76	Colors
77	MTV
78	NICK
79	VH 1
80	CNBC TV 18
81	CNN-IBN
82	CNBC Awaaz
83	Star Plus
84	Star Gold
85	Star Movies
86	Star World
87	Vijay TV
88	NGC
89	The Fox History and Entertainment Channel

S.No.	Name of the channel
90	Channel (V)
91	Star One
92	Times Now
93	Zoom
94	The MGM
95	Star Jalsha
96	Star Ananda
97	FX
98	FOX CRIME
99	BABY TV
100	Nat Geo Wild
101	Nat Geo Adventure
102	Nat GEO Music
103	Suvarna
104	ETV
105	ETV 2
106	ETV Bangla
107	ETV Marathi
108	ETV Kannada
109	ETV Gujarathi
110	ETV Oriya
111	ETV UP
112	ETV Bihar
113	ETV Urdu
114	ETV Rajasthan
115	ETV MP
116	Bindass
117	UTV Action
118	World Movies
119	UTV Movies
120	Bloomberg UTV
121	BBC World







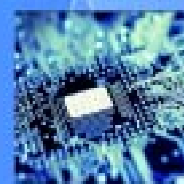


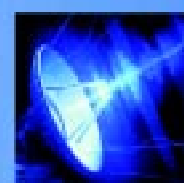

S.No.	Name of the channel
122	BBC Entertainment
123	Cbeebies
124	ESPN
125	Star Sports
126	Star Cricket
127	Raj TV
128	Raj Digital Plus
129	Vissa TV
130	9XM
131	9X
132	NDTV 'Imagine
133	NDTV Lumiere
134	NDTV Showbiz
135	NDTV Good Times
136	Firangi
137	Sahara One
138	Filmy
139	B4U Movies
140	MAA TV
141	MAA Music
142	MAA Movies
143	MAA Junior
144	Dilli Aaj Tak
145	E-24
146	Boomerang
147	TCM Turner Classic Movies
148	Tarang
149	Tarang Music
150	Prarthana
151	ET NOW
152	Ten Action+
153	Ten Sports
154	Ten Cricket
155	Asianet Plus

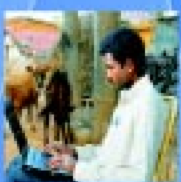
Annexure-VI

List of Broadcasters / Aggregator

Sl.No.	Particulars
1	M/s Ushodaya Enterprises Pvt. Limited
2	M/s ESPN Software India Private Limited
3	M/s UTV Global Broadcasting Limited
4	M/s Asianet Communications Limited
5	M/s Raj Television Limited
6	M/s Times Global Broadcasting Company Limited
7	M/s Turner International India Private Limited
8	M/s 9X Media Pvt. Ltd.
9	M/s Turner General Entertainment Networks India Private Limited
10	M/s New Delhi Television Limited
11	M/s Sahara India Commercial Corporation Limited
12	M/s Orissa Television Limited
13	M/s MAA Television Network Limited
14	M/s B4U Television Network India Limited
15	M/s BBC World (India) Private Limited
16	M/s TV Today Network Limited
17	M/s Allied Infotainment Distribution Private Limited
18	M/s BBC World Wide Channels Private Limited
19	M/s Taj Television India Private Limited.
20	M/s MSM Discovery Private Limited
21	M/s Zee Turner Limited
22	M/s SUN 18 Media Services North
23	M/s SUN 18 Media Services South
24	M/s Star Den Media Services Private Limited







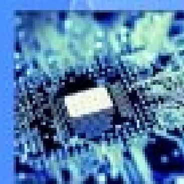
Annexure-VII

List of Pay DTH Operator

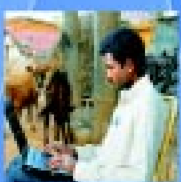
1.	M/s. Tata Sky Ltd.
2.	M/s Dish TV India Ltd.
3.	SUN Direct TV (P) Ltd.
4.	Bharti Telemedia Ltd.
5.	Reliance Big TV Pvt. Ltd.
6.	M/s Bharat Business Channel Ltd.

LIST OF ABBREVIATIONS

2G	Second Generation
3G	Third Generation
ADB	Asian Development Bank
ADC	Access Deficit Charge
AGR	Adjusted Gross Revenue
Anatel, Brazil	Brazilian Agency of Telecommunications
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	Broadcasting 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	Collar Line Identity 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 Telecommunication Consumers Education and Protection Fund

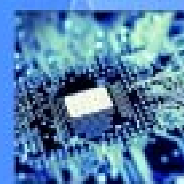



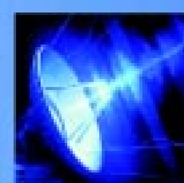




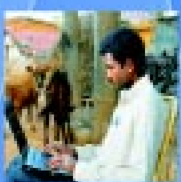

DEL	Direct Exchange Line
DIT	Department of Information Technology
DLC	Domestic Leased Circuits
DoT	Department of Telecommunication
DTH	Direct to Home
EETT Greece	Hellenic Telecommunications and Post Commission
EVDO	Evolution Data Optimized
FDI	Foreign Direct Investment
FLRIC	Forward looking Long Run Incremental Cost
FTA	Free to Air
GMPCS	Global Mobile Personal Communication System
GPRS	General Packet Radio Service
GSM	Global System of Mobiles
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
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	Interconnect User Charges
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	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 Providers
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 License
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

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