

**TELECOM REGULATORY AUTHORITY OF INDIA NOTIFICATION
NEW DELHI, the 1st May, 2001**

No.303-4/TRAI-2001 - In exercise of the powers conferred upon it under sub-section (2) of Section 11 of the Telecom Regu India Act, 1997 to notify, by an Order in the Official Gazette, tariffs at which Telecommunication Services within India and outs provided, the Telecom Regulatory Authority of India hereby makes the following Order.

**The Telecommunication Tariff (Thirteenth Amendment) Order 2001
(3 of 2001) Section I
Title, Extent and Commencement**

1. Short title, extent and commencement :

- i) This Order shall be called "Telecommunication Tariff (Thirteenth Amendment) Order 2001".
- ii) The Order shall come into force from the date of its Publication in the Official Gazette of India.

Section II

2. In Schedule-II (Cellular Mobile Telecom Service) of the Telecommunication Tariff Order, 1999, the existing clause (14.d) a entries shall be deleted and substituted to read as under: -

Item	Tariff
(14.d) - Tariff for pre-paid service.	Forbearance; Provided that - a) At least one denomination of pre-paid cards offered by every Service Provider amount of Rs.300.00 or less with a corresponding validity period of at least one month b) The charges for replacement of lost/ damaged SIM card shall be based on cost with mark-up. c) If there is any amount that is unused at the end of the validity period, this amount shc over to the renewed card, if such renewal is done within a reasonable, specified period d) In the case of each pre-paid card package, the customer should be prominently informed of the total amount that is available in the pre-paid card package for making pay towards usage.
(14.e) - Other matters relevant to tariff including billing cycle.	Forbearance.

**Section III
EXPLANATORY MEMORANDUM**

This Order contains at Annex A, an Explanatory Memorandum to provide clarity and transparency to the tariffs specified in this

By **Order HARSHA VARDH**
Advisor (Economic)

Annex A EXPLANATORY MEMORANDUM

Background:

The Authority has received a number of complaints from Consumer Organizations relating to the pre-paid cards. The compl policy toward unused amounts on prepaid cards, provision of replacement of SIM Cards against lost/damaged Sim Cards specified for items like administrative/or processing by CMSPs. While the Authority is examining the issues in a comprehensi decided to address following issues through this Amendment :

1. Charges for replacement of lost/damaged SIM Card.

At present, operators charge varying amounts that range between Rs.200.00 to Rs.1200.00 for replacement of SIM card; prescribed a ceiling of Rs.1,200.00 for activation/installation charges. This amount accounts for costs relating to provis registration of the subscriber in the network, activation charges etc. In a situation where the activation/installation charge

Rs.1200.00 which also includes the cost of SIM card, a charge of Rs.1200.00 for the SIM card by itself is not justified. According to estimates provided by operators the cost of the SIM Card at present varies between Rs.150.00 to Rs.175.00. Some other estimates place it at only about one-fifth of these estimates. The Authority has, therefore, decided in consumer interest, that the charge to subscribers for replacement of lost/damaged SIM card shall not exceed the cost to the service provider plus a reasonable mark

2. Denomination value and validity period for pre-paid cards:

At present the pre-paid SIM Cards of various denominations ranging from Rs.250.00 to Rs.5000.00 are available. The validity of SIM Cards varies from 15 days to 60 days. A study conducted by the Authority showed that the minimum denomination value sold by most operators is Rs.500.00, and very few operators offer denominations of less than Rs.500.00. The current industry practice is that if a residual amount obtains at the end of the validity period, it lapses i.e. the subscriber loses that amount unless they recharge the pre-paid card within the validity period. Certain service providers allow the balance amount to be carried over and recharge the card during a 'grace period' that is generally 15-30 days beyond the validity period. All things considered, the view that in the interest of low-user subscribers, pre-paid cards of lower denominations with a reasonable validity period should be offered so that the unused value on the card is restricted to the minimum possible. Visitors to a particular service area for a limited period should be able to use pre-paid cards of smaller denomination more convenient. In view of the above, Authority has decided that at least one denomination of pre-paid cards offered by every Service Provider must be for an amount of Rs.300.00 or less with a corresponding validity period of at least 15 days. The operators are free to provide validity period beyond 30 days or grace period after expiry of validity period.

3. Carry Forward of Unused Amount :

Keeping in view the interest of pre-paid subscribers, the Authority has decided that any unused amount that obtains at the end of the validity period should be credited to the subscriber in cases where the subscriber renews subscription within a reasonable period, referred to as "Grace Period". Although certain service providers already offer such a facility, the intention of the Authority is to make this a customer friendly practice uniform across the industry. 4. Transparency : The Authority has noticed that in certain cases service providers do not suitably inform the subscriber of the break-up of the total amount charged from them for the pre-paid service. This Amendment makes it mandatory for service providers to prominently display the amount of talk time value available to a pre-paid subscriber. Thus, service providers are required to specify various components of maximum retail price (MRP) including talk time value, on the package itself.