Telecom Regulatory Authority of India

(IS/ISO 9001:2008 Certified Organisation)

Annual Report
2014-15

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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 18th Annual Report for the year 2014-15 of the Telecom Regulatory Authority of India to be laid before both Houses of Parliament. 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 and Broadcasting Sectors and a summary of the key initiatives of TRAI on the regulatory matters with specific reference to the functions mandated to it under the Act. The Audited Annual Statement of Accounts of TRAI is also included in the report.

(RAM SEWAK SHARMA)
CHAIRPERSON

Dated: December, 2015

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OVERVIEW OF TELECOM & BROADCASTING SECTOR

OVERVIEW

1. The year 2014-15 has been an eventful year for the telecommunications and broadcasting sectors. In the telecom sector, TRAI addressed the issue of Spectrum Pricing and Spectrum Sharing. Recommendations were sent to the Government on improving telecom services in Andaman and Nicobar Islands & Lakshadweep and provisioning of INMARSAT / Satellite Services. On the tariff front, TRAI continued with the general policy of forbearance in respect of most services. The ceiling tariff for Domestic Leased Circuits (DLCs) was reduced. With this reduction, customers seeking DLCs on thin routes connecting small cities, remote and hilly areas etc. would benefit. The reduction in ceiling tariff for DLCs would also boost the overall growth of the economy. The Authority issued the International Calling Card Services (Access charges) Regulations 2014. These regulations are expected to pave the way for introduction of calling cards, resulting in real choice for the customer to pick his/her international long distance operator. This would further lower the tariff for ISD calls. Effective measures in consumer interest were also taken. In the broadcasting sector, digitisation of the cable sector which aims at empowering the consumer and providing him better service quality and enhanced choice was continuously pursued and monitored against various odds and challenging terms. The first two phases of implementation have already been completed and around 30% of the cable TV homes have been covered. TRAI also initiated a number of steps aimed at bringing in a measure of stability & uniform growth of the sector that is presently undergoing a huge transformation from the analog era. Enabling such an environment will encourage investments and bring about faster development of the broadcasting and cable services sector.

2. The significant events relating to Telecom and Broadcasting sectors during the year 2014-15 are detailed on next page.

I. TELECOM SECTOR

(i) The Telecom Sector witnessed substantial growth in the number of subscribers during the year 2014-15. At the end of the financial year, the subscriber base was 996.49 million out of which 969.89 million were wireless subscribers. During the year, wireless subscriber base recorded an increase of 65.38 million, while the overall tele-density increased from 75.23 to 79.38. The year also saw increase in rural tele-density from 43.96 to 48.37 while the urban tele-density also increased from 145.78 to 148.61. During the year 2014-15, 36.84 million subscribers have submitted their porting requests to different service providers for availing Mobile Number Portability (MNP) facility. With this the Mobile Number Portability requests increased from 117.01 Million subscribers at the end of March 2014 to 153.85 Million at the end of March 2015. The Internet subscriber base in the country as on 31st March 2015 stood at 302.35 million as compared to 251.59 million as on 31st March 2014. The total broadband subscriber base of the country increased from 60.87 million as on 31st March 2014 to 99.20 million as on 31st March 2015.

(ii) An important aspect of TRAI's functions as mandated under the TRAI Act is to make recommendations to the Government on diverse subjects including market structure and entry of new operators in the sector, the licencing framework, management of scarce resources such as spectrum, consumer safety and security. Under this mandate, several significant policy regulatory recommendations were made during the year which include recommendations on 'Provisioning of INMARSAT/ Satellite Phone Services', 'Guidelines on Spectrum Sharing', 'Improving telecom services in Andaman and Nicobar Islands & Lakshadweep', 'Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers', 'Valuation and Reserve Price of Spectrum : Licences expiring in 2015-16' and 'Valuation and Reserve price of Spectrum : 2100 MHz Band'.

(iii) On the request of DoT, on the appropriateness and feasibility of including INMARSAT Services 'under unified license GMPCS Authorization' or framing of another authorization under the unified license, the Authority formulated and forwarded its Recommendations on 'Provisioning of INMARSAT/ Satellite Phone Services' on 12th May 2014.

(iv) With the main objective of providing an opportunity to telecom service providers to pool their spectrum holdings and improve spectral efficiency, the Authority made its recommendations dated 21st July 2014 on 'Guidelines on Spectrum Sharing'. In India, spectrum holding per Telecom Service Provider (TSP) is small and fragmented. Spectrum fragmentation results in under utilisation of scarce resource. Sharing can also provide additional network capacities in places where there is network congestion due to a spectrum crunch.

(v) On the request of DoT, the Authority after detailed consultation with all the stakeholders recommended a comprehensive telecom plan for improving telecom services in Andaman and Nicobar Islands vide its recommendation dated 22nd July 2014 on 'Improving telecom services in Andaman and Nicobar Islands & Lakshadweep'.

(vi) On a specific reference from DoT on various issues related to the assignment and pricing of MW carriers the Authority, after consultations with various stakeholders and internal analysis forwarded its recommendations on 'Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers' on 29th August, 2014.

(vii) Access licences (CMTS/UAS) which were awarded in 1995-96 are due to expire in 2015-16. The DoT sought the recommendations of the Authority on the applicable reserve price for all the service areas for auction of spectrum in 900 MHz and 1800 MHz bands. After consultation with the stakeholders and internal analysis, the Authority forwarded its recommendations on "Valuation and Reserve Price of Spectrum: Licences expiring in 2015-16" to the DoT on 15th October 2014.

(viii) The Authority, considering the request of DoT to expedite the process for its recommendations on the reserve price of 2100 MHz band, after consultations, forwarded its Recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band" on 31st December 2014 to the Government. The Recommendations discuss various methodologies that have been used to arrive at the valuation of the spectrum in the 2100 MHz band and reserve prices of the spectrum in the 2100 MHz band.

(ix) During the year, besides the recommendations, the Authority initiated consultation process on (a) Migration to IP based Networks (b) Delivering Broadband quickly: what do we need to do? (c) Interconnection Usage Charges (d) Delinking of the License for Networks from delivery of services by way of Virtual Network Operators and (e) Regulatory Framework for Over-the-Top (OTT) services.

(x) Regulatory enforcement is an integral aspect of the functioning of TRAI. To ensure better enforcement, various regulations and orders have been issued prescribing financial disincentives for infringements such as wrong rejection of porting requests; failure to comply with tariff reporting requirements or levy of excess charges on consumers in violation of the provisions of the Telecommunications Tariff Order (TTO); delay in submission of or for submission of false information in Accounting Separation Reports; non-compliance with the benchmarks for Network Service Quality Parameters and Customer Service Quality Parameters; failure to meet the prescribed Quality of Service benchmarks for broadband services etc.

(xi) Looking after consumer interests is one of the principal mandates of TRAI. The Authority has taken many important measures for setting the regulatory framework in several areas that impinge on the welfare and interests of telecom consumers. To ensure good consumer experience and quality of service, TRAI prescribes quality of service standards for service providers. In order to facilitate Full Mobile Number Portability, the Authority amended MNP Regulations vide Sixth Amendment dated 25th February 2015, permitting inter-service area porting and also few changes to improve the MNP process.

II. BROADCASTING SECTOR

The significant events relating to broadcasting and cable services during this period are as follows:

(i) The broadcasting sector consists of Television and Radio Services. India has the world's second largest TV market after China. As per industry estimates, as on March 2015, of the 277[1] million households, around 175[1] million have Television sets which are being served by cable TV systems, DTH services, IPTV services and the terrestrial TV network of Doordarshan. The pay TV universe consists of around 101[1] million Cable TV subscribers, 76.05 million registered DTH subscribers (including 41.152 million active subscribers) and around half a million IPTV subscribers. The terrestrial TV network of Doordarshan covers about 92[2] per cent of population of the country through a vast network of terrestrial transmitters.

(ii) The broadcasting and cable television services sector comprises 53 pay broadcasters, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs) (including 155 MSOs registered in DAS), six pay DTH operators, apart from a public service broadcaster - Doordarshan, providing free-to-air DTH service. There were 829 TV channels registered with the Ministry of Information and Broadcasting at the end of financial year 2014-15 out of which there are 205 SD pay TV channels, 42 HD Pay TV channels and 4 advertisements –free pay channel.

(iii) India's television industry grew from Rs 41700[3] crores in the year 2013-14 to Rs. 47500[3] crores in the year 2014-15, thereby registering a growth of around 14%. The subscription revenue accounts for the major share of the overall revenue of the TV industry. The subscription revenue grew from Rs. 28100[3] crores in the year 2013-14 to Rs. 32000[3] crores in the year 2014-15. The advertisement revenue in the TV sector in India grew up from Rs. 13600[3] cr. in the year 2013-14 to Rs. 15500[3] cr. in the year 2014-15. The FM (Frequency Modulation) radio sector has also shown an impressive

1 Source: MPA Reports 2015
2 Source : MIB website : www.mib.gov.in
3 Source : FICCI – KPMG Indian Media and Entertainment Report, 2015

growth. There were 243 private FM radio stations operational by March 2015, besides the public service broadcaster- All India Radio (AIR) having a network of 414[4] stations and 596[4] broadcast transmitters [145[4] are MW (Medium Wave), 403[4] FM and 48[4] SW (Short Wave)] .The coverage of AIR service is around 99.20%[4] of the geographical area of the country, serving 99.18%[4] of the population. Further, as on March 2015, out of the 208 licenses issued for the setup of community radio stations, 180 community radio stations were operational.

The radio industry, which is entirely dependent on advertisement revenues, registered a growth of around 16 percent during the year 2014-15. The industry showed advertisement revenue of Rs. 1633 crore in the year 2014-15 compared to Rs. 1406 crore in year 2013-14.

(iv) The last decade has significantly changed the dynamics of the Cable & Satellite (C&S) TV market. One of the most significant developments has been the digitisation of the cable TV sector in India. The process of digitisation is underway, in a phased manner. By the end of March 2015, around 9 million STBs were installed in Phase I and in Phase II; around 15 million STBs were installed. The cut-off date for analog transmission in phase III areas of DAS implementation covering approximately 7,000 cities is 31st December, 2015 while the cut-off date for Phase-IV areas is 31st December, 2016. The experience of the first two phases of digitization has been very encouraging. Implementation of digitisation with addressability is going to be a game changer and will drive the growth in the broadcasting and cable TV services in the country in a structured manner. At the same time, in the DTH sector, the active subscriber base is registering an average growth of around 3.3 lakhs subscribers per month. This clearly indicates the growing popularity and acceptability of digital addressable platforms which have a lot more to offer to all the stakeholders.

(v) The Ministry of Information and Broadcasting (MIB) sought recommendations of TRAI on certain terms and conditions for extension of the DTH licence period. TRAI, in its recommendations dated 23rd July 2014 to the government, dwelt upon the following salient aspects:-

(a) A new licencing regime to be put in place for the DTH sector which, amongst others, allows for a longer licence period and rationalised licence fee.

(b) A migration scheme for the operators from the existing regime to the new regime along with the quantum of migration fees.

(c) Interoperability of DTH STBs.

(d) Definition of control and 'relevant' markets and cross-holding.

(e) Uniformity in policy on cross holding / control between broadcasters and DPOs and amongst DPOs.

4 Source : AIR Website – www.air.org.in

(vi) In order to ensure fair growth of the broadcasting sector by addressing the issues of cross media restrictions and safeguards, MIB requested TRAI to have a re-look at the issue of vertical integration in the broadcasting and TV distribution sector and cross media holdings across the TV, Print and Radio sectors. MIB also requested TRAI to suggest measures that can be put in place to address vertical integration in the Print & Radio sectors. TRAI in its recommendations made on 12th August 2014 to the Government dwelt upon the following salient aspects:-

(a) Comprehensive definition of 'Control' and ownership.

(b) Cross-media ownership, relevant product segments and relevant geographic markets in the product market.

(c) Measure of concentration of media segment in relevant market.

(d) Rules for cross-media ownership.

(e) Issues affecting internal plurality.

(f) Setting up of a Commission for media issues.

(vii) The Ministry of Information and Broadcasting (MIB) sought recommendations of TRAI on "Issues related to Community Radio Stations". TRAI in its recommendations dated 29th August 2014 to the government, dwelt upon the following salient aspects:-

(a) Initial permission for operating a CRS to be five (5) years;

(b) Extension of permission for five (5) years at a time, to be allowed following performance evaluation;

(c) CRS to be allowed to broadcast locally relevant news and current affairs content, sourced exclusively for AIR, in its original form of translated into the local language/ dialect.

(d) National Disaster Management Authority to draw up detailed guidelines, in consultation with the MIB and the Wireless Planning and Coordination Wing of the DoT, for fully utilizing CRSs in disaster mitigation and relief work.

(e) MIB to set-up an online single window system, integrating the entire application/ approval process for establishing a community radio stations. The online system is to be based on a seamless e-governance platform integrating the different government departments involved in the approval process.

(viii) The Ministry of Information and Broadcasting (MIB) sought recommendations of TRAI on Reserve Prices for auction of FM Radio channels in 264 new cities as per Phase-III policy guidelines. TRAI while making its recommendations to the Government on 24th March 2015 also worked out the valuation of FM radio channels in 253 new cities as a simple mean of three independent valuation approaches, and then fixed the reserve price of FM radio channels for each of the 253 new cities at

80% of this mean for each city. In addition, for 11 cities of 'Others' category, having a population less than 1 lakh in the border areas of Jammu & Kashmir (J&K) and the North East (NE) region, the reserve price is kept as Rs. 5 lakh for each channel of each city, as approved by the Cabinet in the Phase III policy.

(ix) Responding to another MIB reference on the issues related to ground based channels being operated at the level of cable TV operators, TRAI, on 19th November 2014, made its recommendations on "Regulatory Framework for Platform Services". In these recommendations, apart from defining what is 'platform service' and the type of content that can be carried on these channels, TRAI dwelt upon the following salient aspects:-

(a) Prescribing a limit on the total number of PS channels that a Distribution Platform Operator (DPO) may offer to a subscriber both in DAS and non-DAS areas

(b) Putting in place a simple online system for registration for PS.

(c) *Suo motu* recommendations for a regulatory framework for ground based broadcasters were submitted as well.

(x) In response to a reference from MIB, TRAI submitted its clarifications to the Government on 22nd January 2015 regarding the issue of 'Use of DTH by Central and State Governments and guidelines thereon'. TRAI brought out the following salient aspects:-

(a) Non-commercial use of DTH, by the Central and State Governments, for educational purposes should be done via the Prasar Bharati route, through suitable agreements between Prasar Bharati and the concerned Central/ State Governments.

(b) Since satellite transponder capacity is a scarce resource, allocation of transponder capacity to Central/State Governments for running DTH educational channels on a non-commercial basis should be done in a very careful and judicious manner.

(c) TRAI also clarified that content dissemination through EDUSAT programme falls under broadcasting.

(xi) In response to a reference from MIB on the issue of Prasar Bharati's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 (henceforth, the Sports Act), TRAI sent its clarifications to the Government on 14th November 2014 that with the present network infrastructure of Prasar Bharati, if the proposed amendment to the Sports Act is given effect, it will alter the main objectives of the Sports Act. It also requested the Government to review the matter accordingly.

(xii) TRAI notified two regulations on 18th July 2014 namely the "Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Fourth Amendment) Regulation, 2014" & the

"Telecommunication (Broadcasting And Cable Services) Interconnection (Eighth Amendment) Regulation, 2014 respectively". These amendments in the interconnection regulation, applicable to both the Digital addressable Cable TV systems and non-addressable systems, amongst others, incorporated the definition of "Commercial establishment" and the definition of "commercial subscriber". This was done with an intention to streamline the regulatory framework for the distribution of TV services to the commercial subscribers so that the services are available to them at competitive rates. The regulatory framework is likely to balance out the interests of all the stakeholders in the value chain and bring in enhanced transparency in the business transactions.

(xiii) In order to address the issues of non-delivery of bills & receipts by the MSOs to subscribers, resulting in loss of revenue accruable to the Government and to also ensure compliance with the QoS Regulation, TRAI notified a regulation on 25th March 2015 namely the "Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 (4 of 2015)" applicable for Cable TV Services being provided through Digital Addressable Systems (DAS) incorporating provisions for levy of financial disincentives on Multi System Operators (MSOs). It provides for financial disincentive of an amount not exceeding Rs.20 per subscriber. This regulation also provides that the cable TV services shall be offered to the subscribers both on pre-paid and post-paid payment models, with subscribers having an option to choose either. Further, in order to ensure that MSOs honour the pre-paid or post-paid option chosen by the subscriber, in a timely manner, provision has been made for levying a financial disincentive of not exceeding Rs.100/- per subscriber on the MSO for each contravention.

(xiv) In view of the Hon'ble Supreme Court's judgement dated 16th April 2014 directing TRAI to look into the tariff stipulations for the commercial subscribers, TRAI notified two tariff orders on 16th July 2014 & 18th July 2014 namely the "Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Twelfth Amendment) Order, 2014" and the "Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (Fourth Amendment) Order, 2014" respectively. These orders are an attempt to bring in clarity regarding tariff for distribution of TV signals to commercial subscribers based on the intended use of TV signals, and with an aim to enhance transparency in tariff regulation.

(xv) TRAI has prescribed ceilings on the charges both on the wholesale and retail levels for the broadcasting and cable TV services. In order to cater for inflation, the Authority has been allowing inflation linked hikes over the existing ceilings, from time-to-time. In this regard, an amendment namely the "Telecommunication (Broadcasting and

Cable) Services (Second) Tariff (Thirteenth Amendment) Order, 2014" was issued on 31st December 2014.

(xvi) TRAI also notified a tariff order on 6th January 2015 namely "The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Fourteenth Amendment) Order, 2015" applicable to non-addressable (Analogue Cable TV) systems in accordance with the directions of the Hon'ble Supreme Court dated 17th September 2014. The key provisions in the said tariff order are as follows:-

(a) Pricing of new channels and channels converted from free-to-air to pay.

(b) Make it mandatory to offer channels on a-la-carte basis at the wholesale level.

(c) Ensure that there is a linkage between a-la-carte rates and bouquet rates by defining twin conditions that must be satisfied. This is to prevent perverse pricing of a-la-carte channels.

(d) Continue the offering of pre-2007 bouquets to subscribers.

(e) Certain reporting requirements were also put in place for broadcasters.

(xvii) To enable effective implementation of DAS and to ensure compliance to the regulatory framework laid down by TRAI, several Directions & Orders were also issued by TRAI to the service providers, from time-to-time. In some cases, show-cause notices were also issued as per provisions of the TRAI Act.

PART-I

POLICIES AND PROGRAMMES

(A) REVIEW OF GENERAL ENVIRONMENT IN THE TELECOM SECTOR

1.1 The telecom sector witnessed a substantial increase in the number of subscribers during the year 2014-15. At the end of financial year 2014-15, the overall telecom subscriber base has increased to 996.49 million as compared to 933.00 Million at the end of financial year 2013-14 an increase of 63.49 million. The overall subscriber base and teledensity is depicted in **Table-1**.

Table-1: Overall Subscriber base and Teledensity

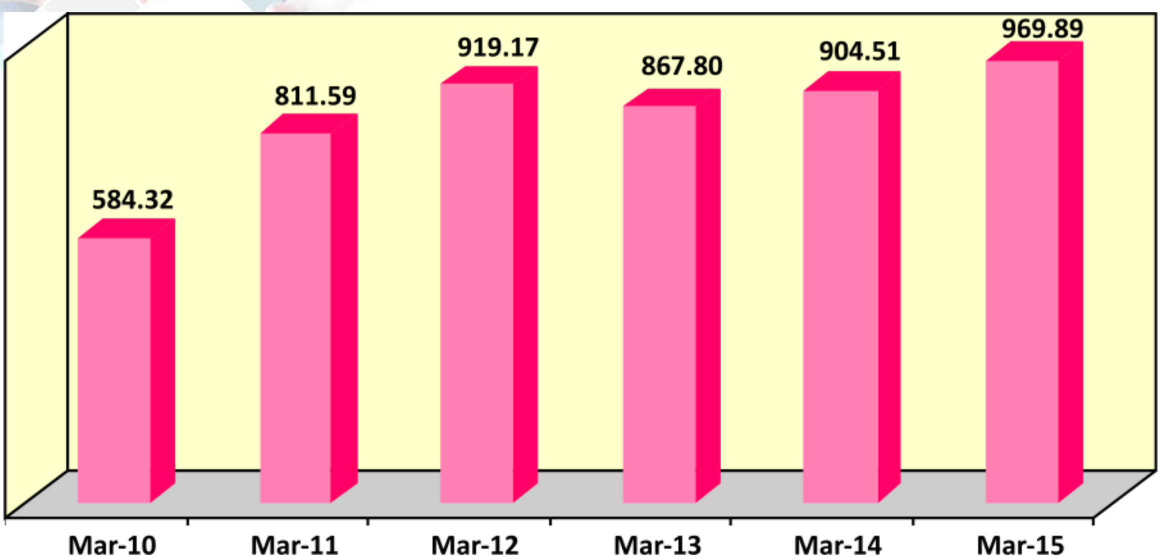
Particulars	**Wireless**	**Wireline**	**Total Wireless + Wireline**
Total Subscribers (Million)	**969.89**	**26.59**	**996.49**
Urban Subscribers (Million)	**555.71**	**21.47**	**577.18**
Rural Subscribers (Million)	**414.18**	**5.12**	**419.31**
Overall Teledensity	**77.27**	**2.12**	**79.38**
Urban Teledensity	143.08	5.53	148.61
Rural Teledensity	47.78	0.59	48.37
Share of Urban Subscribers	57.30%	80.73%	57.92%
Share of Rural Subscribers	42.70%	19.27%	42.08%
No. of Broadband Subscribers(Million)	**83.68**	**15.52**	**99.20**

The details of subscriber base in Wireless, Wireline segments; requests for Mobile Number Portability; Teledensity; Internet subscribers; trends in telecom tariffs; Quarterly Telecom Services Performance Indicators; and Financial performance of Telecom Sector are given in subsequent paragraphs.

(a) Wireless

1.1.1 The wireless subscriber base was 969.89 million as on 31st March 2015 in comparison to the subscriber base of 904.51 million as on 31st March 2014 registering a growth of 7.23% during the financial year 2014-15. The status of wireless subscriber base during the last 6 years is depicted in **Figure-1**.

Figure-1: Wireless Subscribers (in million)



(b) Mobile Number Portability

1.1.2 During the year 2014-15, 36.84 million subscribers have submitted their porting requests to different service providers for availing Mobile Number Portability (MNP) facility. With this the Mobile Number Portability requests increased from 117.01 Million subscribers at the end of March 2014 to 153.85 Million at the end of March 2015. The service area wise cumulative porting request at the end of March 2015 is depicted in the following **Table-2**.

Table-2 : Cumulative MNP Requests (Service Area-wise) at the end of March, 2015

Zone - 1		Zone - 2	
Service Area	**Number of Porting Requests**	**Service Area**	**Number of Porting Requests**
Delhi	5,998,851	Andhra Pradesh	1,4647,077
Gujarat	12,540,674	Assam	489,915
Haryana	5,615,988	Bihar	3,461,119
Himachal Pradesh	523,934	Karnataka	17,668,838

Zone - 1		Zone - 2	
Service Area	**Number of Porting Requests**	**Service Area**	**Number of Porting Requests**
Jammu & Kashmir	35,640	Kerala	5,329,524
Maharashtra	11,772,191	Kolkata	3,558,498
Mumbai	8,476,932	Madhya Pradesh	9,504,934
Punjab	5,313,934	North East	267,666
Rajasthan	14,659,318	Orissa	3,080,418
Uttar Pradesh (East)	7,766,018	Tamil Nadu	9,430,901
Uttar Pradesh (West)	7,686,895	West Bengal	6,016,057
Total	**80,390,375**	**Total**	**73,454,947**
	Total (Zone-1 + Zone-2)		**153,845,322**

(c) Wireline

1.1.3 The total wireline subscriber base as on 31st March, 2015 stood at 26.59 million as compared to 28.50 million subscribers on 31st March, 2014, registering a decline of 6.7% during the year 2014-15. Out of 26.59 million wireline subscribers, 21.47 million are urban subscribers and 5.12 million are rural subscribers. The wireline subscriber base for the last five years is depicted in **Figure-2**:

(d) Teledensity

1.1.4 The tele-density at the end of March, 2015 reached the mark of 79.38 as compared to 75.23 at the end of previous year recording an increase of 4.15. The trend of teledensity since March 2010 is depicted in **Figure-3.**

Figure-2 : Wireline Subscribers (in Millions)

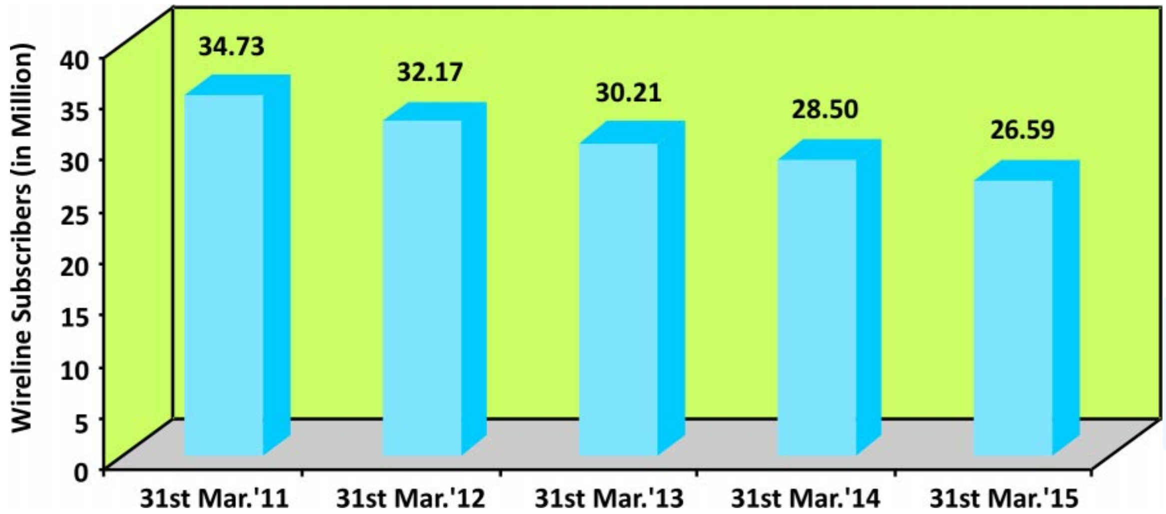
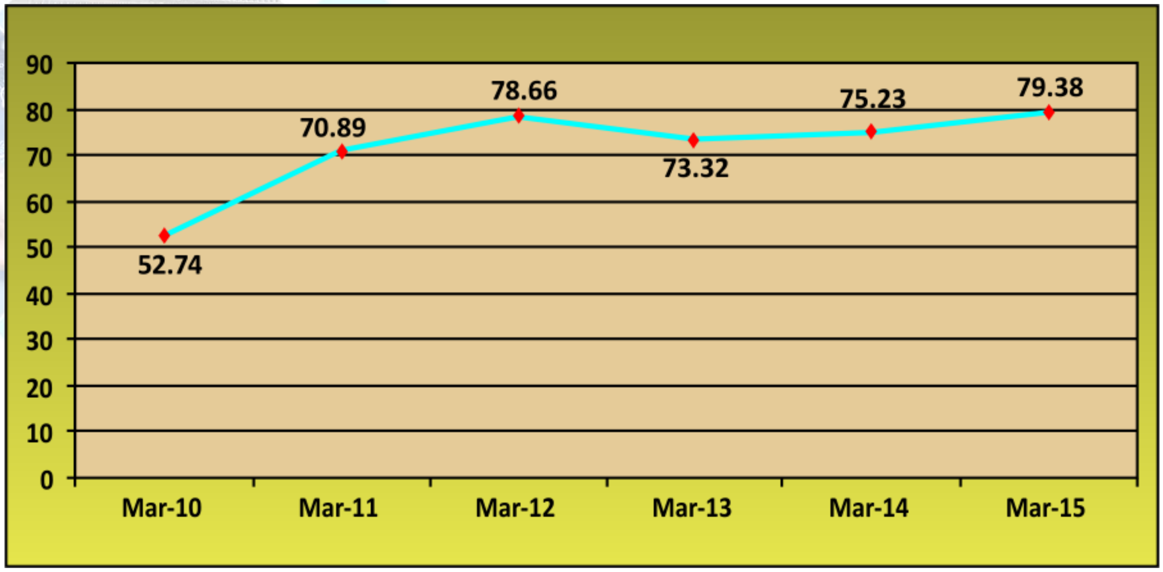


Figure-3 : Growth of Teledensity



(e) Internet and Broadband Subscribers

1.1.5 The Internet subscriber base in the country as on 31st March, 2015 stood at 302.35 million as compared to 251.59 million as on 31st March, 2014. The total Broadband subscriber base of the country as on 31st March, 2015 is 99.20 million whereas it was 60.87 million on 31st March, 2014.

The details of subscription as reported by the service providers in the country as on 31st March, 2015 is indicated at **Table-3.**

Table -3 : Internet Subscribers

[Subscribers in Millions]

Segment			Category	Internet Subscribers		% Growth
				Mar - 2014	Mar-2015	
A.	Wired		Broadband	14.86	15.52	4.45%
			Narrowband	3.64	3.55	-2.46%
			Total	18.50	19.07	3.09%
B.	Wireless	Fixed Wireless (Wi-Fi, Wi-Max, Radio & VSAT)	Broadband	0.40	0.44	11.00%
			Narrowband	0.04	0.03	-15.82%
			Total	0.44	0.48	8.55%
		Mobile Wireless (Phone + Dongle)	Broadband	45.61	83.24	82.48%
			Narrowband	187.04	199.57	6.70%
			Total	232.65	282.81	21.56%
Total Internet Subscribers			**Broadband**	**60.87**	**99.20**	**62.96%**
			Narrowband	**190.72**	**203.15**	**6.52%**
			Total	**251.59**	**302.35**	**20.18%**

Quarter-wise Internet/Broadband subscription as reported by the service providers for 2014-15 is shown at **Table-4:**

Table 4: Quarter-wise Internet/Broadband Subscriber base of 2014-15

[Subscribers in Millions]

Service	June-14	Sep-14	Dec-14	Mar-15
Broadband	68.83	75.73	85.74	99.20
Narrowband	190.31	178.67	181.65	203.15
Total Internet	259.14	254.40	267.39	302.35

(f) The Indian Telecom Services Performance Indicator

1.1.6 TRAI has been coming out with a quarterly report on 'The Indian Telecom Services Performance Indicators'. This Report presents the key parameters and growth trends for Telecom & Broadcasting Services. For the Year 2014-15, the said report for the quarter ending March 2015 has been released; summary of the same is given in **Table-5.**

Table-5 : Performance Indicator (Data as on 31st March, 2015)

Telecom Subscribers (Wireless+Wireline)	
Total Subscribers	996.49 Million
% change over the previous quarter	2.63%
Urban Subscribers	577.18 Million
Rural Subscribers	419.31 Million
Market share of Private Operators	89.89%
Market share of PSU Operators	10.11%
Teledensity	79.38
Urban Teledensity	148.61
Rural Teledensity	48.37
Wireless Subscribers	
Total Wireless Subscribers	969.89 Million
% change over the previous quarter	2.75%
Urban Subscribers	555.71 Million
Rural Subscribers	414.18 Million
GSM Subscribers	917.73 Million
CDMA Subscribers	52.16 Million

Market share of Private Operators	91.68%
Market share of PSU Operators	8.32%
Tele-density	77.27
Urban Tele-density	143.08
Rural Tele-density	47.78
Wireline Subscribers	
Total Wireline Subscribers	26.59 Million
% change over the previous quarter	-1.50%
Urban Subscribers	21.47 Million
Rural Subscribers	5.12 Million
Market share of Private Operators	24.93%
Market share of PSU Operators	75.07%
Tele-density	2.12
Urban Tele-density	5.53
Rural Tele-density	0.59
No. of Village Public Telephones (VPT)	5,85,981
No. of Public Call Office (PCO)	7,36,855
Internet/Broadband Subscribers	
Total Internet Subscribers	302.35 Million
Narrowband subscribers	203.15 Million
Broadband subscribers	99.20 Million
Wired Internet Subscribers	19.07 Million
Wireless Internet Subscribers	283.29 Million
Urban Internet Subscribers	194.79 Million
Rural Internet Subscribers	107.57 Million
Total Internet Subscribers per 100 population	24.09
Urban Internet Subscribers per 100 population	50.15
Rural Internet Subscribers per 100 population	12.41
Broadcasting & Cable Services	
No. of private satellite TV channels registered with Ministry of I&B	829
Number of private FM Radio Stations	243
Registered DTH Subscribers	76.05 Million
Active DTH Subscribers	41.15 Million

Telecom Financial Data (QE Mar-15)	
Gross Revenue(GR) during the quarter	Rs. 65227 Crore
% change in GR over the previous quarter	1.99%
Adjusted Gross Revenue (AGR) during the quarter	Rs. 45158 Crore
% change in AGR over the previous quarter	3.60%
Share of Public sector undertaking's in Access AGR	10.88%
Monthly Average Revenue Per User (ARPU) for Access Services	Rs. 122
Revenue & Usage Parameters (QE Mar-15)	
Monthly ARPU GSM Full Mobility Service	Rs. 120
Monthly ARPU CDMA Full Mobility Service	Rs.108
Minutes of Usage (MOU) per subscriber per month GSM Full Mobility Service	383 Minutes
Minutes of Usage (MOU) per subscriber per month CDMA Full Mobility Service	265 Minutes
Total Outgoing Minutes of Usage for Internet Telephony	245 Million
Data Usage of Mobile Users (for the QE Mar-15)	
Data Usage per subscriber per month - GSM	89.06 MB
Data Usage per subscriber per month - CDMA	278.22 MB
Data Usage per subscriber per month – Total(GSM+CDMA)	99.46 MB

g) Financial Performance of the Telecom Sector.

The financial information covers 55 licensed telecom service sector companies. The information is based on audited/ unaudited financial information[1] submitted by these service providers to TRAI. The financial information mainly comprises of revenue, profitability and investment of the Indian telecom service sector.

Revenue[2]

The Total Revenue[3] of Telecom Service Sector went up from Rs. 2,33,815 crore in 2013-14 to Rs. 2,54,547 crore in 2014-15 indicating a growth of 8.87%. The corresponding figure of revenue based on annual accounts and after adjustment for intra-operator interconnection charges, comes to Rs. 2,19,553 crore in 2013-14 and Rs. 2,42,900 crore in 2014-15, showing a growth of 10.63%. This is indicated in **Table-6** and the Revenue of Major Access Telecom Service Providers is indicated in **Figure-4**.

EBITDA

EBITDA represents the Earnings before Interest, Tax and Depreciation &

1 Except one Telecom Service Provider (TSP) where accounting year ended on 31st December 2014, accounting year of rest of TSPs ends on 31st March 2015

2 Comprises of revenue from telecom services as well as other income

3 Based on Quarterly Statement on Revenue and Licence Fee submitted to DoT

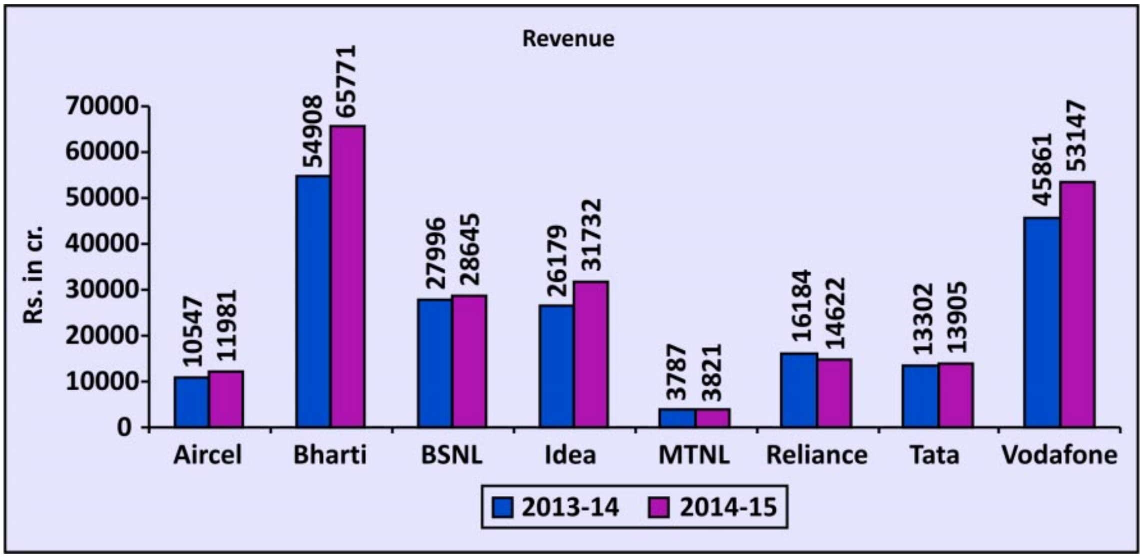
Table-6 : Sector-wise Revenue

(Rs. in Crore)

Particulars	2014-15			2013-14*		
	Public	Private	Total	Public	Private	Total
Revenue from Telecom Service	31424	196580	228004	30282	180154	210436
Total Revenue	33333	209567	242900	32615	186938	219553

* The figures for the year 2013-14 has been modified to include information of newly added companies, who started reporting to TRAI from 2014-15 onwards.

Figure 4: Revenue of Major Access Telecom Service Providers



Amortization. The EBITDA of Telecom Service Sector for the year 2014-15 is Rs. 60,401 crore as against Rs. 43,738 crore for the year 2013-14 showing an increase of 38.10% over the previous year.

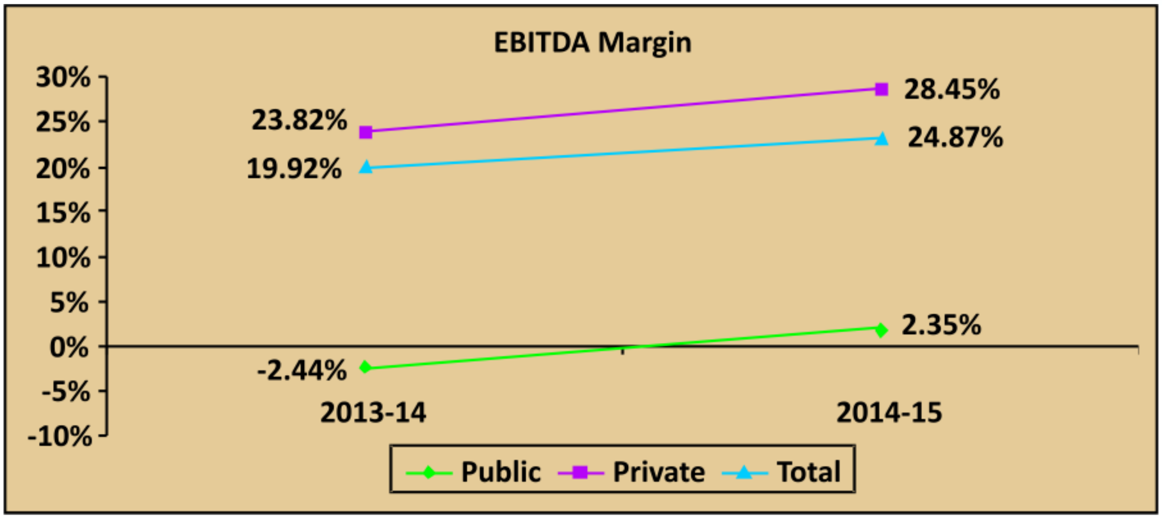
EBITDA margin of telecom service sector for 2014-15 stood at 24.87% as against 19.92% in previous year showing an increase of 4.95%. Sector-wise EBITDA in 2013-14 and 2014-15 is indicated at **Table-7** and **Figure-5** indicates the EBITDA Margin of Telecom Service Sector.

Table-7 : Sector-wise EBITDA in 2013-14 and 2014-15

(Rs. in Crore)

Particulars	2014-15			2013-14		
	Public	Private	Total	Public	Private	Total
EBITDA	782	59619	60401	-794	44532	43738

Figure-5 : EBITDA Margin of Telecom Service Sector



Operating Expenses Ratio of telecom service sector

Overall Operating expenditure ratio of telecom service sector has decreased by 4.95%. The Sector-wise Operating Expenditure and its Ratio are indicated at **Table-8 and Figure-6** respectively**.**

Capital Employed[4]

The Capital Employed represents the funds invested in a business to function or the funds deployed to operate the business.

The capital employed has shown growth of 33.72% over the previous year. The public sector has shown decrease of 24.46% and private sector has shown increase of 55.51%. Capital Employed is indicated at **Table-9 and Figure-7** indicates Capital Employed of telecom service sector.

Capital Investment (Gross Block and Capital Work in Progress)

There is increase of 11.99% in Gross Block (Gross Fixed Assets) in telecom service sector. Public sector has shown increase of

Table-8 : Sector-wise Operating Expenditure and its Ratio

Particulars	2014-15			2013-14		
	Public	Private	Total	Public	Private	Total
Operating Expenditure (Rs. in crore)	32551	149948	182499	33409	142406	175815
Operating Expenditure Ratio	97.65%	71.55%	75.13%	102.44%	76.18%	80.08%

4 Represent sum of Net Block, Capital work in progress and Working Capital, where working capital is Current Assets *less* Current Liabilities

Figure-6 : Operating Expenditure Ratio

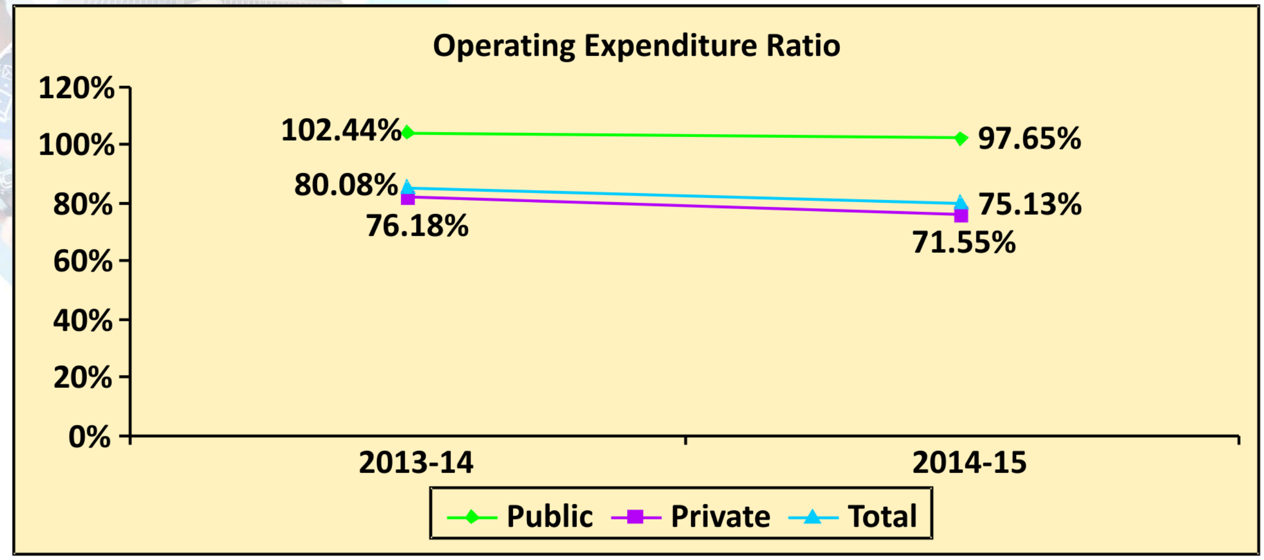
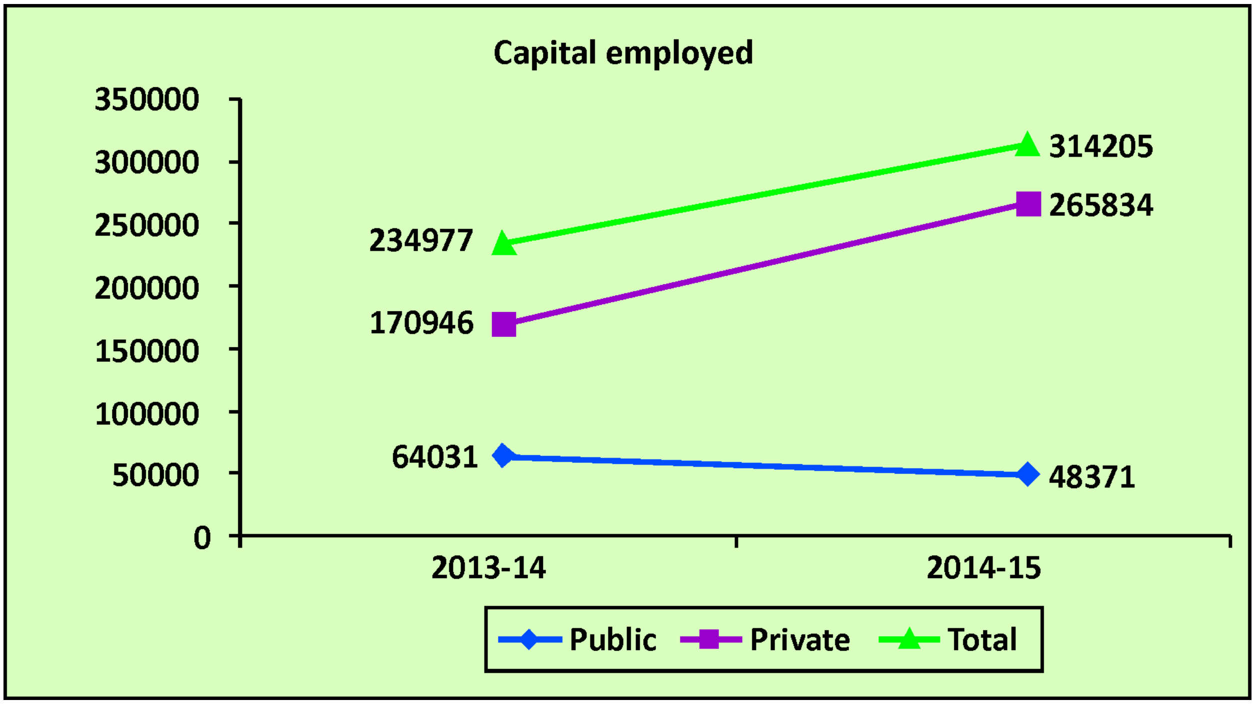


Table-9 : Capital Employed

(Rs. in Crore)

Particulars	2014-15			2013-14		
	Public	Private	Overall	Public	Private	Overall
Capital Employed	48371	265834	314205	64031	170946	234977

Figure 7: Capital Employed of telecom service sector



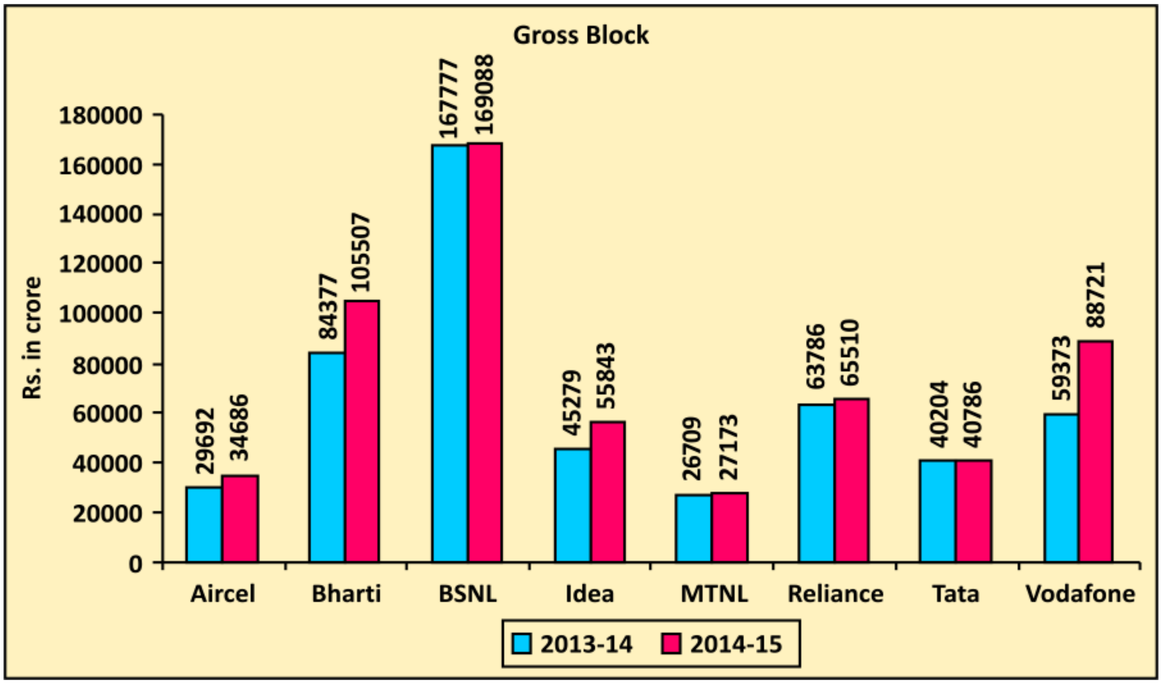
1.01% whereas private sector has shown growth of 17.90%. The **Table 10** indicates the Sector-wise Investment in Gross Block and **Figure 8** indicates Gross Block (Fixed Assets) of major access telecom service providers.

Table 10: Sector-wise Investment in Gross Block

(Rs. in Crore)

Particulars	2014-15			2013-14		
	Public	Private	Overall	Public	Private	Overall
Gross Block	198859	431597	630456	196871	366068	562939
Capital Work in Progress	4545	91373	95918	4373	77857	82230
Grand Total	203404	522970	726374	201244	443925	645169

Figure-8 : Gross Block (Fixed Assets) of major access telecom service providers



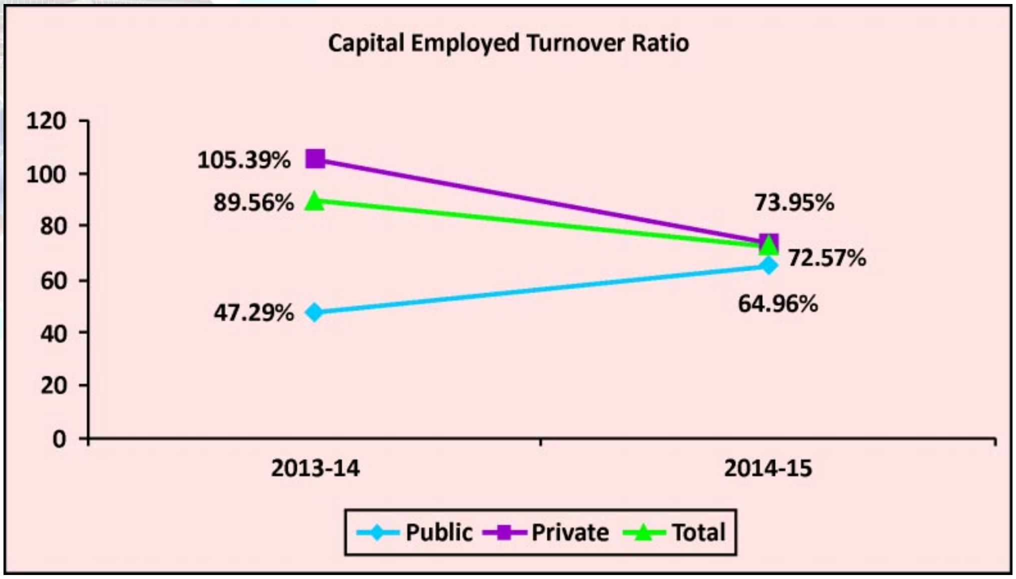
Capital Employed Turnover Ratio

Table-11 : Capital Employed Turnover Ratio

Particulars	2014-15			2013-14		
	Public	Private	Total	Public	Private	Total
Capital employed turnover ratio (in %)	64.96%	73.95%	72.57%	47.29%	105.39%	89.56%

Figure 9: Capital Employed Turnover Ratio

Figure-9 : Capital Employed Turnover Ratio



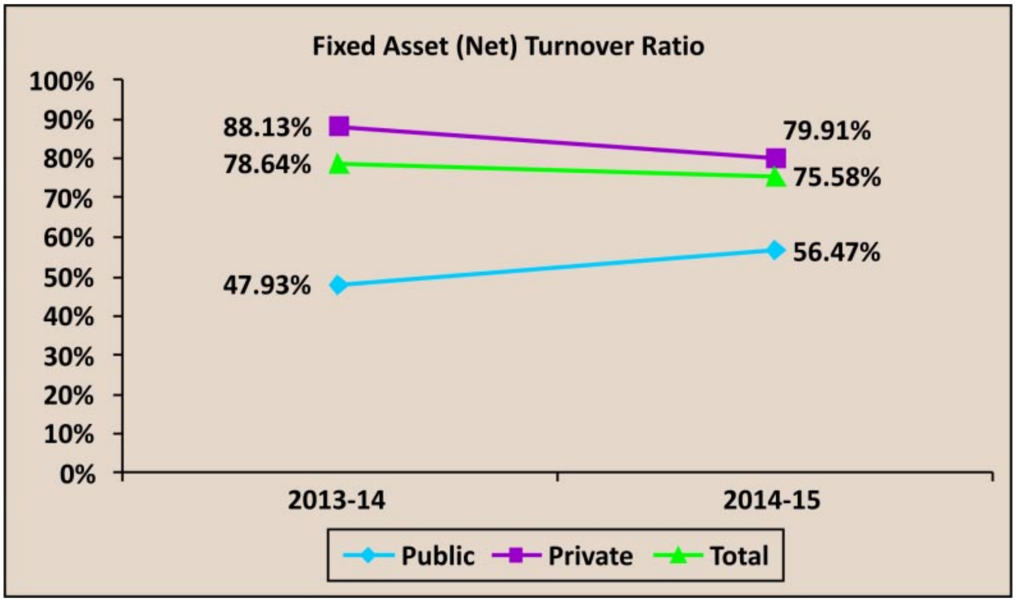
Net Fixed Asset (Net Block) Turnover Ratio

Table 12 and **Figure 10** indicates the Fixed Asset (Net) Turnover Ratio.

Table-12 : Fixed Asset (Net) Turnover Ratio

Particulars	2014-15			2013-14		
	Public	Private	Overall	Public	Private	Overall
Fixed Asset(Net) Turnover ratio (in %)	56.47%	79.91%	75.58%	47.93%	88.13%	78.64%

Figure-10 : Fixed Assets (Net) Turnover Ratio



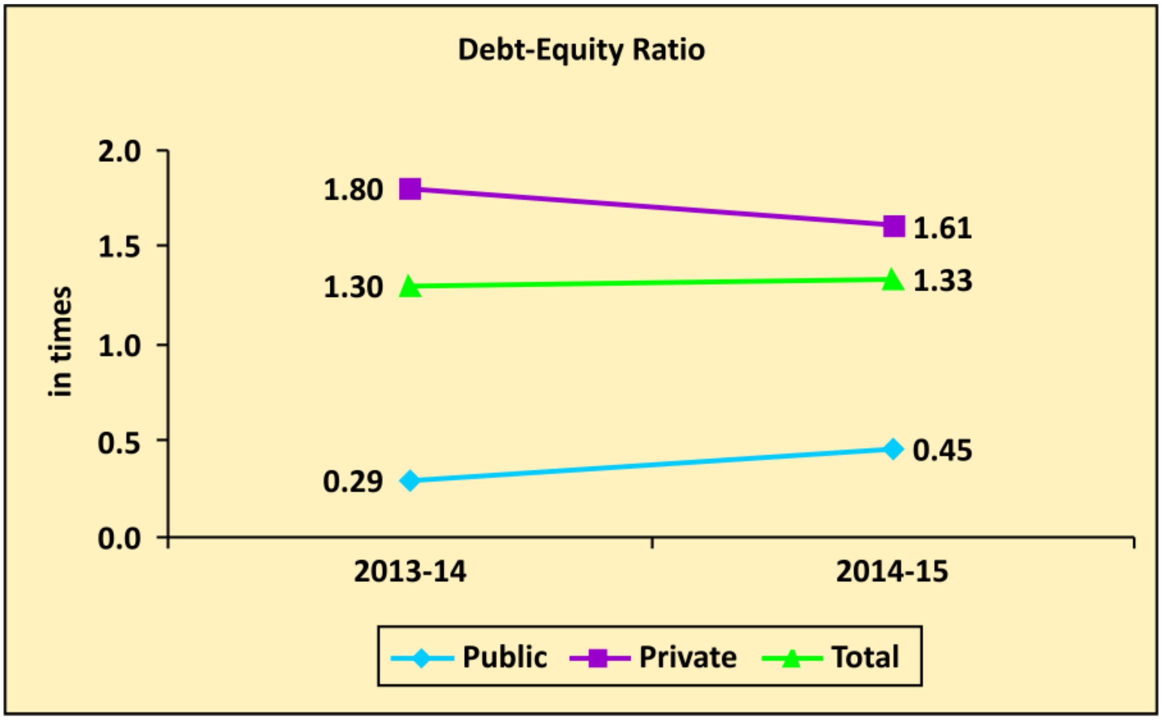
Debt Equity Ratio[5]

In 2014-15, the Debt Equity ratio of telecom service sector has increased to 1.33. Debt Equity ratio of private sector is quite higher in comparison to public sector. **Table 13** indicates the Sector-wise Debt Equity Ratio and **Figure 11** indicates Debt Equity Ratio**.**

Table-13 : Sector-wise Debt Equity Ratio

Particulars	2014-15			2013-14		
	Public	Private	Overall	Public	Private	Overall
Debt Equity ratio (in times)	0.45	1.61	1.33	0.29	1.80	1.30

Figure-11 : Debt Equity Ratio



5 Debt includes Long Term Borrowings, Short term borrowings and Current Maturities of Long-Term Debt. Equity includes Share Capital and Reserves & Surplus.

(B) REVIEW OF POLICIES AND PROGRAMMES

1.2 The policies and programmes of Telecom Regulatory Authority of India in respect of telecom sector (a) Rural Telephone Network; (b) Expansion of Telephone Network; (c) Entry of private sector in both basic and value added service; (d) Technical compatibility and effective interconnection between service providers; (e) Telecommunication technology; (f) Implementation of National Telecom Policy; (g) Quality of Service; and (h) Universal Service Obligation are elaborated below.

1.2.1 Rural Telephone Network

1.2.1.1 Wireless

As on 31st March 2015, the Wireless rural [Mobile and WLL (F)] market has reached the 414.18 million mark as against 371.78 million as on 31st March 2014. As per the Performance Indicator Report, 42.70% of total wireless subscribers are now in rural areas. The rural wireless subscriber base since March 2010 is indicated in Figure below. The service provider wise rural wireless subscriber base & their market shares are shown in **Table-14** and **Figure-12** below :

Figure-12 : Rural Wireless Subscriber Base in million)

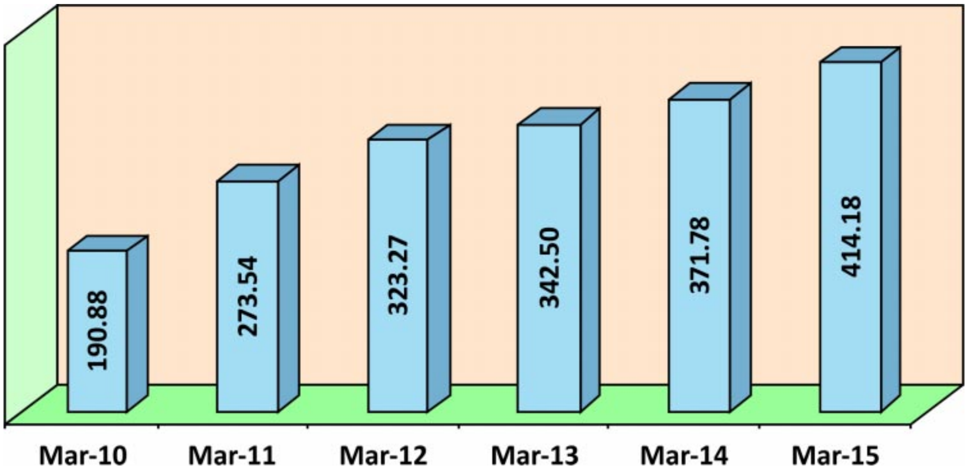
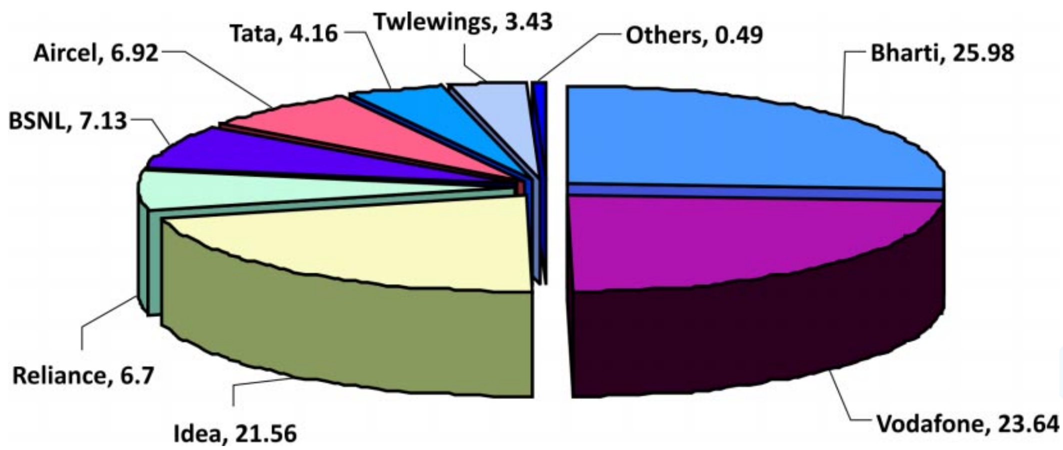


Table 14 : Service Provider-wise Rural Wireless Subscribers and Market Share

Sl. No.	Wireless Group	Subscribers as on March-14 (in millions)	Subscribers as on March-15 (in millions)	Rural Subscribers as on Mar-14 (in millions)	Rural Subscribers as on Mar-15 (in millions)	Market Share of Rural Subscribers (as on Mar-14)	Market Share of Rural Subscribers (as on Mar-15)
1.	Bharti	205.39	226.02	93.76	107.61	25.22	25.98
2.	Vodafone	166.56	183.80	89.39	97.91	24.04	23.64
3.	Idea	135.79	157.81	74.72	89.29	20.10	21.56
4.	Reliance	110.89	109.47	27.32	27.75	7.35	6.70
5.	BSNL	94.65	77.22	32.53	29.52	8.75	7.13
6.	Aircel	70.15	81.40	25.51	28.65	6.86	6.92
7.	Tata	63.00	66.32	15.19	17.25	4.09	4.16
8.	Telewings	35.61	45.62	11.20	14.19	3.01	3.43
9.	Sistema	9.04	8.86	2.11	1.95	0.57	0.47
10.	Videocon	4.99	7.13	0	0	-	-
11.	MTNL	3.37	3.51	0	0	-	-
12.	Loop	2.90	-	0	-	-	-
13.	Quadrant	2.17	2.73	0.05	0.07	0.02	0.02
14.	**Total**	**904.51**	**969.89**	**371.78**	**414.18**	**100.00**	**100.00**

Figure-13 : Market Share of service providers of Rural Wireless Subscriber base (in %)



Note: Others include Sistema and Quadrant

1.2.1.2 Wireline

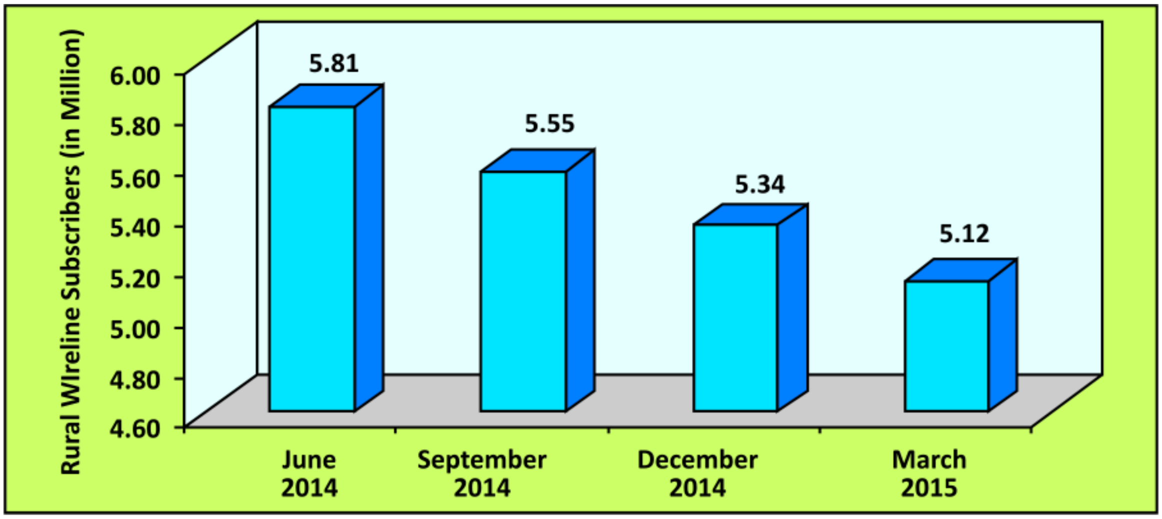
The rural wireline subscriber base is decreasing. As on 31st March, 2015, the rural wireline subscriber base stood at 5.12 million as compared to 5.96 million at the end of 31st March, 2014, registering a decline of 14.09% over the year. The service provider-wise wireline rural subscriber base & their market share are shown in **Table-15.**

Table-15 : Service Provider-wise Rural Wireline Subscriber Base 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'14	March'15	March'14	March'15	March'14	March'15
1	BSNL	1,84,88,147	1,64,12,440	58,94,988	50,07,402	98.98%	97.73%
2	MTNL	35,42,075	35,51,671	-	-	-	-
3	Bharti	33,56,141	34,11,121	-	-	-	-
4	Quadrant	2,12,549	2,27,467	-	55,373	-	1.08%
5	Sistema Shyam	55,213	57,119	9,595	9,596	0.16%	0.19%
6	TATA	15,49,648	16,72,789	49,330	49,243	0.83%	0.96%
7	Reliance	12,39,722	11,82,177	1,972	1,890	0.03%	0.04%
8	Vodafone	55,350	79,560	-	-	-	-
	Total	**2,84,98,845**	**2,65,94,344**	**59,55,885**	**51,23,504**	**100%**	**100%**

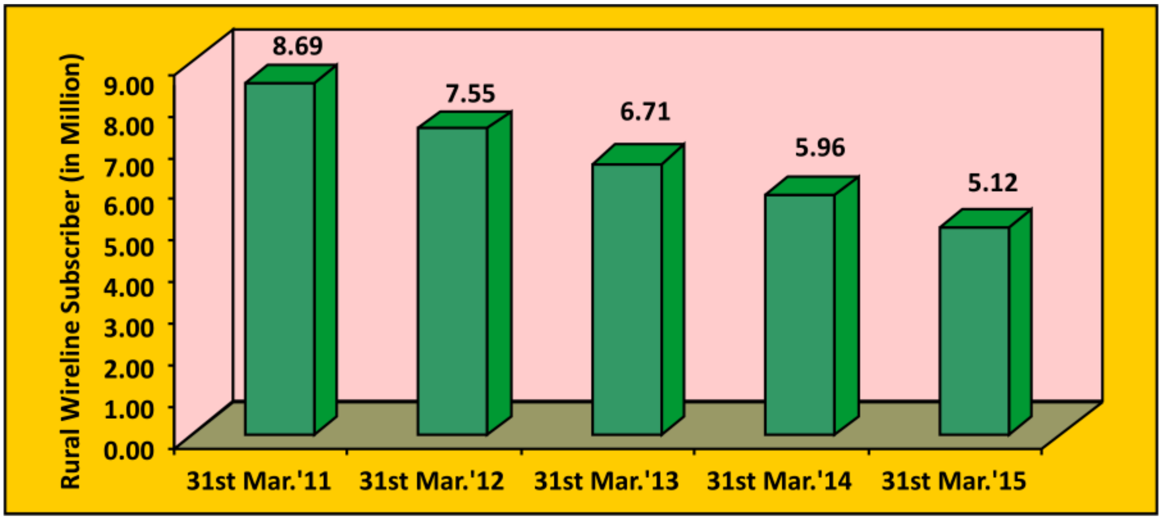
The status of rural wireline subscribers at the end each quarter during 2014-15 is depicted in the **Figure-14** below:

Figure-14 : Rural wireline subscribers during 2014-15



The status of rural wireline subscribers during the last five financial years is depicted in the **Figure 15** below:

Figure-15 : Rural Wireline Subscribers during the last Five Years



1.2.2. Expansion of Telephone Network

1.2.2.1 Wireless Services

The Wireless Subscriber base was 969.89 million as on 31st March 2015 in comparison to the subscriber base of 904.51 million as on 31st March 2014. The subscriber base increased by 65.38 million subscribers in the financial year 2014-15. The total subscriber base of wireless services has grown from 584.32 million in March 2010 to 969.89 million in March 2015. Out of 969.89 million subscribers at the end of financial year 2014-15, 917.73 million (94.62%) were GSM Subscribers and 52.16 million (5.38%) were CDMA Subscribers. The trend of subscriber base from March 2010 to March 2015 is depicted in **Figure-16.**

The subscriber base of wireless (GSM & CDMA) services from 2010-11 to 2014-15 along with their percentage growth over the financial year 2013-14 is shown in **Annexure I** at the end of this part of the report. The market share of different mobile operators as on 31st March 2015 is displayed in **Figure-17.** The list of wireless service providers service area-wise as on 31st March 2015 is shown in **Annexure II** at the end of this part of the report.

In the wireless segment, subscriber base of GSM was 917.73 million subscribers at the end of March 2015, as compared to 847.41 million at the end of March 2014. GSM subscriber base increased by around 70.32 million subscribers during the year.

In terms of subscriber base and market share of GSM services, M/s Bharti with 226.02 million subscribers remains the largest GSM Service provider followed by M/s Vodafone, M/s Idea and M/s Reliance

Figure 16 : Subscriber base of wireless Operators (in million)

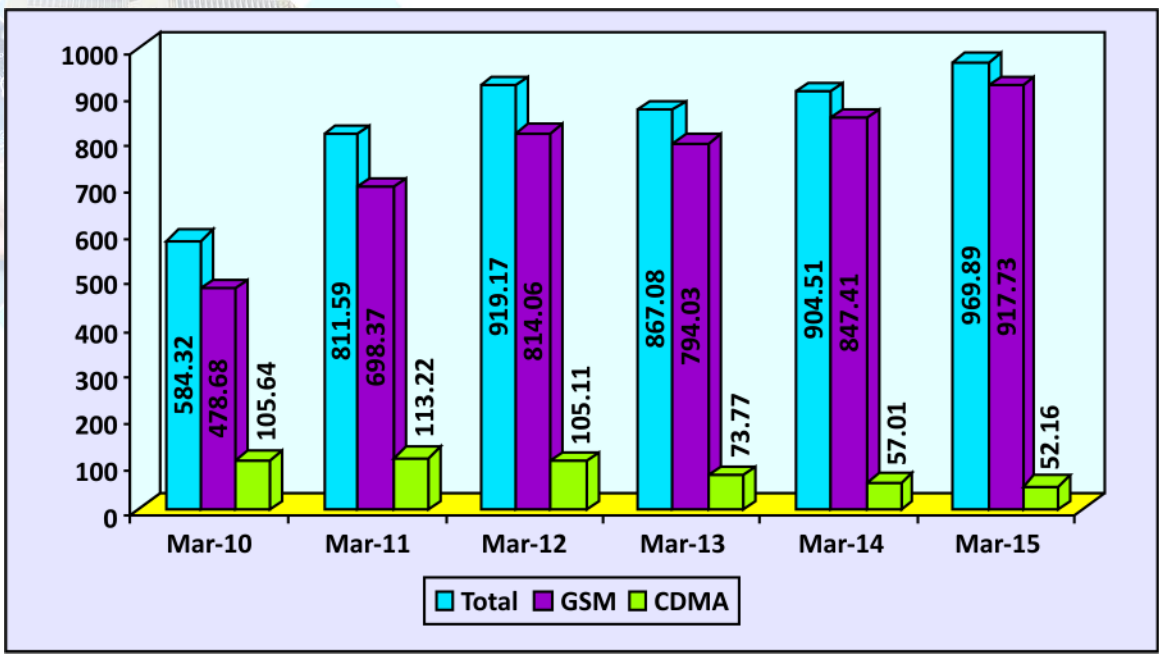
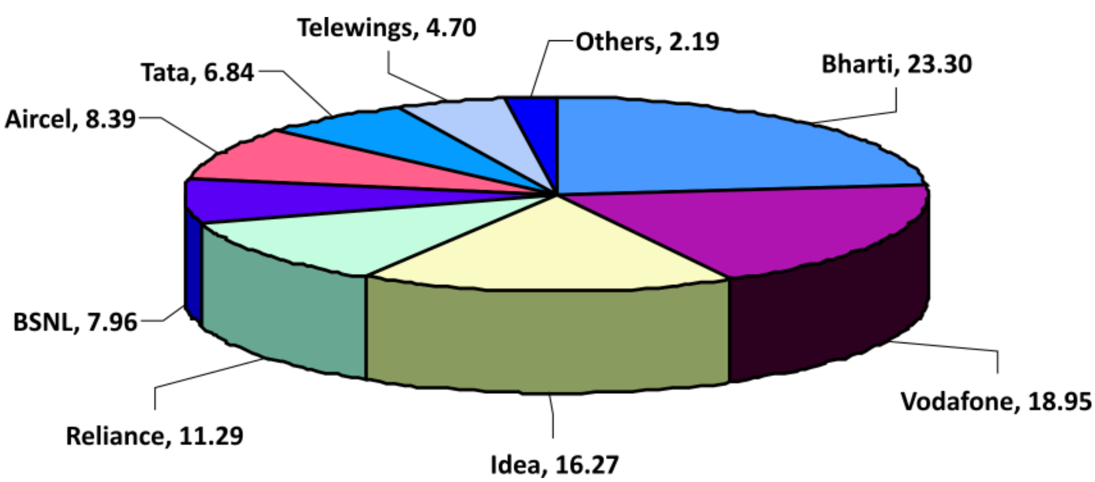


Figure-17 : Market Share of Wireless Service Providers (as on 31st March 2015)



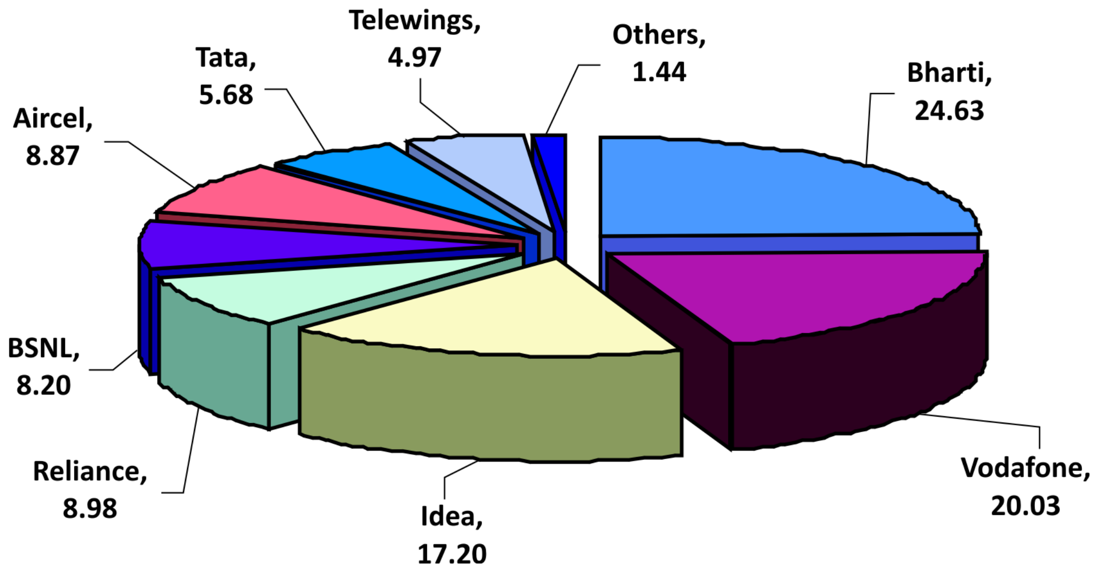
Others include Sistema, Videocon, MTNL and Quadrant

with 183.80 million, 157.81 million and 82.43 million respectively. The Market Share of various GSM operators as on 31st March 2015 is displayed in **Figure-18.**

In the wireless segment, the CDMA subscriber base reduced to 52.16 million during the year ending 31st March 2015 as compared to 57.10 million at the end of the year ending 31st March 2014. In Cellular CDMA Services, in terms of wireless subscriber base and market share, M/s Reliance with 27.04 million subscribers remains the largest CDMA operator followed by M/s Tata and M/s Sistema with 14.18 million and 8.86 million respectively. The market share of different CDMA operators as on 31st March 2015 is shown in **Figure-19**.

The subscriber base for Cellular Wireless services in different categories of service areas for the period March, 2010 to March, 2015 is indicated graphically in **Figure-20.**

Figure-18 : Market Share (%) of GSM Operators (as on 31st March 2015)



Others include Videocon, MTNL and Quadrant

Figure-19 : Market Share (%) of CDMA Operators (as on 31St March 2015)

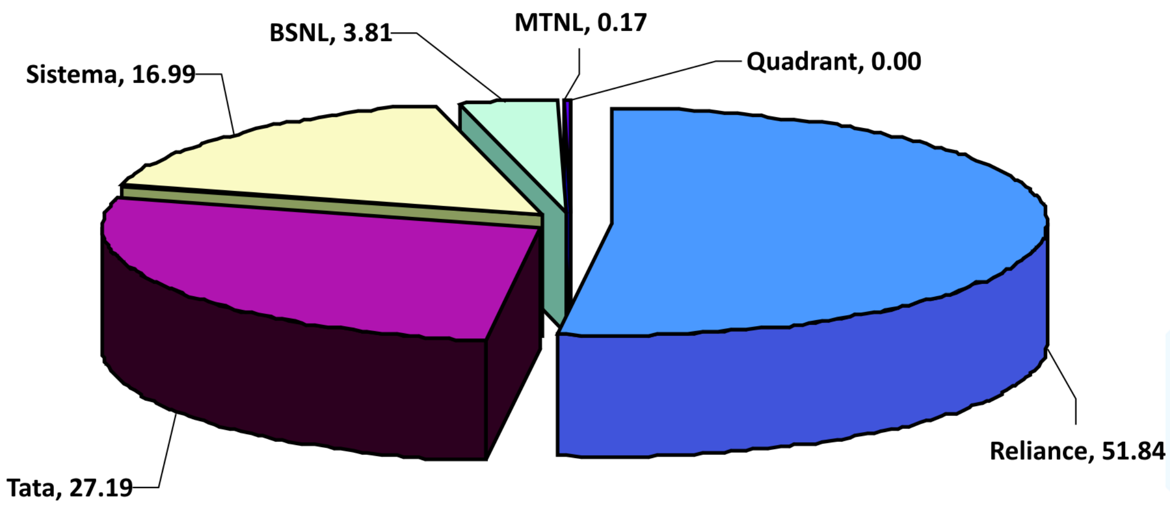
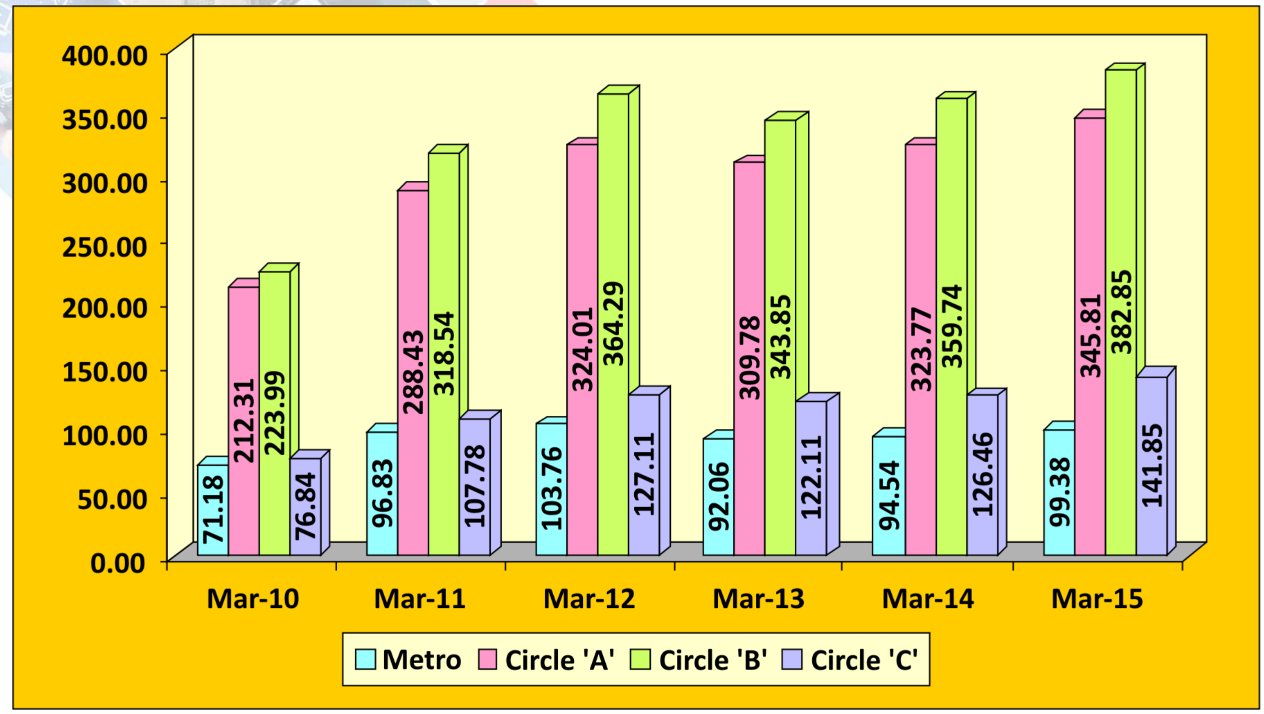


Figure-20 : Subscriber Base for Wireless Services in Metros and Circles from March, 2010 to March, 2015

(Figures in Millions)



1.2.2.2 Wireline Services

As on 31st March, 2015, the total wireline subscriber base stood at 26.59 million. The Service Provider wise break-up of wireline subscribers of 26.59 million as on 31st March, 2015, is shown in **Table-16** and the break-up in terms of rural and urban subscriber is shown in **Table-17**.

The incumbents BSNL and MTNL have 61.71% and 13.36% market share respectively in the wireline subscriber base, while all the six private operators together have 24.93% share. The share of private operators has increased from 22.70% as on 31st March, 2014 to 24.93% as on 31st March, 2015, registering an increase of 2.23%.

Table-16 : Service Provider wise details of Wireline Subscriber base as on 31st March, 2015

Sl. No.	Name of the Service Provider	Area of Operation	Subscriber base (Wireline)
1	BSNL	All India except Delhi & Mumbai	1,64,12,440
2	MTNL	Delhi & Mumbai	35,51,671
3	Bharti Airtel Ltd	Andhra Pradesh (including Telangana), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (including Chennai), UP-East and UP-West.	34,11,121
4	Quadrant Televentures Ltd.	Punjab	2,27,467
5	Reliance Communications Ltd.	Andhra Pradesh (including Telangana), Bihar (including Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP (East), UP(West) and West Bengal	11,82,177
6	Sistema Shyam Teleservices Ltd.	Rajasthan	57,119
7	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh (including Telangana), Bihar (including Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu (incl. Chennai), UP (East), UP(West) (including Uttarakhand) and West Bengal	16,72,789
8	Vodafone	Andhra Pradesh (including Telangana), Assam, Bihar (incl. Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP (East), UP (West) and West Bengal	79,560
		TOTAL	2,65,94,344

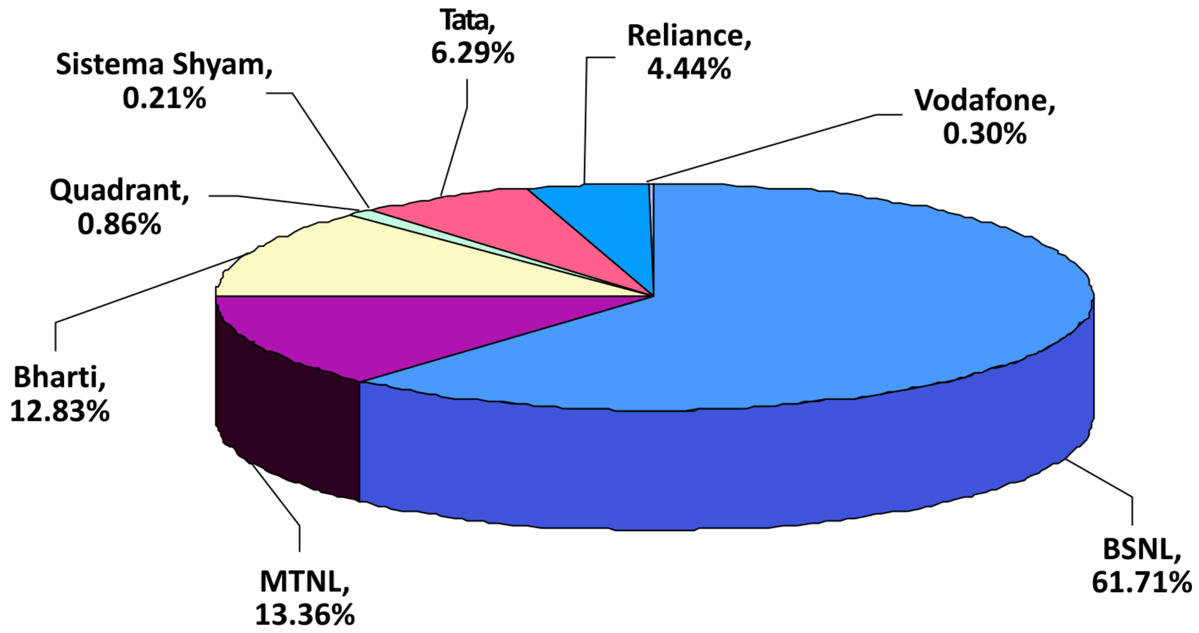
Source: As per data furnished by the TSPs.

Table-17 : Wireline Subscriber Base of Service Providers as on 31st March, 2015

Sl. No.	Service Provider	Urban Subscribers	Rural Subscribers	Total Wireline subscribers
1	BSNL	1,14,05,038	50,07,402	1,64,12,440
2	MTNL	35,51,671	-	35,51,671
3	Bharti	34,11,121	-	34,11,121
4	Quadrant Televentures Ltd. (formerly HFCL)	1,72,094	55,373	2,27,467
5	Sistema Shyam	47,523	9,596	57,119
6	Reliance	11,80,287	1,890	11,82,177
7	TATA	16,23,546	49,243	16,72,789
8	Vodafone	79,560	-	79,560
	Total	**2,14,70,840**	**51,23,504**	**2,65,94,344**

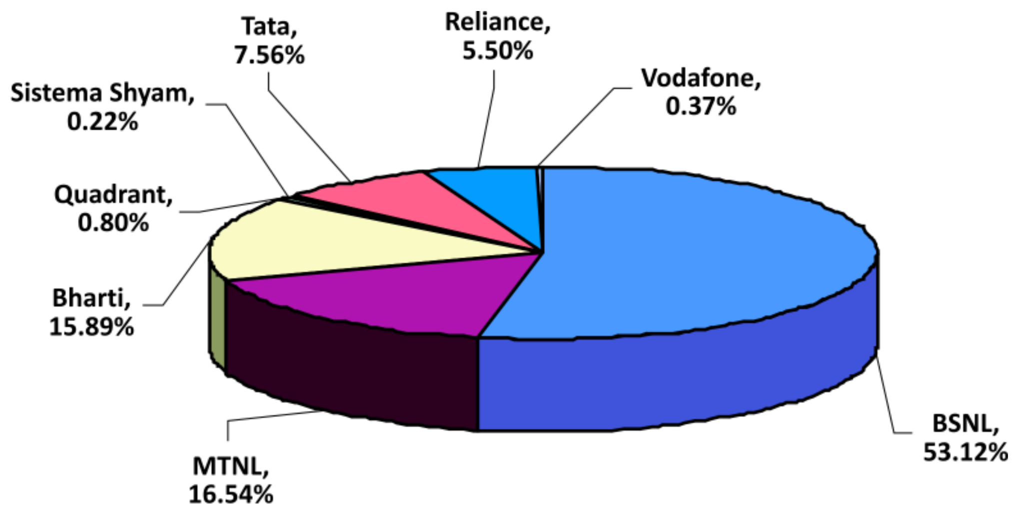
About three-fourth of total wireline subscribers are connected to the networks of BSNL/MTNL and the remaining wireline connections are provided by different private service provide‘ The market share of different service provider in total wireline subscriber base is shown in the **Figure-21** below:-

Figure-21 : Market Share of Wireline Service Providers as on 31st March 2015 (in %)



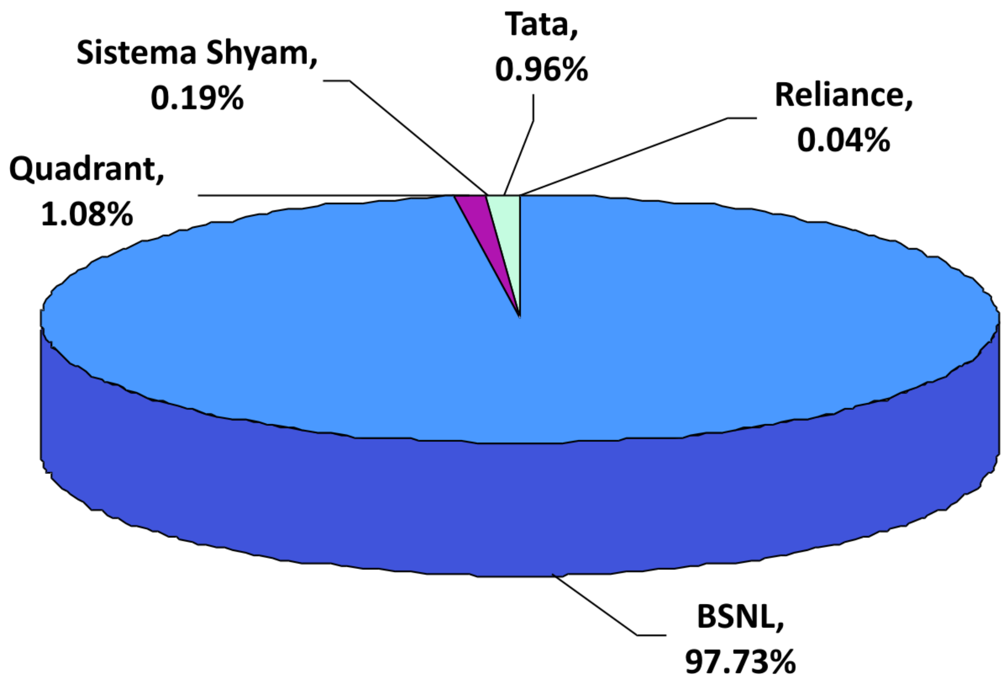
As on 31st March, 2015, the total urban wireline subscribers were 21.47 million, out of which about 69.7% are provided by BSNL/MTNL. The market share of different wireline service providers in urban areas is depicted in the **Figure-22**.

Figure 22: Market Share of Wireline Service Providers in Urban Areas (in %)



As on 31st March, 2015, the total rural wireline subscribers were 5.12 million. The market share of different wireline service providers in rural areas is depicted in the **Figure-23** below:-

Figure-23 : Market Share of Wireline Service Providers in Rural Areas (in %)



1.2.2.3 Public Call Offices (PCOs)

As on 31st March, 2015, the total number of Public Call Offices (PCOs) were 0.74 million, as compared to 0.96 million as on 31st March, 2014. The number of PCOs provided by BSNL, MTNL and Private Operators is indicated in **Table-18** below:-

1.2.2.4 Village Public Telephones (VPTs)

As on 31st March, 2015, the total number of Village Public Telephones (VPTs) provided by the service providers were 5.86 lakh as against 5.89 lakh as on 31st March, 2014. **Table-19** provides the number of VPTs functioning in the country.

1.2.2.5 Equipped Switching Capacity

As on 31st March, 2015, the service provider wise total equipped switching capacity and working connections are shown in **Table-20.**

Table-18 : Public Call Offices in India

Sl. No.	Name of the Service Provider	As on31st March, 2014	As on31st March, 2015
1	BSNL	6,15,124	4,65,821
2	MTNL	1,43,396	1,38,686
3	Private Operators	1,98,468	1,32,348
	Total	**9,56,988**	**7,36,855**

Table-19 : Village Public Telephones in India

Sl. No.	Name of the Service Provider	As on31st March, 2014	As on31st March, 2015
1	BSNL	5,81,924	5,81,183
2	Private Operators	6,988	4,798
	Total	**5,88,912**	**5,85,981**

Table-20 : Service Provider wise Equipped switching capacity

Sl. No.	Name of the Service Provider	Service Area	As on 31st March, 2015	
			Equipped Switching Capacity	Working Connections
1	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	3,76,89,606	1,64,12,440
2	Mahanagar Telephone Nigam Ltd.	Delhi & Mumbai	88,81,581	35,51,671

Sl. No.	Name of the Service Provider	Service Area	As on 31st March, 2015	
			Equipped Switching Capacity	Working Connections
3	Bharti Airtel Ltd.	Andhra Pradesh (including Telangana), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (including Chennai), UP-East and UP-West.	1,06,34,000	34,11,121
4	Quadrant Televentures Ltd.	Punjab	5,48,835	2,27,467
5	Reliance Communications Ltd.	Andhra Pradesh (including Telangana), Bihar (including Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP(East), UP(West) and West Bengal	26,92,000	11,82,177
6	Sistema Shyam Teleservices Ltd.	Rajasthan	64,000	57,119
7	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh (including Telangana), Bihar (including Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP (East), UP(West) (including Uttarakhand) and West Bengal	46,06,392	16,72,789
8	Vodafone	Andhra Pradesh (including Telangana), Assam, Bihar (including Jharkhand), Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Kolkata, Madhya Pradesh (including Chattisgarh), Maharashtra & Goa, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamilnadu (including Chennai), UP(East), UP(West) and West Bengal	1,80,000	79,560

Source: As per report furnished by the Service Providers.

1.2.2.6 Internet and Broadband Subscribers

The Internet subscriber base in the country as on 31st March, 2015 stood at 302.35 million as compared to 251.59 million as on 31st March, 2014. The total Broadband subscriber base of the country as on 31st March, 2015 is 99.20 million whereas it was 60.87 million on 31st March, 2014.

The details of subscription as reported by the service providers in the country as on 31st March, 2015 is indicated at **Table-21.**

Quarter-wise Internet/Broadband subscription as reported by the service providers for 2014-15 is at **Table-22.**

Table-21 : Details of Internet Subscribers as on 31st March 2015 (in millions)

Segment			Category	Internet Subscribers		% Growth
				Mar - 2014	Mar - 2015	
A.		Wired	Broadband	14.86	15.52	4.45%
			Narrowband	3.64	3.55	-2.46%
			Total	18.50	19.07	3.09%
B.	Wireless	Fixed Wireless (Wi-Fi, Wi-Max, Radio & VSAT)	Broadband	0.40	0.44	11.00%
			Narrowband	0.04	0.03	-15.82%
			Total	0.44	0.48	8.55%
		Mobile Wireless (Phone + Dongle)	Broadband	45.61	83.24	82.48%
			Narrowband	187.04	199.57	6.70%
			Total	232.65	282.81	21.56%
Total Internet Subscribers			**Broadband**	**60.87**	**99.20**	**62.96%**
			Narrowband	**190.72**	**203.15**	**6.52%**
			Total	**251.59**	**302.35**	**20.18%**

Table-22 : Internet Subscribers during the four quarters of 2014-15 (in millions)

Service	June-14	Sep-14	Dec-14	Mar-15
Broadband	68.83	75.73	85.74	99.20
Narrowband	190.31	178.67	181.65	203.15
Total Internet	259.14	254.40	267.39	302.35

(c) REVIEW OF GENERAL ENVIRONMENT IN THE BROADCASTING AND CABLE TV SECTOR

1.3.1 The broadcasting sector consists of Television and Radio Services. India has the world's second largest TV market after China. As per industry estimates, as on March 2015, of the 277[1] million households, around 175[1] million have been projected to have Television sets catered to by cable TV systems, DTH services, IPTV services and the terrestrial TV network of Doordarshan, put together. DTH has 76.05 million registered subscribers (41.152 million active subscribers) and IPTV caters to around half a million subscribers. Cable TV is estimated to have around 101[1] million subscribers. The terrestrial TV network of Doordarshan covers about 92[2] per cent of population of the country through a vast network of terrestrial transmitters The broadcasting and cable television services sector consists of 53 pay broadcasters, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs) (including 155 MSOs registered in DAS), six pay DTH operators, apart from a public service broadcaster Doordarshan, having free-to-air DTH service. There were 829[2] TV channels registered with the Ministry of Information and Broadcasting at the end of financial year 2014-15 out of which 205 were SD pay TV channels and 42 HD Pay TV channels and 4 advertisement –free pay channels. India's TV industry grew from Rs.41700[3] Crore in the year 2013-14 to Rs.47500[3] Crore in the year 2014-15, thereby registering a growth of around 14%. The subscription revenue accounts for the major share of the overall revenue of the TV industry. The subscription revenue grew from Rs.28100[3] Crore in the year 2013-14 to Rs. 32000[3] Crore in the year 2014-15. The advertisement revenue in the TV sector in India grew up from Rs. 13600[3] Crore in the year 2013-14 to Rs.15500[3] Crore in the year

1 Source : MPA Reports 2015

2 Source : MIB website

3 Source :FICCI –KPMG Indian Media and Entertainment Report 2015

2014-15. The FM (Frequency Modulation) radio sector has also shown an impressive growth. There were 243 private FM radio stations operational by March 2015, besides the public service broadcaster- All India Radio (AIR) having a network of 414[4] stations and 596[4] broadcast transmitters [145[2] are MW (Medium Wave), 403[4] FM and 48[4] SW (Short Wave)] .The coverage of AIR service is around 99.20%[4] of the geographical area of the country, serving 99.18%[4] of the population. The radio industry, which is entirely dependent on advertisement revenues, registering a growth of around 16% percent during the year 2014-15. The industry showed advertisement revenue of Rs. 1633 Crore in the year 2014-15 compared to Rs.1406 Crore in year 2013-14.

Further, as on March 2015, out of the 208 licenses issued for the setup of community radio stations, 180 community radio stations were operational.

1.3.2 The last decade has significantly changed the dynamics of the Cable & Satellite (C&S) TV market. The active DTH subscribers are growing with around 3.3 lakhs subscribers per month. This clearly indicates the growing popularity and acceptability of digital addressable platforms which have a lot more to offer to all the stakeholders Further, TRAI had recommended to the Government for complete digitization with addressability of the cable TV services sector in a phased manner in its recommendations dated 5^{th} August 2010. These were accepted by the Government, and suitable amendments were incorporated in the Cable TV Act by the Parliament. A notification was issued by the Central Government, prescribing a roadmap for implementation of digital addressable cable TV systems (DAS) across the country in a phased manner, in four phases. The cut-off date for 1st phase covering the metros was 31^{st} October 2012 and the second phase, covering 38 cities with a population of more than one million, was 31^{st} March, 2013. The cut-off date for migration to "Digital Addressable Cable TV Systems" in the first phase, covering the four metropolitan cities, was 31^{st} October 2012 and for the second phase (covering 38 cities having population more than 1 million) it was 30^{th} March 2013. The planned cut-off date for the third phase was 30.09.2014 and for the fourth and final phase, it was 31^{st} December 2014. However, the cutoff dates for third & fourth phases have now been extended up to 31^{st} December 2015 & 31^{st} December.2016 respectively.

4 Source : AIR Website – www.air.org.in

BROADCASTING AND CABLE TV SECTOR

1.4 The broadcasting and cable TV services sector has exhibited consistent growth over years spanning the last two decades. The sector comprises of analogue and digital cable TV services, DTH services, terrestrial TV services, IPTV services, and Radio services. The FM radio services has also demonstrated consistent growth. Commensurate to a growth in the subscriber base, the number of service providers has also increased. The development status of various services in the broadcasting sector is outlined below.

1.4.1 Satellite TV Channels

The number of satellite channels permitted by Ministry of Information and Broadcasting has grown from 449 in the year 2009 to 829 in the year 2015. **Figure-24**, depicts the year- wise numbers in the country during this period. The number of Standard Definition (SD) pay TV channels has grown from 130 in the year 2009 to 205 in 2015. **Figure-25** depicts the year-wise number of Standard Definition (SD) Pay TV channels in the

Figure-24 : Yearly numbers of satellite TV channels in India

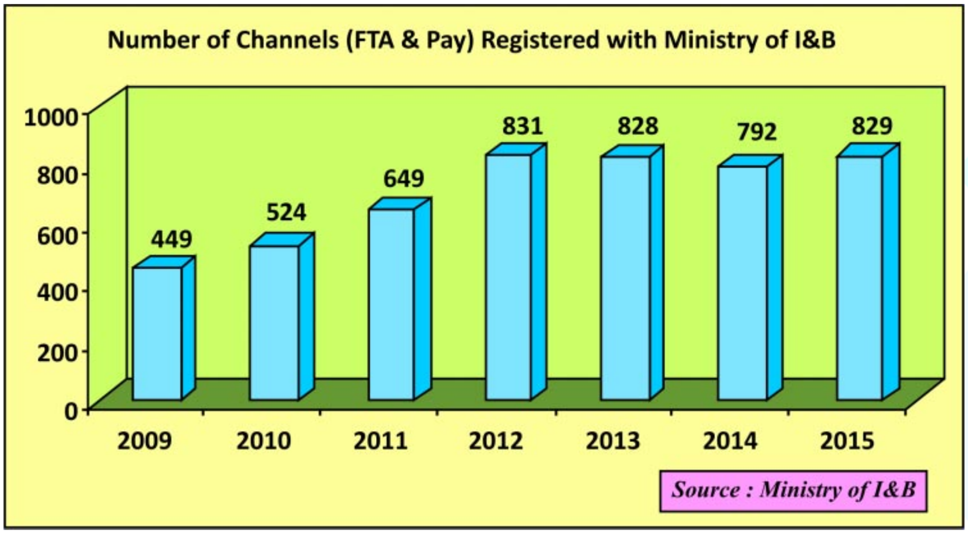
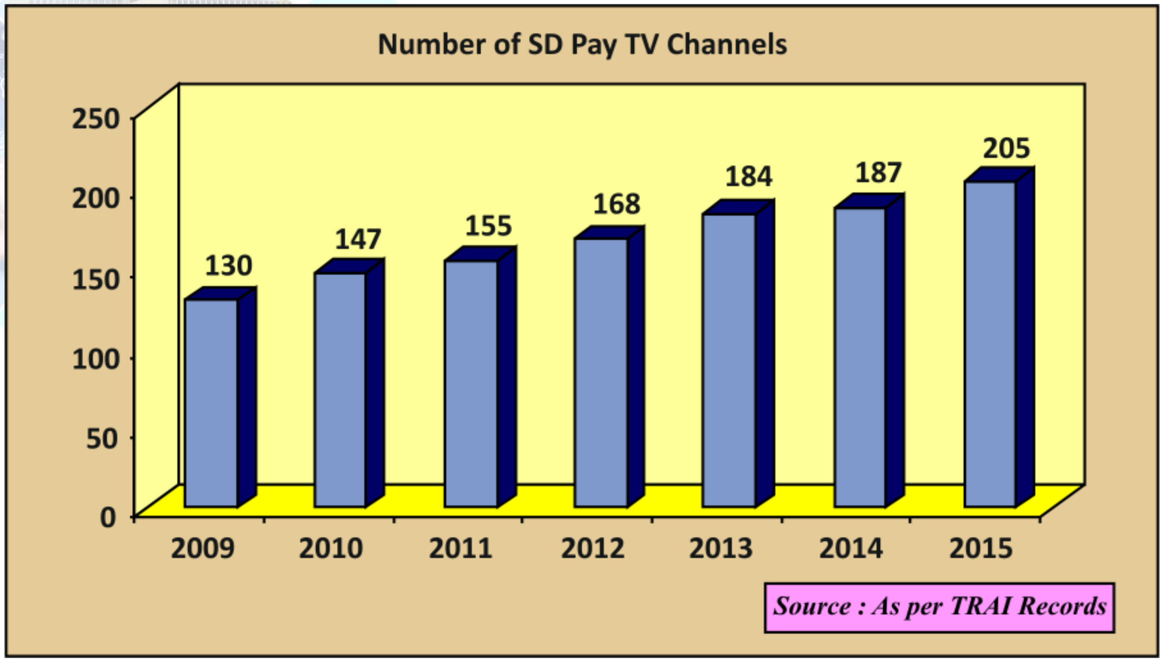
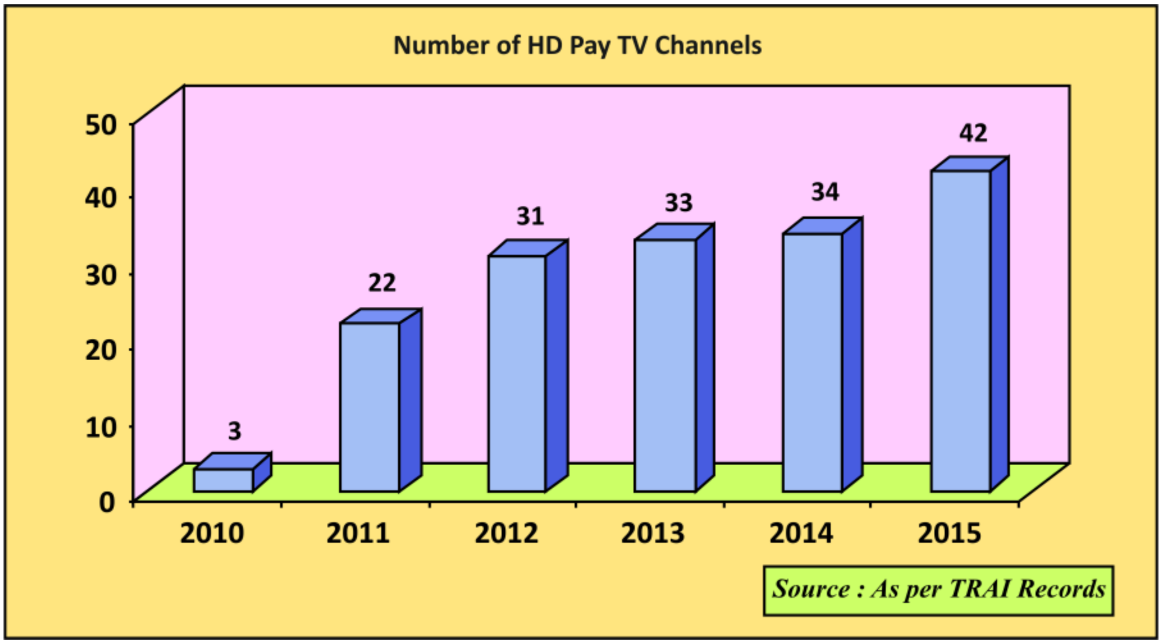


Figure-25 : Yearly numbers of SD satellite pay TV channels in India



country during this period. In addition to standard definition pay TV channels, a substantial number of High Definition (HD) pay television channels have also been launched by the broadcasters during the last six years. **Figure-26** shows yearly numbers of HD pay TV channels during this period as reported to TRAI. There are total of 42 operational HD channels in India at the end of March 2015.

Figure-26 : Yearly numbers of HD pay TV channels in India



1.4.2 DTH services

Since inception in the year 2003, Indian DTH services have displayed phenomenal growth. Adding almost 3.3 lakhs new active subscribers per month, DTH has attained a registered subscriber base of around 76.05 (including 41.15 million active subscribers). As on March 2015, there are 6 pay DTH service providers catering to this subscriber base. This is besides the viewership of the free DTH services of Doordarshan. Yearly growth of the sector in terms of its registered subscriber base has been depicted in **Figure 27.**

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

1.4.3 Cable TV Services

The cable TV sector is the largest pay television service sector with an estimated subscriber base of around 101 million subscribers. The number of TV households in India increased to 175 million in 2015. **Figure-28** depicts the growth of the cable TV sector in terms of yearly subscriber numbers, over the last six years.

1.4.4 Digital Addressable Cable TV Systems (DAS)

An exponential growth in the number of TV channels combined with the inherent limitations of the analog cable TV systems

Figure-27: Yearly registered subscriber base of DTH sector

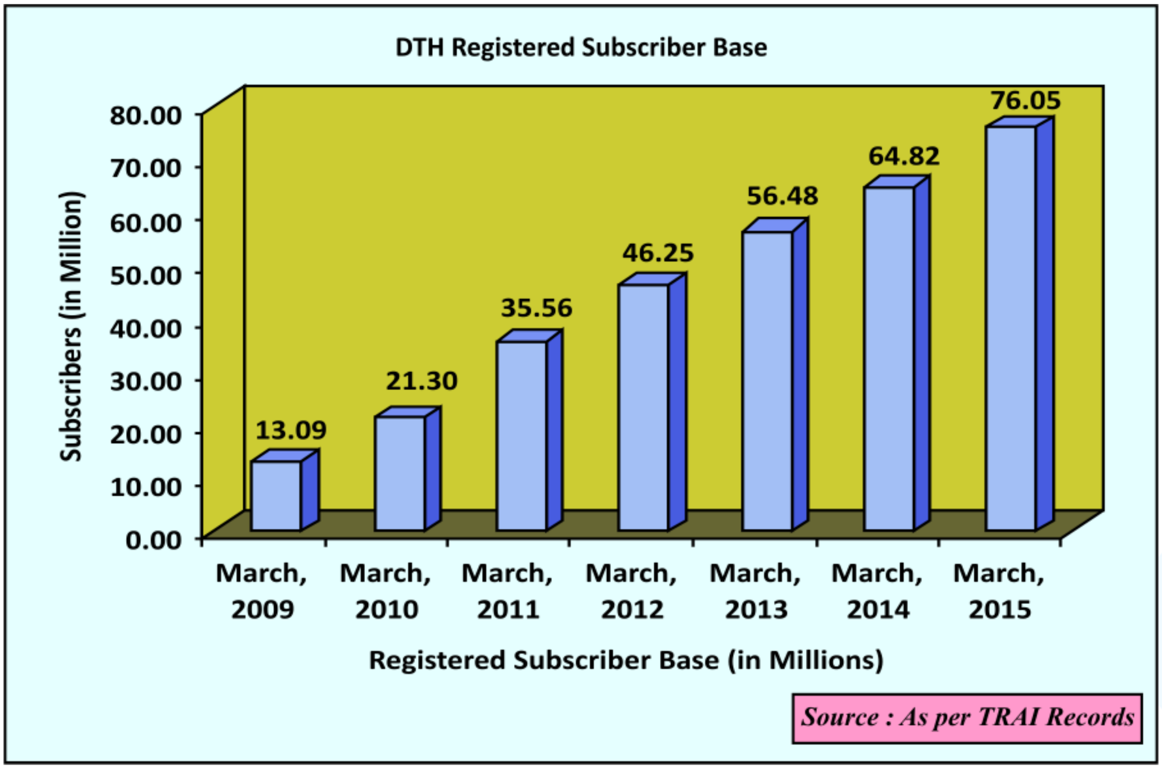
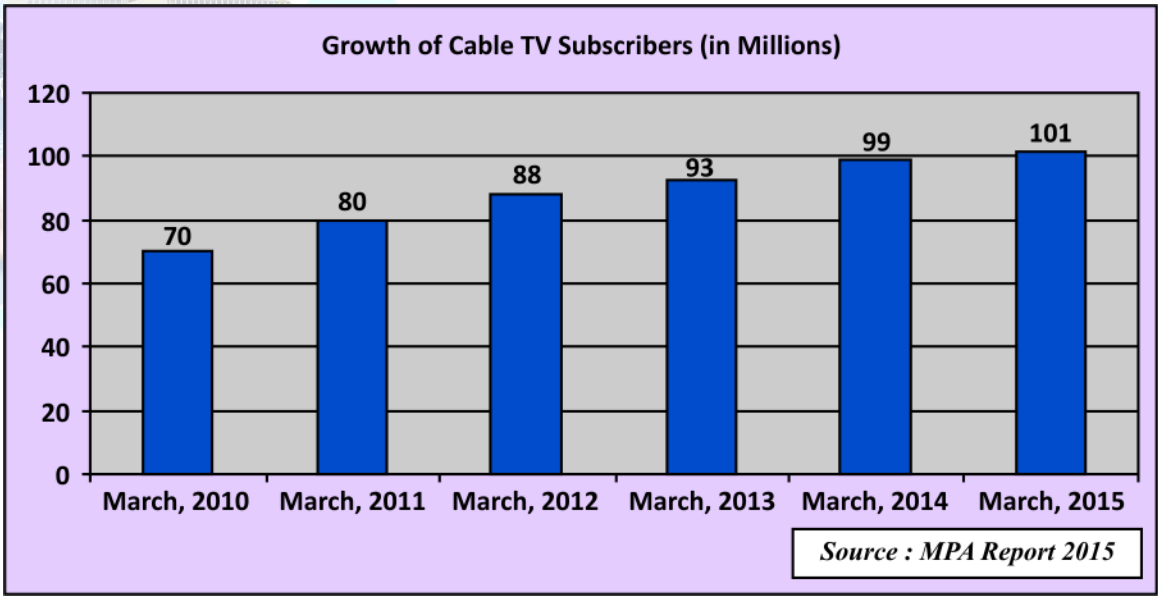


Figure-28 : Yearly figures & growth of Cable TV Subscribers



posed several challenges in the cable TV sector. The primary limitation is the capacity constraint of the analog cable TV networks; the second reason is its non-addressable nature. The evolution of technology and the onset of the digital era has paved way for modernisation of the cable TV industry and its optimisation, thereby enabling it to provide all new services to this large and upwardly mobile subscriber base.

The Telecom Regulatory Authority of India (TRAI) studied the subject of digitization at length and also initiated a comprehensive public consultation process. Thereafter, on 5th August 2010, it recommended, to the Government of India, implementation of Digital Addressable Cable TV Systems (DAS) across the country. While doing so, it also laid down a detailed roadmap to achieve the digitisation objective. The Government accepted the recommendations of TRAI and on 25th October, 2011, promulgated an Ordinance[1] amending the Cable Television Networks (Regulation) Act, 1995, enabling the implementation of Digital Addressable Cable TV Systems in India, in a phased manner, starting from November 2012 and completing the full implementation of DAS by December, 2016. Given the size, complexity and regional specifics of the country, the initial migration plan from analog Cable TV distribution systems to the digital one was devised on the basis of the levels of urbanisation. The revised time-table is as per the schedule in the **Table-23**.

1 With Parliament passing the bill, the Ordinance dated 25th October 2011, became an Act on 30th December 2011

Table-23 : Migration Schedule - Digital Addressable Cable TV Systems

Phase	Areas	Sunset date for analog Cable TV
Phase –I	Four Metros of Delhi, Mumbai, Kolkata, Chennai	31.10.2012
Phase –II	Cities with population more than one million (38 cities)	31.03.2013
Phase –III	All Urban areas (Municipal Corporation/ Municipalities)	31.12.2015
Phase –IV	Rest of India	31.12.2016

1.4.5 Implementation of Digital Addressable Cable TV Systems (DAS)

TRAI has laid down a comprehensive regulatory framework for implementation of Digital Addressable Cable TV Systems, covering *inter alia* aspects of Interconnection, Quality of Service and Tariff.

As far as the implementation of DAS was concerned, TRAI devised a three-step approach:

- The first step was to ensure content availability through signing of formal agreements between the broadcasters and MSOs. This, on the ground, ensured timely availability of adequate content to the MSOs.
- The second step was to seed the set-top-boxes (STBs); ensure collection of consumer details and their integration into the Subscriber Management System (SMS). This was critical to bring in 'addressability' to the system.
- The third step was to ensure individual consumer billing so that the consumer pays according to his choice/subscription. This marked the biggest change from the earlier analog days when subscribers basically paid a lump-sum amount for whatever was being delivered though the cable, whether they wanted that content or not.

To ensure smooth roll-out, TRAI initiated a massive awareness campaign across all forms of media, i.e., radio, TV, and print. Through this drive, various benefits of digitization were emphasized. A task force was set up with members from the industry, the sector regulator and also the Govt. This task force carried out field visits; review meetings; awareness workshops; and did whatever else that was needed to ensure a smooth and comprehensive implementation. Data was regularly collected from the service providers to monitor progress on the implementation. When required, corrective measures were promptly initiated.

The first two phases of implementation have been completed and around 30% of the cable TV homes already digitized.

During Phase-I, around 9 million STBs were installed and around 15 million STBs were installed in Phase-II. Work on the remaining two phases is currently underway. The country is expected to go 'fully digital' by the end of year 2016. Experience gained over the implementation of the first two phases of digitization has been very encouraging. In fact a number of maladies of the analog system, such as capacity constraint, non-transparent business transactions, restricted consumer choice to services, etc. are getting addressed.

Consumers in the DAS areas are today getting a far better choice of channels including high definition (HD) channels; better picture and sound quality; the service provided has improved; itemized billing has commenced. Increasingly, broadband services are being provided through the digital cable TV infrastructure. Stage is now set for introduction of other value added services and triple play services.

The digitization of cable TV networks has been taken up successfully by India and is expected to set a benchmark for the other countries to emulate.

1.4.6 Radio

Radio is a popular means for mass communication, owing largely, to its wide coverage, portability, low set-up cost and affordability. In India, Radio coverage is available in the Short-wave (SW) and Medium-wave (MW) bands in the Amplitude Modulation mode and also Frequency Modulation (FM) mode in the FM band. FM Radio broadcasting today, is considered to be the main medium to provide entertainment, information and education within the radio sector. There were 243 private FM radio stations operational by March 2015, besides the public service broadcaster- All India Radio (AIR) having a network of 414 stations and 596 broadcast transmitters (145 are MW, 403 FM and 48 SW).

With a view to further expand the availability of FM services to other cities, particularly in J&K, North Eastern States and island territories, and, to address certain other issues, the Government, on 25th July 2011, issued consolidated policy guidelines on phase-III expansion of FM radio broadcasting through private agencies. This phase aims to extend the reach of FM radio to 294 cities with launch of an additional 839 FM radio stations, thereby, boosting the regional growth of FM radio stations. Post implementation of Phase III, FM radio will cover around 85% of the country's territory. The scheme to rope in private broadcasters for FM radio has significantly contributed towards enhanced radio coverage and also provide good quality reception to radio listeners. This has also encouraged local talent and generated employment opportunities in various cities. The year-wise growth in the number of private FM radio stations is depicted in **Figure-29** and the annual growth in Advertisement Revenue of private FM Radio stations (As per TRAI records) has been depicted in **Figure-30.**

The radio sector in the country witnessed another expansion with the setting up of Community Radio Stations (CRS). There is huge potential for CRS given the vast landscape of this country, numerous languages, rich culture and diverse social

Figure-29 : Growth in number of Private FM Radio Stations

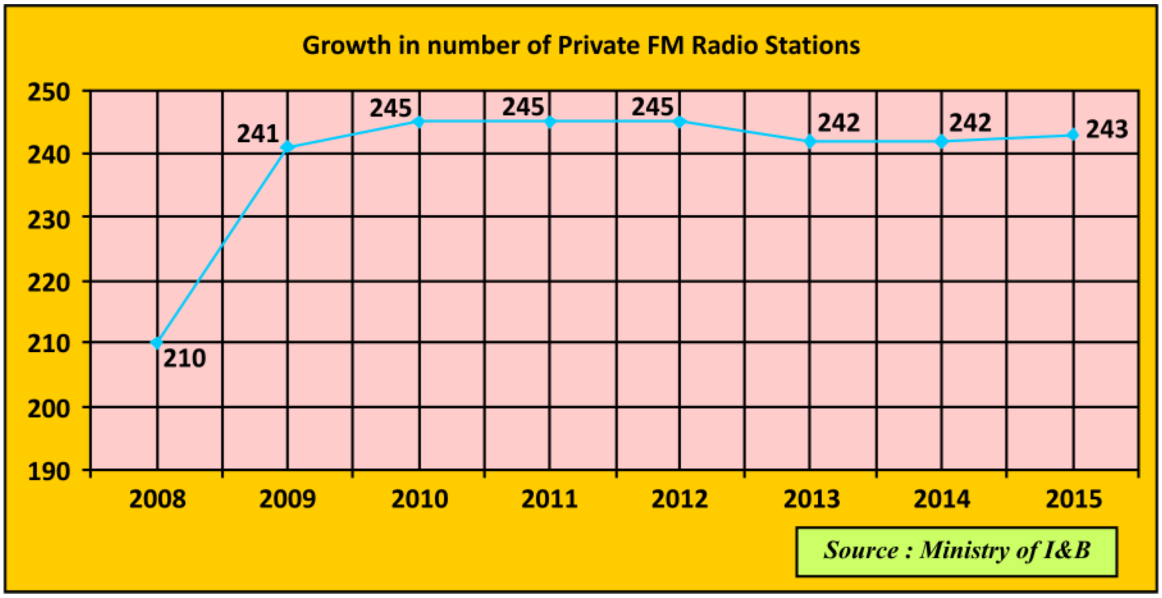
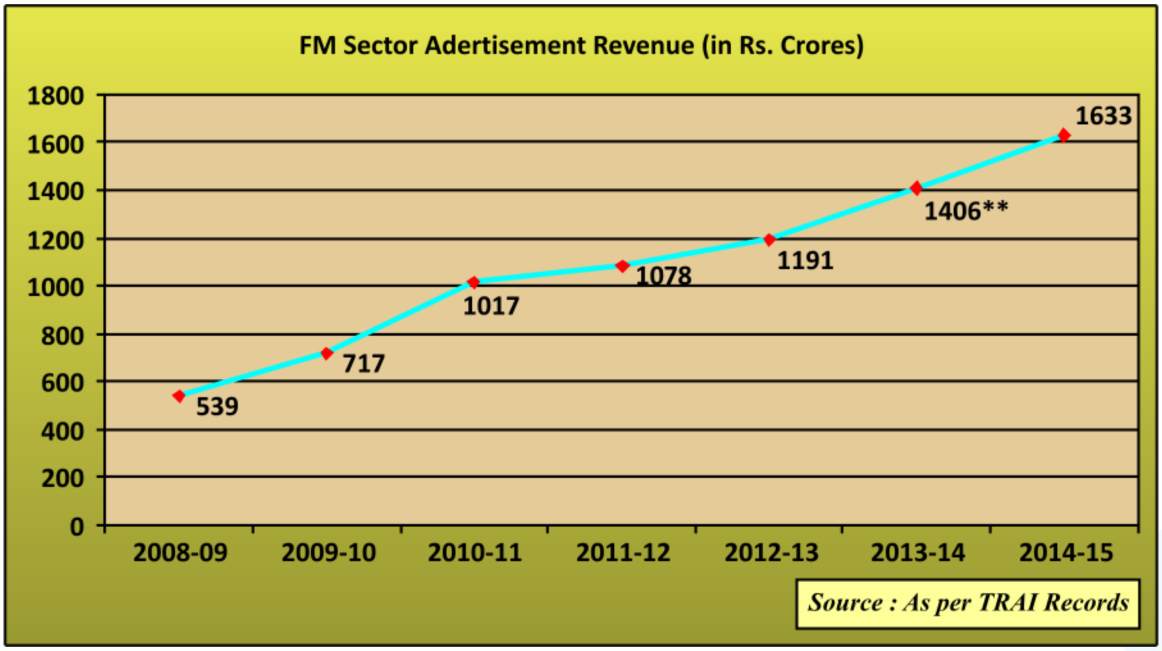


Figure-30 : FM Sector Advertisement Revenue (Annual)



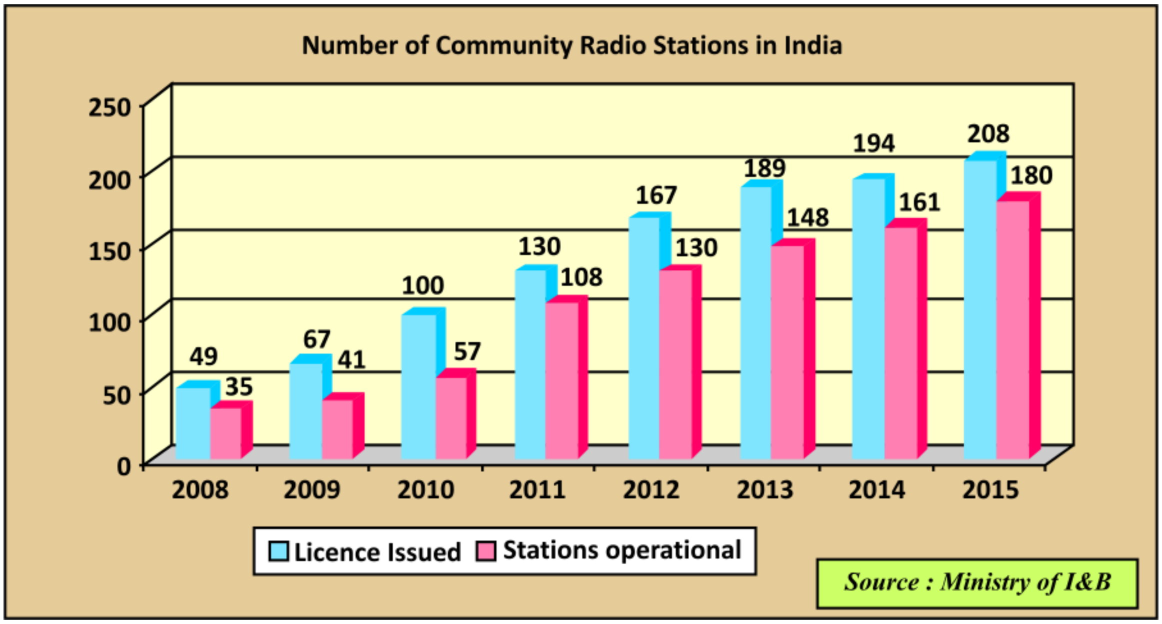
*** Stands revised from 1407 crore shown in 2013-14 on account of correction reported in the advertisment revenue by one of the service providers later.*

stratification. Community Radio broadcasting serves the purpose of networking small communities with an objective to focus on the daily concerns of the common man and also help them realize local aspirations. CRS are set up with the involvement of various educational institutions and civil society organizations. As on March 2015, out of the 208 licenses issued for setting up of CRS, 180 stations have become operational. The year wise growth of community radio stations is depicted in **Figure-31**.

1.4.7 Teleports

Globally, teleports have evolved as provider of complex solutions ranging from TV programme production and post-production to content hosting and distribution, system integration and network management. With liberal up-linking guidelines in India, there has been a major shift of channels earlier getting up-linked from abroad to India in view of lower operating costs and availability of skilled manpower. If India develops as a "Teleport hub", even those channels not meant for down-linking in India will shift to India for uplinking. This will lead to employment generation of employment and revenue generation as well as foreign exchange earnings. With its demonstrated technical capabilities and geographical location, India can provide up-linking facilities for TV channels to be viewed in other parts of the world. Recognizing 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 as a teleport hub.

Figure-31 : Growth in number of Community Radio Stations in the India



The year wise growth in the number of permitted teleports in India, over the last seven years, is depicted in **Figure-32**.

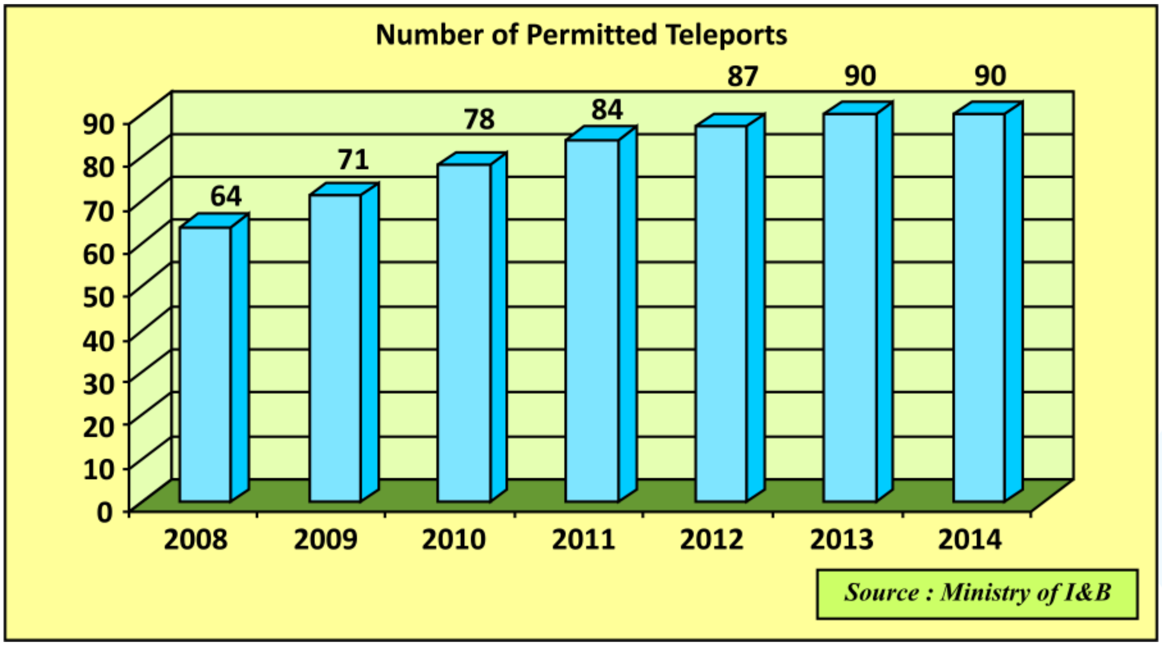
1.4.8 Tariff trends in broadcast sector

In order to provide cost effective broadcasting services to the consumer, TRAI lays the regulatory framework, from time-to-time, in the form of tariff orders. The tariffs for areas served through non-addressable systems, notified DAS areas and that for other addressable systems such as DTH, HITS, IPTV etc. are governed by the respective tariff orders issued by TRAI. Further, with addressable digitization making inroads at a fast pace, it is expected that operators will increasingly offer value added services (VAS), interactive services including movie-on-demand, gaming, shopping etc. The tariff order dated 21st July 2010, as amended, applicable for the addressable platforms, mandates all service providers to offer all channels, available on their platforms, on a-la-carte basis at the retail level. Further, the wholesale pricing has been prescribed with a certain cap, linked to the non-addressable systems tariff ceilings. With these provisions at the wholesale and retail levels, a trend is likely to emerge where the subscription to channels is as per a consumer's choice rather than being as defined by the service providers.

1.4.9 Stakeholders in the Cable and satellite TV Service Sector

As on March 2015, the total number of TV channels registered with the Ministry of Information and Broadcasting was 829 which include 205 SD pay channels, 42 HD pay channels and 4 advertisement free

Figure-32 : Growth in number of permitted teleports in the country



pay channels. List of Standard Definition pay TV channels, High Definition channels, pay broadcasters, pay DTH operators & permitted teleports are placed at **Annexure-III to VII** at the end of this part of this report.

Broadcasting & Cable services performance indicators

Overall status of the broadcasting and Cable TV services sector is at **Table-24** below.

Table-24 : Overall status of Broadcasting and Cable TV Services

Number of households in the country (estimated)	277 Million
Number of TV households (estimated)	175 Million
Number of Cable TV subscribers (estimated)	101 Million
Number of pay DTH Subscribers registered with private service providers as on 31st March 2015	76.05 Million
Number of pay DTH Subscribers active with private service providers as on 31st March 2015	41.15 Million
Number of Cable operators (estimated)	60,000
Number of Multi System Operators (estimated)	6000
Number of MSOs registered in DAS	155
Number of pay DTH Operators	6
Number of Channels as on 31st March 2015	829
Number of SD Pay TV Channels as on 31st March 2015	205
Number of HD TV Channels as on 31st March 2015	42
Number of FM Radio Stations (excluding All India Radio) as on 31st March 2015	243
Number of Licensed Community Radio Stations as on 31stMarch 2015	208
Number of Operational Community Radio Stations as on 31st March 2015	180
Number of permitted Teleports in the country as on 31st March 2015	90

Performance indicator of the Broadcasting sector over the last four quarters is at **Table-25** below.

Table-25 : Performance Indicator of Broadcasting and Cable Services

Broadcasting & Cable Services	Quarter ending			
	June 2014	Sept. 2014	Dec. 2014	March 2015
Total Number of Registered Channels with I&B Ministry	797	813	826	829
Number of SD Pay Channels (Operational)	186	187	202	205
Number of HD Pay Channels (Operational)	36	38	39	42
Registered DTH Subscribers base (in millions)	67.57	70.33	73.06	76.05
Active DTH Subscribers base (in millions)	38.24	39.13	40.54	41.15
Number of Private FM Radio Stations	243	243	243	243

ANNEXURES TO PART-I

SUBSCRIBER BASE OF WIRELESS [GSM AND CDMA] SERVICES FROM 2010-11 TO 2014-15

(Subscriber base in millions)

Service Providers	2010-11	2011-12	2012-13	2013-14	2014-15	%age growth/ reduction over FY 2014
Bharti	162.20	181.28	188.20	205.39	226.02	10.04
Vodafone	134.57	150.47	152.35	166.56	183.80	10.35
Idea	89.50	112.72	121.61	135.79	157.81	16.22
Reliance	135.72	153.05	122.97	110.89	109.47	-1.28
BSNL	91.83	98.51	101.21	94.65	77.22	-18.42
Aircel	54.84	62.57	60.07	70.15	81.40	16.04
Tata	89.14	81.75	66.42	63.00	66.32	5.27
Unitech / Telewings	22.79	42.43	31.68	35.61	45.62	28.11
Sistema	10.06	15.68	11.91	9.04	8.86	-1.99
Videocon	7.11	5.95	2.01	4.99	7.13	42.89
MTNL	5.47	5.83	5.00	3.37	3.51	4.15
Loop	3.09	3.27	3.01	2.90	0	0
Quadrant	1.47	1.33	1.37	2.17	2.73	25.81
S Tel	2.82	3.43	0	0	0	0.00
Etisalat	0.97	0.78	0	0	0	0.00
Total	**811.59**	**919.17**	**867.8**	**904.51**	**969.89**	**7.23**

Source: Service Providers

LIST OF WIRELESS SERVICE PROVIDERS SERVICE AREA WISE AS ON 31ST MARCH 2015

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
		CATEGORY : METRO	
1.	Delhi	Bharti Airtel	
		Vodafone	
		MTNL	
		Idea	
		Aircel	
		RCL	
			MTNL
			RCL
			Sistema
			Tata
2.	Mumbai	Vodafone	
		MTNL	
		Bharti Airtel	
		Idea	
		RCL	
		Aircel	
		Tata	
			MTNL
			RCL
			Tata
3.	Kolkata	Bharti Airtel	
		Vodafone	
		BSNL	
		RTL	
		Dishnet	
		Tata	
		Idea	

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
			BSNL
			RCL
			Sistema
			Tata
CATEGORY : CIRCLE 'A'			
4.	Maharashtra	Vodafone	
		Idea	
		BSNL	
		Bharti Airtel	
		RCL	
		Aircel	
		Tata	
		Telewings	
			BSNL
			RCL
			Tata
5.	Gujarat	Vodafone	
		Idea	
		BSNL	
		Bharti Airtel	
		RCL	
		Tata	
		Videocon	
		Telewings	
		Aircel	
			BSNL
			RCL
			Sistema
			Tata

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
6.	Andhra Pradesh	Idea	
		Bharti Airtel	
		BSNL	
		Vodafone	
		Aircel	
		RCL	
		Tata	
		Telewings	
			BSNL
			RCL
			Tata
7.	Karnataka	Bharti Airtel	
		Idea	
		BSNL	
		Vodafone	
		Aircel	
		RCL	
		Tata	
			BSNL
			RCL
			Sistema
			Tata
8.	Tamil Nadu including Chennai	Vodafone	
		Aircel	
		BSNL	
		Bharti Airtel	
		RCL	
		Idea	
		Tata	
			BSNL

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
			RCL
			Sistema
			Tata
CATEGORY : CIRCLE 'B'			
9.	Kerala	Idea	
		Vodafone	
		BSNL	
		Bharti Airtel	
		Dishnet	
		RCL	
		Tata	
			BSNL
			RCL
			Sistema
			Tata
10.	Punjab	Idea	
		Bharti Airtel	
		BSNL	
		Vodafone	
		RCL	
		Tata	
		Quadrant	
		Dishnet	
			BSNL
			RCL
			Quadrant
			Tata
11.	Haryana	Idea	
		Vodafone	
		BSNL	
		Bharti Airtel	

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
		RCL	
		Tata	
		Videocon	
		Aircel	
			BSNL
			RCL
			Tata
12.	Uttar Pradesh (West)	Idea	
		Bharti Airtel	
		BSNL	
		Vodafone	
		Dishnet	
		RCL	
		Tata	
		Telewings	
		Videocon	
			BSNL
			RCL
			Sistema
			Tata
13.	Uttar Pradesh (East)	Vodafone	
		BSNL	
		Bharti Airtel	
		Idea	
		Dishnet	
		RCL	
		Tata	
		Telewings	
		Videocon	
			BSNL
			RCL
			Tata

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
14.	Rajasthan	Vodafone	
		Bharti Airtel	
		BSNL	
		Idea	
		RCL	
		Tata	
		Aircel	
			BSNL
			RCL
			Sistema
			Tata
15.	Madhya Pradesh	Idea	
		RTL	
		BSNL	
		Bharti Airtel	
		Vodafone	
		Tata	
		Aircel	
		Videocon	
			BSNL
			RCL
			Tata
16.	West Bengal	RTL	
		BSNL	
		Bharti Airtel	
		Vodafone	
		Dishnet	
		Tata	
		Idea	
			BSNL
			RCL

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
			Sistema
			Tata
CATEGORY : CIRCLE 'C'			
17.	Himachal Pradesh	Bharti Airtel	
		RTL	
		BSNL	
		Idea	
		Dishnet	
		Vodafone	
		Tata	
			BSNL
			RCL
			Tata
18.	Bihar	RTL	
		BSNL	
		Bharti Airtel	
		Dishnet	
		Idea	
		Vodafone	
		Tata	
		Telewings	
		Videocon	
			BSNL
			RCL
			Tata
19.	Orissa	RTL	
		BSNL	
		Bharti Airtel	
		Dishnet	
		Vodafone	
		Idea	

Sl. No.	Circle Service Area	Operator Wireless	
		GSM	CDMA
		Tata	
			BSNL
			RCL
			Tata
20.	Assam	RTL	
		BSNL	
		Bharti Airtel	
		Dishnet	
		Vodafone	
		Idea	
			BSNL
21.	North East	RTL	
		Bharti Airtel	
		BSNL	
		Dishnet	
		Vodafone	
		Idea	
			BSNL
22.	Jammu & Kashmir	BSNL	
		Bharti Airtel	
		Dishnet	
		Vodafone	
		RCL	
		Idea	
			BSNL
			RCL

Source: DoT/Service Providers

LIST OF STANDARD DEFINITION PAY TV CHANNELS

S.No	Name of the channel
1	9X
2	9X Jalwa
3	9X Jhakaas
4	9XM
5	9XO
6	Asianet
7	Asianet Plus
8	Asianet Movies
9	Suvarna Plus
10	Suvarna
11	Big Thrill (Earlier name Big RTL Thrill")
12	B4U Movies
13	AATH
14	BBC World News
15	Zoom
16	Romedy Now
17	Bloomberg TV India
18	Ten Cricket (earlier name "Play TV")
19	Animal Planet
20	Discovery Channel
21	Discovery Channel – Tamil
22	Discovery Kids Channel
23	Discovery Science
24	Discovery Turbo
25	ID Investigation Discovery
26	TLC
27	E 24
28	ETV Telugu
29	ETV Andhra Pradesh (earlier name "ETV-2")
30	ETV - Telangana (earlier name "ETV-3")
31	Nat Geo Wild
32	Nat Geo People (Earlier name "Nat Geo Adventure")
33	UTV Bindass
34	UTV Action
35	IBN Lokmat
36	MAA Gold (Earlier name "MAA Junior")
37	MAA Movies (Earlier name "MAA Pooja")
38	MAA Music
39	MAA TV
40	J Movies
41	Jaya Max
42	Jaya Plus
43	Jaya TV
44	ABP Ananda
45	ABP Majha
46	The MGM
47	Animax
48	AXN
49	SET MAX
50	MIX
51	SAB

S.No	Name of the channel
52	SONY ENTERTAINMENT CHANNEL (SET)
53	PIX
54	SIX
55	MAX 2 (Earlier name “MAX HD”)
56	PAL (Earlier Name “SAB HD”)
57	NDTV Good Times
58	NEO Prime (Earlier name “Neo Cricket”)
59	Neo Sports
60	NDTV 24*7
61	NDTV India
62	NDTV Profit
63	Fox Life (earlier name “Fox Traveller”)
64	National Geographic Channel (NGC)
65	Prarthana
66	Tarang
67	Tarang Music
68	Alankar
69	ETV Bihar Jharkhand
70	ETV MP Chattisgarh
71	ETV Rajasthan
72	ETV Uttar Pradesh Uttarachal
73	ETV Urdu
74	ETV News Kannada
75	ETV News Bangla
76	ETV Haryana / Himanchal Pradesh
77	ETV News Gujarati
78	9X Tashan (Earlier name “Purvaiya”)
79	ETV Bangla
80	ETV Gujarati
81	ETV Kannada

S.No	Name of the channel
82	ETV Marathi
83	ETV Oriya
84	Raj Musix Kannada
85	Raj Digital Plus
86	Raj Musix
87	Raj News
88	Raj TV
89	Vissa TV
90	BIG MAGIC
91	Big Magic Ganga (Earlier name “Big Magic Bihar”)
92	Sahara Filmy
93	Sahara One
94	Sarthak TV
95	Mega 24
96	Mega Musiq
97	Mega TV
98	Channel (V)
99	Star Sports 4 (Earlier name of “ESPN”)
100	FOX CRIME
101	FX
102	Life Ok (earlier name “Star One”)
103	Movies OK (earlier name “Gold Action”)
104	Star Sports 3 (Earlier name of “Star Cricket”)
105	Star Gold
106	Star Jalsha
107	Star Movies
108	Star Movies Action
109	Star Plus

S.No	Name of the channel
110	Star Pravah
111	Star Sports 1 (Earlier name “Star Sports”)
112	Star Sports 2
113	Star World
114	Jalsha Movies (Earlier name “Star Bengali”)
115	Adithya TV
116	Chintu TV
117	Chutti TV
118	Gemini Comedy
119	Gemini Life
120	Gemini Movies
121	Gemini Music
122	Gemini News
123	Gemini TV
124	K TV
125	Kiran TV
126	Kushi TV
127	SUN Life
128	Sun Music
129	Sun News
130	Surya Music (Earlier name “Sun News English”)
131	SUN TV
132	SUN TV RI
133	Surya TV
134	Udaya Comedy
135	Udaya Movies
136	Udaya Music

S.No	Name of the channel
137	Udaya News
138	Udaya TV
139	Kochu TV
140	Ten Action
141	Ten Sports
142	Ten Golf
143	ET NOW
144	Times Now
145	Food Food TV
146	Cartoon Network
147	CNN International
148	HBO
149	POGO
150	Toonami (Earlier name “Boomerang”)
151	WB
152	CNN-IBN
153	IBN 7
154	CNBC Bajaar
155	CNBC Awaaz
156	CNBC TV 18
157	Aaj Tak
158	Delhi Aaj Tak
159	Headlines Today
160	Aaj Tak Tez
161	Hungama TV
162	Disney Junior (Earlier name “UTV Comedy”)
163	UTV Movies
164	UTV World Movies

S.No	Name of the channel
165	Bindass Play (Earlier name “UTV Stars”)
166	Colors
167	Comedy Central
168	MTV
169	NICK
170	Nick Jr / Teen Nick
171	SONIC
172	VH 1
173	Vijay TV
174	24 Ghanta
175	Zee ETC Bollywood (Earlier name “Zee Bollywood”)
176	Action Cinema
177	Zee Bangla Cinema
178	Zee Café
179	Zee Cinema
180	Classic Cinema
181	Premiere Cinema
182	Zee Salaam
183	Zee Smile
184	Zee Studio
185	Zee Talkies

S.No	Name of the channel
186	Zee TV
187	Zing
188	Zindagi
189	& Picture
190	Zee Q
191	Zee Bangla
192	Zee Marathi
193	Zee Khana Khazana
194	& TV
195	Zee 24 Taas
196	Zee Kalinga (Earlier name “Zee 24 Ghantalu)
197	Zee Business
198	Zee Kannada
199	Zee News
200	Zee Punjab Haryana Himachal (Earlier name “Zee Punjabi”)
201	Zee Telugu
202	Zee Madhya Pradesh Chattisgarh
203	Zee Marudhara (Earlier name “Zee Rajasthan Plus”)
204	Disney XD (Earlier name “Toon Disney”)
205	The Disney Channel

LIST OF HD PAY TV CHANNELS IN INDIA

Sl.No	Name of the Broadcaster	Name of the channel
1	M/s AETN 18 Media Private Limited	The History Channel
2	M/s Bennett, Coleman & Company Limited	Movies Now +
3	M/s Celebrities Management Pvt Limited	Travel XP HD
4	M/s Discovery Communications India	Discovery HD
5	M/s Discovery Communications India	Animal Planet HD World
6	M/s Discovery Communications India	TLC HD world
7	M/s EPIC Television Networks Pvt Limited	EPIC TV
8	M/s Fox Channels (India) Private Limited	National Geographic HD
9	M/s Fox Channels (India) Private Limited	Nat Geo Music (HD Distribution)
10	M/s Fox Channels (India) Private Limited	Nat Geo Wild HD
11	M/s Fox Channels (India) Private Limited	Nat Geo People
12	M/s Fox Channels (India) Private Limited	Baby TV (HD Distribution)
13	M/s Multi Screen Media Private Limited	SET HD
14	M/s Multi Screen Media Private Limited	SIX HD
15	M/s Multi Screen Media Private Limited	PIX HD
16	M/s NGC Network (India) Pvt Limited	Fox Life HD
17	M/s Star India Private Limited	Star Sports HD 2
18	M/s Star India Private Limited	Star Sports HD 1
19	M/s Star India Private Limited	Life Ok HD
20	M/s Star India Private Limited	Star Gold HD
21	M/s Star India Private Limited	Star Movies HD
22	M/s Star India Private Limited	Star Plus HD
23	M/s Star India Private Limited	Star World Prmiere HD
24	M/s Star India Private Limited	Star Sports HD 3
25	M/s Star India Private Limited	Star Sports HD 4
26	M/s Star India Private Limited	Star World HD
27	M/s SUN TV Network Limited	Sun TV HD

Sl.No	Name of the Broadcaster	Name of the channel
28	M/s SUN TV Network Limited	KTV HD
29	M/s SUN TV Network Limited	Sun Music HD
30	M/s SUN TV Network Limited	Gemini TV HD
31	M/s Taj Television India Private Limited	Ten HD
32	M/s Turner International India Pvt Ltd	HBO Hits HD
33	M/s Turner International India Pvt Ltd	HBO Defined HD
34	M/s TV 18 Broadcast Limited	CNBC TV 18 Prime HD
35	M/s Viacom 18 Media Private Limited	Colors HD
36	M/s Viacom 18 Media Private Limited	MTV Indies
37	M/s Zee Entertainment Enterprises Limited	Zee TV HD
38	M/s Zee Entertainment Enterprises Limited	Zee Cinema HD
39	M/s Zee Entertainment Enterprises Limited	Zee Studio HD
40	M/s Zee Entertainment Enterprises Limited	& TV HD
41	M/s Zee Entertainment Enterprises Limited	& Pictures HD
42	M/s Zoom Entertainment Network Limited	Movies Now

LIST OF PAY BROADCASTERS

S.No	Name of the Broadcaster
1	M/s 9X Media Private Limited
2	M/s AETN 18 Media Pvt Limited
3	M/s Asianet Communications Limited
4	M/s Azalia Broadcast Private Limited
5	M/s B4U Television Network India Limited
6	M/s Bangla Entertainment Private Limited
7	M/s BBC Global News India Private Limited
8	M/s Bennett, Coleman & Company Limited
9	M/s Business Broadcast News Private Limited
10	M/s Celebrities Management Pvt Limited
11	M/s Dakshin Media Gaming Solutions Pvt Ltd
12	M/s Discovery Communications India
13	E-24 Glamour Limited
14	M/s Eenadu Televisoin Private Limited
15	M/s EPIC Television Networks Pvt Limited
16	M/s Fox Channels (India) Private Limited
17	M/s Genx Entertainment Limited
18	M/s IBN Lokmat News Private Ltd
19	M/s MAA Television Network Limited
20	M/s Mavis Satcom Limited
21	M/s Media Content and Communications Services India Private Limited
22	M/s MGM Programming Services India Pvt Ltd
23	M/s Multi Screen Media Private Limited
24	M/s NDTV Life style Limited
25	M/s Neo Sports Broadcast Pvt Limited
26	M/s New Delhi Television Limited
27	M/s NGC Network (India) Pvt Limited

S.No	Name of the Broadcaster
28	M/s Odisha Television Limited
29	M/s Panorama Television Private Limited
30	M/s Paul Entertainments Pvt Limited
31	M/s Prism Television Private Limited
32	M/s Raj Television Network Limited
33	M/s Reliance BIG Broadcasting Pvt Limited
34	M/s Sahara India Commercial Corporation Ltd
35	M/s Sarthak Entertainment Pvt Limited
36	M/s Silverstar Communications Limited
37	M/s Star India Private Limited
38	M/s SUN TV Network Limited
39	M/s Taj Television India Private Limited
40	M/s Times Global Broadcasting Company Ltd
41	M/s Turmeric Vision Private Limited
42	M/s Turner International India Pvt Ltd
43	M/s TV 18 Broadcast Limited
44	M/s TV Today Network Limited
45	M/s United Home Entertainment Pvt Limited
46	M/s UTV Entertainment Television Limited
47	M/s Viacom 18 Media Private Limited
48	M/s Vijay Television Pvt Limited
49	M/s Zee Akaash News Private Limited
50	M/s Zee Entertainment Enterprises Limited
51	M/s Zee Media Corporation Limited
52	M/s Zoom Entertainment Network Limited
53	M/s The Walt Disney Company (India) Pvt Limited

LIST OF PAY DTH OPERATOR

S.No	DTH Operator
1.	M/s. Tata Sky Ltd.
2.	M/s Dish TV India Ltd.
3.	M/s SUN Direct TV (P) Ltd.
4.	M/s Bharti Telemedia Ltd.
5.	M/s Reliance Big TV Pvt. Ltd.
6.	M/s Videocon d2h Limited

LIST OF PERMITTED TELEPORTS

Sl. No	Name of Teleport
1	TV TODAY NETWORK LIMITED
2	SUN TV LTD.
3	ENTERTAINMENT TELEVISION NETWORK PVT.LTD
4	USHODAYA ENTERPRISES LTD.
5	ESSEL SHYAM COMMUNICATION LIMITED
6	ASIANET INFRASTRUCTURE PVT. LTD.
7	ESSEL SHYAM COMMUNICATION LTD
8	SAHARA SANCHAR LIMITED
9	TELEVISION EIGHTEEN INDIA LIMITED
10	NEW DELHI TELEVISION LTD. (NDTV)
11	INDIAVISION COMMUNICATIONS LTD.
12	NOIDA SOFTWARE TECHNOLOGY PARK LTD.
13	DISH TV INDIA LIMITED (Formerly known ASCEnterprises Ltd.)
14	POSITIVE TELEVISION PVT. LTD.
15	CHANNEL GUIDE INDIA LTD.
16	INDIASIGN PVT. LTD.
17	ASSOCIATED BROADCASTING PVT. LTD.
18	AV ENTERTAINMENT PVT. LTD.
19	TELEVISION EIGHTEEN INDIA LIMITED
20	AMRITA ENTERPRISES PVT. LTD.
21	MAVIS SATCOM LIMITED
22	TATA COMMUNICATIONS LTD.VSNL
23	TATA COMMUNICATIONS LTD. VSNL
24	TATA COMMUNICATIONS LTD., VSNL,
25	TATA COMMUNICATIONS LTD.,VSNL
26	TATA COMMUNICATIONS LTD., VSNL

Sl. No	Name of Teleport
27	LAMHAS SATELLITE LTD.
28	MALAYALAM COMMUNICATIONS LTD.
29	SANSKAR INFO TV PVT. LTD.
30	BENNETT COLEMAN AND CO. LTD.
31	SENIOR MEDIA LTD.
32	LOK PRAKASHAN LTD.
33	CALCUTTA TELEVISION NETWORK PVT. LTD.
34	KOHINOOR CORPORATION LTD.
35	TELEVISION EIGHTEEN INDIA LIMITED
36	KAMYAB TV PVT. LTD. (Formerly known as MD TV Pvt. Ltd.)
37	KASTURI MEDIA PVT. LTD.
38	SST MEDIA PVT. LTD.
39	ESSEL SHYAM COMMUNICATION LTD.
40	MM TV LTD.
41	IN CABLENET ANDHRA LTD.
42	INDRA TELEVISION LTD.
43	SUN TV LTD.
44	MEDIA CONTENT AND COMMUNICATION INDIA PRIVATE LIMITED
45	TATA SKY LIMITED
46	SATISH SUGERS LTD.
47	SHITAL FIBRES LTD.
48	MH ONE TV NETWORK LTD.
49	STV ENTERPRISES LTD.
50	AIRR X MEDIA LTD.
51	BROADCAST EQUIPMENTS INDIA PVT. LTD.
52	WINNING COMMUNICATIONS LTD.
53	INDIASIGN PVT. LTD.
54	INDIASIGN PVT. LTD.
55	RACHANA TELEVISION PVT. LTD.

Sl. No	Name of Teleport
56	ORTEL COMMUNICATIONS LTD.
57	SOWBHAGYA EXPORTS LTD.
58	ESSEL SHYAM COMMUNICATION LTD.
59	PRAGYA VISION PVT. LTD.
60	BRAHMAPUTRA TELE- PRODUCTIONS PVT. LTD.
61	G. NEXT MEDIA PVT. LTD.
62	INDIASIGN PVT. LTD.
63	TATA COMMUNICATIONS LIMITED
64	POSITIVE TELEVISION PVT. LTD.
65	EASTERN MEDIA LTD.
66	RAJASTHAN PATRIKA PRIVATE LIMITED
67	PRIDE EAST ENTERTAINMENT PVT. LIMITED
68	INDIASIGN PVT. LTD.
69	VINTAGE STUDIO PVT. LTD.
70	SKYLINE TELE MEDIA SERVICES PVT. LTD.
71	INFORMATION TV PVT. LTD.
72	UNILAZER EXPORTS AND MANAGEMENT CONSULTANTS LIMITED
73	COMSAT SYSTEM PVT. LTD.
74	BHARTI TELEPORTS LIMITED
75	SRI VENKATESWARA CHANNEL PVT. LTD.
76	TATA COMMUNICATIONS LIMITED
77	ROYS INSTITUTE OF COMPETITIVE EXAMINATION PVT LTD
78	INDEPENDENT NEWS SERVICES PVT. LTD.
79	RAJ TELEVISION NETWORK LTD.
80	ESSEL SHYAM COMMUNICATION LTD.
81	KANSANNEWS PRIVATE LIMITED
82	TATA COMMUNICATIONS LTD. VSNL
83	DISH TV INDIA LTD.
84	AASTHA BROADCASTING NETWORK LIMITED

Sl. No	Name of Teleport
85	MAHUAA MEDIA PRIVATE LIMITED
86	RTR BROADCAST PVT. LTD.
87	SILVER STAR COMMUNICATION LTD.
88	LAMHA SATELLITE SERVICES LTD
89	SKYLINE TELE MEDIA SERVICES LTD.
90	BHARTI TELEPORTS LIMITED

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

2.1 Part I of the Report has given an overview 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 2014-15. In line with the mandate given under the TRAI Act, TRAI has played 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.

2.2 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 notification dated 9th January 2004, whereby broadcasting services and cable services were also defined as telecommunication services, thus bringing these sectors under the ambit of TRAI. The Government also issued another notification dated 9th January 2004, under Section 11(d) of the Telecom Regulatory Authority of India Act, 1997, which entrusted certain additional functions to TRAI. These functions were to make recommendations, regarding terms and conditions on which "Addressable System" shall be provided to the customers and the parameters for regulating maximum time for advertisements in pay channels as well as other channels.

2.3 To formulate recommendations and suggest policy initiatives, 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 discussions about policy formulation by offering their views whenever sought for. This process involves floating of a consultation paper highlighting the issues involved and soliciting the views of the stakeholders on the issues, 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.

2.4 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 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.

2.5 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, Ministry of Telecommunications or Ministry of Information & Broadcasting in the case of Broadcasting and Cable Services. Recommendations given by TRAI to Government during 2014-15 are given below.

TELECOM SECTOR

LIST OF RECOMMENDATIONS

1. Recommendations dated 1st May 2014 on "Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision

of Internet Services and minimum presumptive AGR".

2. Recommendations dated 12th May 2014 on "Provisioning of INMARSAT / Satellite Phone services".

3. TRAI response dated 21st July 2014 to DoT reference dated 02.07.2014 on "Full Mobile Number Portability".

4. Recommendations dated 21st July 2014 on "Guidelines on Spectrum Sharing".

5. Recommendations dated 22nd July 2014 on "Improving Telecom Services in Andaman and Nicobar Islands and Lakshadweep".

6. Recommendations dated 29th August 2014 on "Allocation and pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers".

7. Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".

8. TRAI Response dated 24th November 2014 on DoT's Reference back on Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".

9. TRAI's Response dated 27th November 2014 on DoT's Reference back to Recommendations dated 22nd February 2014 on 'Reserve Price for Auction on Spectrum in 800 MHz'.

10. Recommendations dated 31st December 2014 on "Valuation and Reserve Price of Spectrum: 2100 MHz".

11. Recommendations dated 6th January 2015 on "Definition of Revenue Base (AGR) for the Reckoning of Licence fee and Spectrum Usage Charges".

12. TRAI response dated 15th January 2015 on DoT reference back on recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band dated 31st December 2014".

RECOMMENDATIONS

➢ **Recommendations dated 1st May 2014 on "Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR".**

2.5.1 DoT vide letter dated 22nd October 2012 sought TRAI's recommendations on (i) the definition of AGR in the ISP License Agreements for provision of Internet Services granted in 1998, 2002 and 2007 guidelines, (ii) the applicability of minimum presumptive AGR and value, if applicable, for BWA Spectrum holders under Internet Service and (iii) the amendment in the "Format of Statement of Revenue and Licence Fee" to be reported by various categories of Internet Service Licensees.

After consultation and analysis of the issues, the Authority concluded that having taken the logical step of implementing a unified license with the objective of providing a simple and clear licensing framework for all kinds of telecommunications services, the definition of AGR and licence fee should be uniformly applicable for ISP licences at par with the licences for other telecom services. This view is consistent with the recommendations of the Authority on various earlier occasions that the regulatory framework should ensure a level playing field for all licensees for fair competition and to prevent misuse of any terms and conditions of the licence. The Authority forwarded its recommendations to the DoT on 1st May, 2014. The salient features of the recommendations are:

(i) A uniform licence fee of 8% of the AGR shall be applicable for all ISP licences. Revenue for the purpose of licence fee for ISP licences shall include all types of revenue from Internet services, allowing only those deductions available for pass through charges and taxes/levies as in the case of access services, without any set-off for expenses. Revenues from Internet services shall also be included in the definition of AGR.

(ii) Minimum presumptive AGR for the purpose of licence fee shall be applicable on the existing ISPs holding the BWA spectrum as applicable to the licensees who obtained access spectrum through competitive bidding.

(iii) For existing ISPs who are holding BWA spectrum from the 2010 auction, the value of presumptive AGR shall be equal to 5% of the sum of the total bid amount by the Licensee for the respective Service Area, as applicable to the licensees who obtained spectrum in the auctions conducted in November 2012 and March 2013.

➢ Recommendations dated 12th May 2014 on "Provisioning of INMARSAT/Satellite Phone services"

2.5.2 The DoT through its letter dated 13th December 2013 sought TRAI's recommendations on the appropriateness and feasibility of including INMARSAT Services "under Unified Licence GMPCS Authorisation" or framing of another Authorisation under the Unified Licence. The Authority formulated and forwarded its recommendations on the issue on 12th May 2014. The gist of the recommendations is:

(a) The DoT may authorize BSNL to establish Gateway immediately under the *'sui generis'* category;

(b) The DoT may consider the request of BSNL for waiver of entry fee, processing fee and Performance Bank Guarantee (PBG) for such authorization

(c) Licence fee @ 8% of AGR may be levied for such services.

➢ TRAI response dated 21st July 2014 to DoT reference dated 2nd July 2014 on "Full Mobile Number Portability"

2.5.3 TRAI received a reference from the DoT on 27th December 2012 seeking the recommendations of the Authority for implementing "Full Mobile Number Portability" across the country. After consultation with stakeholders and examination of various issues, the Authority gave its recommendations on 'Full Mobile Number Portability' on 25th September 2013. These recommendations provided a technical solution for implementation of inter-service area MNP by which a subscriber will be able to port his mobile number from one service area to another. MNP is administered through a central clearing house and number portability database maintained by the two MNP service providers. On 2nd July, 2014 the DoT conveyed acceptance of TRAI's recommendations on Full Mobile Number Portability in-principle and requested TRAI to give its opinion for additional entry fee, Performance Bank Guarantee (PBG) and Financial Bank Guarantee (FBG) to be charged from the existing licensees in view of the enhancement of scope of their license due to implementation of "Full Mobile Number Portability". After examining the issues involved, the Authority finalized and provided its response on 21st July, 2014. The salient features of the recommendations are:

(i) No change in the entry fee for MNP service providers for implementing Full Mobile Number Portability.

(ii) Performance Bank Guarantee and Financial Bank Guarantee for the MNP service providers should be continued as per the existing licence conditions.

➢ Recommendations dated 21st July 2014 on "Guidelines on Spectrum Sharing"

2.5.4 In February 2014, the Authority had constituted a Steering Committee consisting of senior officers of TRAI and representatives of all the TSPs to frame the guidelines for spectrum sharing. On the basis of deliberations in the Steering Committee and its own analysis, the Authority has finalised its recommendations on 'Guidelines on Spectrum Sharing'. The salient features of the guidelines are given below:

- Spectrum sharing refers to an arrangement between two access licensees (CMTS / UASL / UL (AS) / UL) where both licensees having access spectrum, in the same band, pool their respective spectrum in the same Licence Service Area (LSA) for their simultaneous use, using a common Radio Access Network (RAN). The shared RAN will be connected to the core networks of each of the licensee. Both the licensees will continue to hold their primary right over their own spectrum.

- The basic objective of spectrum sharing is to provide an opportunity to the TSPs to pool their spectrum holdings and gain the better spectral efficiency. Spectrum sharing would involve both the service providers utilising the spectrum. Leasing of spectrum is not permitted.

- All access spectrum i.e. spectrum in the bands of 800/900/1800/2100/ 2300/2500 MHz will be sharable provided that both the licensees are having spectrum in the same band.

- Both the licensees, willing to share their spectrum, shall inform the licensor at the time of entering into spectrum sharing agreement.

- At present, there are many licensees having administratively assigned spectrum in the

800 MHz, 900 MHz and 1800 MHz band. If any one of the two licensees, sharing their spectrum, has administratively assigned spectrum in that band, then after sharing, they will be permitted to provide only those services which can be provided through administratively held spectrum.

- If both the licensees are sharing that spectrum which has either been assigned through an auction in the year 2010 or afterwards, or on which the licensee has already paid the prescribed market value (as decided by the Government from time to time) to the Government, they can offer services using all those technologies (namely GSM, CDMA, WCDMA, LTE etc), which they can independently provide through their own spectrum holding.

- Considering the fact that spectrum sharing results in better spectral efficiency, a portion of additional capacity created needs to be counted for the purpose of applying the prescribed spectrum caps of 25% of total spectrum assigned and 50% in a band. For the limited purpose of applying the prescribed spectrum caps, 50% of the spectrum held by the other licence in the band being shared shall be counted as the additional spectrum being held by the licensee.

- Considering the fact that spectrum sharing results in additional quantity of spectrum with both the licensees to serve higher number of consumers, the SUC rate of each of the licensees post-sharing shall increase by 0.5% of AGR.

➢ Recommendations dated 22nd July 2014 on "Improving Telecom Services in Andaman and Nicobar Islands and Lakshadweep"

2.5.5 The DoT had sought TRAI's recommendations on a comprehensive plan for improving telecom services in Andaman & Nicobar Islands (ANI) and Lakshadweep and also to assess the investment required for providing quality telecommunication services in these islands.

To assess the existing telecom facilities, the gaps therein and the challenges in the development of telecom networks, a team of TRAI officers visited both ANI and Lakshadweep and held detailed consultations with the Union Territory (UT) administrations and the Telecom Service Providers (TSPs) operating in ANI and Lakshadweep.

In the comprehensive telecom plan, prepared by the Authority for Improving Telecom Services in these islands, the Authority has recommended capital investment of Rs. 2278 Crore approx. The investment comprises Rs. 1773 Crore approx. (including Rs. 1000 Crore towards submarine cable project already approved by the Planning Commission) for ANI and Rs. 505 Crore approx (including 468 Crore for submarine cable) for Lakshadweep. The Authority has recommended that, apart from one-time capital investment, the DoT/UT administration should compensate the telecom operation on yearly basis as viability gap funding. It has recommended ₹ 130 Crore (₹ 104 Crore for ANI and ₹ 26

Crore for Lakshadweep) on annual basis for five years.

The Authority has put forth the following objective while formulating the telecom plan for these islands and in assessing the investment required:

- Sufficient bandwidth for broadband and e-governance services.
- 2G services in all towns/villages with population of 100 or more.
- 3G services in all DHQs/SDHQs and towns.
- Augmentation of 2G and 3G network in the towns/villages to improve coverage and traffic carrying capacity.
- Extending mobile coverage to entire National Highways.

To provide sufficient bandwidth for broadband and e-governance services in line with the NTP 2012 objective of 'Broadband on Demand' and ensuring equitable and inclusive development, the Authority has devised a two-pronged strategy; one aimed at providing a long-term solution through submarine cable connectivity for ANI both from Chennai to Port Blair & from Kolkata to Port Blair and from Kochi to Kavaratti in Lakshadweep Islands and the other aimed at providing immediate and short-term solution through augmentation of the satellite bandwidth.

The Authority has also recommended some policy initiatives to facilitate telecom development in ANI and Lakshadweep. Some of them are:

- Annual satellite bandwidth hiring charges for providing telecom services in these islands should be borne by USOF completely.
- UT administrations should accord priority in the allotment of land and necessary permissions to BSNL/other TSPs for the establishment of any telecom infrastructure such as a tower or for laying OFC etc.

➢ Recommendations dated 29th August 2014 on "Allocation and pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers"

2.5.6 The DoT had requested TRAI in November 2012 followed by additional clarifications in June 2013 and August 2014 to furnish its recommendations for "Allocation and pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers".

The Authority has sent its recommendations on the subject on 29th August 2014. The salient features of the recommendations are:

- The Authority recommended a ceiling on the number of MWA carriers that can be assigned to a TSP which is based on the quantum of access spectrum held by the TSP. TSP should be assigned MWA carriers as per their request as long as it is within the ceiling limit.
- The assignment of MWA carriers should be done on an exclusive basis for the various spectrum bands in 13-42 GHz range for the entire Licence Service Areas whereas the

assignment of MWB carriers should be done on a link-to-link basis.

- The assignment of MWA and MWB carriers should continue to be done on administrative basis.
- Assignment of both access spectrum and MWA carriers should be done simultaneously within a period of one month from the date a TSP makes the payment for access spectrum, failing which TSP should be paid compensation at the SBI PLR rate of the amount it had already paid to acquire the access spectrum.
- The higher frequency bands viz. 26 GHz, 28 GHz, 32 GHz, 38 GHz and 42 GHz should also be earmarked for fixed point-to-point MW carriers.
- The prevailing spectrum charging mechanism based on % AGR for MWA carriers should be continued. However, for MWB carriers, the charging should be done on a link-to-link basis as is being done for all other terrestrial MW links.
- The charges for MWA carriers in the 13/15 GHz band, 18/21 GHz band, 26/28/32 GHz band and 38/42 GHz bands should be 0.17% 0.12%, 0.1% and 0.07% of AGR per carrier respectively.
- Spectrum charges for MWB link shall be Rs. 13,900/- per KM per annum.
- Present spectrum charges for terrestrial Point-to-Point MW links (other than MWB links used in cellular network) should be rationalized and should be the same as have been recommended for MWB links.
- In order to increase broadband penetration in India, the usage of high capacity backhaul E-band (71-76 / 81-86 GHz) and V-band (57-64MHz) may be explored for allocation to the telecom service providers. Both E-band and V-band should be opened with 'light touch regulation' and allotment should be on a 'link to link basis.

➢ Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences expiring in 2015-16"

2.5.7 DoT, through its letter dated 17th April 2014 communicated that some of the Telecom Service Providers' (TSPs) licences are due to expire during December 2015 and early 2016 and sought TRAI's recommendations on the applicable reserve price for all the service areas for auction of spectrum in 900 MHz and 1800 MHz bands.

TRAI issued a consultation paper on "Valuation and Reserve Price of Spectrum: Licences expiring in 2015-16" on 7th August 2014 seeking the comments of the stakeholders on specific issues related to contiguity of spectrum, the block size, valuation and reserve price of spectrum in 900/1800 MHz spectrum bands etc. An Open House Discussion was conducted by TRAI with all the stakeholders on 22nd September 2014 at New Delhi.

After considering the comments received from the stakeholders and further analysis, the Authority has given its recommendations on "Valuation and

Reserve Price of Spectrum: Licences expiring in 2015-16” on 15th October 2014. In these recommendations, the Authority has highlighted that the upcoming auction is critical for the Telecom Service Providers (TSPs) whose licences are due to expire in 2015-16. These licensees will have to win back this spectrum to ensure business continuity in a Licence Service Area (LSA); if they don’t, it places the large investment made in the LSAs in jeopardy. The continuity of services to millions of customers is also at stake. In the upcoming auction, mostly the spectrum held by the expiring licensees is likely to be put to auction. In this backdrop, the Authority has emphasized the need to make available additional spectrum before conducting the auction. The salient features of the recommendations are given below:

- A dialogue needs to be held at the level of the Finance Minister, the Minister of Communications and IT and the Defence Minister to ensure the availability of additional spectrum for commercial use.
- The Government should announce the roadmap for the auction of spectrum in 700 MHz band. This should be done before the conduct of the upcoming auctions in 900/ 1800 MHz band.
- The forthcoming auction should be scheduled after the issues related to supply constraints are resolved. Auctions in the 800 MHz, 900 MHz, 1800 MHz and 2100 MHz band conducted simultaneously.
- To accelerate the pace of investment, and to give a fillip to the penetration of telecom services, the reserve price for North East LSA has been fixed at a discount of 50% on the reserve price calculated.
- The Recommended reserve prices for 1800 MHz and 900 MHz spectrum are as tabulated below:

RECOMMENDED RESERVE PRICE (PER MHz)

(₹ in crore)

LSA	Category	Recommended Reserve price for 1800 MHz	Recommended Reserve price for 900 MHz
Delhi	Metro	364	@
Mumbai	Metro	272	@
Kolkata	Metro	73	@
Andhra Pradesh	A	163	271
Gujarat	A	238	339
Karnataka	A	155	286
Maharashtra	A	*	420

LSA	Category	Recommended Reserve price for 1800 MHz	Recommended Reserve price for 900 MHz
Tamilnadu	A	208	338
Haryana	B	32	64
Kerala	B	75	150
Madhya Pradesh	B	69	138
Punjab	B	71	141
Rajasthan	B	60	172
U. P. (East)	B	97	195
U.P. (West)	B	95	152
West Bengal	B	*	70
Assam	C	36	58
Bihar	C	62	123
Himachal Pradesh	C	9	19
Jammu & Kashmir	C	25	@
North East	C	11	21
Orissa	C	23	47

* Reserve Price not recommended as spectrum is available in very few districts of LSA.

@ 900 MHz spectrum is not available/ not likely to be available in Delhi, Mumbai, Kolkata and J&K LSAs. Hence, the reserve price has not been given.

➢ TRAI Response dated 24th November 2014 on DoT's Reference back on Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16"

2.5.8 The Authority had sent its recommendations on '**'Valuation and Reserve Price of Spectrum: Licenses expiring in 2015-16' on 15th October 2014** to the DoT. On 14th November 2014, the DoT sought clarifications/ reconsideration on some of the recommendations.

After considering the comments given by the DoT, the Authority has furnished its response to the Government. The Authority, has reiterated its earlier recommendations with detailed reasoning. These recommendations, inter-alia, include–

(i) There is no change in the reserve prices for spectrum in the 900 MHz and 1800 MHz bands from what were recommended earlier.

(ii) The constrained supply of spectrum poses a real threat to the continuity of services being provided to millions of subscribers by the expiry licensees. Also, the non-availability of sufficient spectrum is the biggest impediment to the realisation of the stated goals in NTP - 2012 for broadband proliferation. Accordingly, the Authority re-emphasised the need to increase the supply of spectrum.

(iii) The Authority reiterated that dialogue need to be held at the level of the Finance Minister, the Minister of Communications and IT and the Defence Minister to ensure the availability of additional spectrum for commercial use.

(iv) The Authority reiterated that steps should be taken to make available additional spectrum in the 900, 1800 and 2100 MHz bands by taking back 1.2 MHz of 900 MHz spectrum from BSNL, utilizing idle 1800 MHz spectrum in the Defence band and vacating spectrum held in excess of 20 MHz by Defence in the 1800 MHz band.

(v) Authority's recommendation for the implementation of E-GSM band is one of the ways to enhance the supply of 900 MHz band spectrum which is considered by operators (the market) to be the most valuable spectrum. The option needs be given serious consideration by the Government.

(vi) In the 2100 MHz band, additional 3 blocks of 2x5 MHz of spectrum can be made available by swapping spectrum in this band with Defence. Defence can be assigned spectrum in the 1900 MHz band (1910-1920/1980-1990 MHz).

(vii) The spectrum in the 800 MHz, 900 MHz, 1800 MHz and 2100 MHz bands should be auctioned together (simultaneously). If auction of spectrum in the 2100 MHz were to be taken up later, there would continue to be uncertainty.

(viii) The Government should announce its decision on the adoption of APT700 band plan. It should also announce the roadmap for the auction of spectrum in 700 MHz band. This should be done before the conduct of the upcoming auctions in 900/ 1800 MHz band. These two decisions will help in the faster development of the device eco-system. It will also help TSPs to take an informed decision when bidding for the upcoming auction in 800/900/1800 MHz bands.

➢ **TRAI's response dated 27th November 2014 on DoT's reference back to Recommendations on 'Reserve Price for Auction of Spectrum in 800 MHZ Band dated 22nd February 2014'**

2.5.9 The Authority had sent its recommendations on 'Reserve Price for Auction of Spectrum in the 800 MHz Band' on 22nd February 2014 to the Department of Telecommunications (DoT). On 14th November 2014, the DoT sought clarifications / reconsideration on some of the recommendations.

After considering the comments given by the DoT, the Authority has furnished its response to the Government. Following are some of the salient points of the TRAI's response back.

(i) The Authority reiterated its recommendation that the entire available spectrum with the DoT in the 800 MHz band should be put to auction.

(ii) As the PSUs (MTNL/BSNL) are not using the spectrum in the 800 MHz band optimally, therefore, the Authority has reiterated its recommendations that "The DoT should take back from MTNL its entire spectrum holding in the 800 MHz band. BSNL should be allowed to retain only one CDMA carrier in all the LSAs except in Jammu and Kashmir, Assam and North-East LSAs, where it can retain both the carriers. The DoT should take back other carriers assigned to BSNL in the 800 MHz band."

(iii) The chances of participation by a prospective new bidder will be more if it is offered contiguous 5 MHz of spectrum. It would make it feasible to deploy any technology. Therefore, the Authority has reiterated its recommendations that "At least one chunk of contiguous 5 MHz spectrum (i.e. 4 carriers) should be carved out before the auction. New entrants must be assigned the earmarked contiguous carriers only."

(iv) In the light of current data trends and other relevant factors since the valuation exercise was carried out in February 2014, the Authority has decided to carry out fresh valuation of the spectrum in the 800 MHz band. Accordingly the Authority recommended reserve price for 800 MHz spectrum for each LSA are as per following Table:

Table

RESERVE PRICE PER MHz IN 800 MHz BAND

(₹ in crore)

LSA	Category	Recommended Reserve Price per MHz
Delhi	Metro	494
Mumbai	Metro	352
Kolkata	Metro	117
Andhra Pradesh	A	187
Gujarat	A	220
Karnataka	A	242
Maharashtra	A	272
Tamilnadu	A	288
Haryana	B	38
Kerala	B	99

LSA	Category	Recommended Reserve Price per MHz
Madhya Pradesh	B	91
Punjab	B	85
Rajasthan	B	124
U. P. (East)	B	134
U.P. (West)	B	95
West Bengal	B	57
Assam	C	28
Bihar	C	85
Himachal Pradesh	C	19
Jammu & Kashmir	C	28
North East	C	11
Orissa	C	38
Pan India		**3104**

➢ Recommendations dated 31st December 2014 on "Valuation and Reserve Price of Spectrum: 2100 MHz Band"

2.5.10 The Department of Telecommunications (DoT), through its letter dated 16th October 2014, sought the Authority's recommendations on the Reserve Price for auction of right to use of spectrum in 2100 MHz, 2300 MHz and 2500 MHz bands. Subsequently, on 27th November 2014, the DoT requested TRAI to expedite the process for its recommendations on the reserve price of 2100 MHz band and related issues so that the auction of spectrum in this band could be conducted along with the auction of spectrum in the 800/900/1800 MHz bands scheduled in February 2015.

TRAI issued a consultation paper on "Valuation and Reserve Price of Spectrum: 2100 MHz band" on 2nd December 2014. An Open House Discussion was conducted by TRAI with all the stakeholders on 22nd December 2014 at New Delhi.

After considering the comments received from the stakeholders and further analysis, the Authority has issued its recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band" on 31st December 2014. The salient features of the recommendations are given below:

i. The Authority reiterated its recommendations that spectrum in the 2100 MHz band should be put to auction along with the 800/900/2100 MHz band.

ii. The Ministry of Defence (MoD) has informed TRAI that the proposal for release of 15 MHz of spectrum in 2100 MHz band on a pan-India basis in lieu of an equal amount of commercial spectrum in the 1900 MHz band has been agreed to in principle and this has also been conveyed to the DoT. This 15 MHz of spectrum in the 2100 MHz spectrum (which are equivalent to 3 blocks of 2x5 MHz when paired corresponding downlink spectrum) should be auctioned in view of the in-principle agreement reached with MoD, even if it is not available immediately. This is because actual assignments do not have to be made immediately. The actual date of assignment may be given in the NIA.

iii. The roll-out obligations that were mandated in the 2010 auctions for spectrum in the 2100 MHz band should be applicable for the upcoming auction of 2100 MHz band; however, a period of 3 years (instead of 5 years) should be prescribed to meet these obligations.

iv. In the upcoming auction of 2100 MHz band spectrum, an auction-specific cap should be placed that no bidder would be permitted to bid for more than 2 blocks in a LSA if 3-4 blocks are available in that LSA.

v. The average expected valuation of 2100 MHz spectrum for each LSA has been worked out as a simple mean of the four valuation approaches that have been adopted (indexation, using SBI Base Rate, of the 2010 auction determined prices of 2100 MHz spectrum, technical efficiency factor of 0.83 times of 1800 MHz spectrum valuation, producer surplus model and approach based on growth in data usage).

vi. The reserve price for the forthcoming 2100 MHz spectrum auction shall be fixed at 80% of the average valuation for each LSA. To accelerate the pace of investment and to give a fillip to the penetration of telecom services, the reserve price for North East LSA has been fixed at a discount of 50% to the reserve price (arrived at using the factor of 80%).

vii. The Recommended reserve prices for 2100 MHz spectrum are:

RECOMMENDED RESERVE PRICE PER MHz IN 2100 MHz BAND

(₹ in crore)

LSA	Category	Recommended Reserve Price
Delhi	Metro	446
Mumbai	Metro	340
Kolkata	Metro	77
Andhra Pradesh	A	183
Gujarat	A	195
Karnataka	A	241
Maharashtra	A	227
Tamilnadu	A	260
Haryana	B	44
Kerala	B	107
Madhya Pradesh	B	84
Punjab	B	65
Rajasthan	B	84
U. P. (East)	B	82
U.P. (West)	B	96
West Bengal	B	30

LSA	Category	Recommended Reserve Price
Assam	C	29
Bihar	C	66
Himachal Pradesh	C	10
Jammu & Kashmir	C	14
North East	C	8
Orissa	C	32
Pan India		2720

➢ Recommendations dated 6th January 2015 on "Definition of Revenue Base (AGR) for the Reckoning of Licence fee and Spectrum Usage Charges"

2.5.11 TRAI issued Recommendations on "Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges" on 6th January 2015.

The Authority took note of disputes / litigations between licensor and licensees on definition of Gross Revenue (GR) and Adjusted Gross Revenue (AGR) under licence(s) granted by DoT for different telecom services. Further, NTP 2012 portrayed the need to rationalize taxes, duties and levies impacting the Indian telecom sector. The Authority therefore, has *suo motu* decided to review the existing definition of Revenue, licence fee rate and other related matters. Further, there was also a reference from DoT (no. 800-23/ 2011-VAS of 7th July, 2014) requesting TRAI to submit recommendations for delinking of licensing of networks from delivery of services by way of virtual network operators, etc., including associated issues such as AGR, terms of sharing of passive and active infrastructure, etc., under the unified licensing regime.

The Authority issued a consultation paper on "Definition of Revenue Base (AGR) for the Reckoning of License Fee and Spectrum Usage Charges on 31st July 2014. An Open House Discussion was conducted on 1st October 2014 at New Delhi. After considering the comments received from the stakeholders and further analysis, the Authority has come out with its recommendations on the subject. A brief on salient features of the recommendations are given below:

- LF and SUC should continue to be computed based on AGR.
- GR shall comprise revenue accruing to the licenced entity by way of all operations/ activities and inclusive of all other revenue/ income on account of interest, dividend, rent, profit on sale of fixed assets, miscellaneous income etc. without any set-off for related items of expense.
- The concept of Applicable Gross Revenue (ApGR) has been introduced. ApGR would be equal to total Gross Revenue of the licensee as reduced by:

(i) Revenue from operations other than telecom activities/ operations as well as revenue from activities under a licence/ permission issued by Ministry of Information and Broadcasting;

(ii) Receipts from the USO Fund; and

(iii) Items of 'other income' as listed in the 'positive list' (Table 2.1 of Recommendations).

- No change is recommended in the existing definition of pass through charges (i.e. deductions) under different licences.
- Share of USO levy in LF should be reduced from the present 5% to 3% of AGR for all licences with effect from 1st April 2015.
- ISPs having AGR less than Rs. 5 Crore in a year shall pay licence fee of Rs. 10 lakh or actual LF based on the applicable rate, whichever is less.
- Minimum presumptive AGR should not be made applicable to any licence(s) granted by Government for providing telecom services.
- Any netting of amounts paid to other entities should not be permitted for the computation of AGR.
- Intra-circle roaming charges should not be allowed as deduction from ApGR.
- Immediate steps should be taken by DoT to introduce a system of Licence Fee Deducted at Source (LfDS) w.e.f. 1st April 2015 and develop an e-portal for submission of LF and SUC by 1st April 2016.

  DoT should introduce a standardized process of verification with a unique code assigned to each item of revenue and PTC.

➢ **TRAI response dated 15th January 2015 on DoT reference back on recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band dated 31st December 2014"**

2.5.12 The Authority sent its recommendations on 'Valuation and Reserve Price of Spectrum: 2100 MHz Band' on 31st December 2014' to the Department of Telecommunications (DoT). On 8th January 2015, the DoT sought clarifications/reconsideration on many of the recommendations.

After considering the comments given by the DoT, the Authority has furnished its response to the Government on 15th January 2015. The Authority, has reiterated its earlier recommendations with detailed reasoning. These recommendations, inter-alia, include –

(i) There is no change in the reserve prices for spectrum in the 2100 MHz bands from what were recommended earlier.

(ii) The whole purpose of clubbing the 2100 MHz band spectrum along with spectrum of other bands for auction in February 2015 will be defeated if sufficient spectrum is not made available in the 2100 MHz band. A split auction of 2100 MHz (one in February 2015 and remaining, say, in December 2015 after availability from Defence) will artificially increase the market price of 2100 MHz in February 2015 because of the severe supply constraint. The 15 MHz of spectrum in the 2100 MHz spectrum being vacated by Ministry of Defence should be auctioned in view of the in-principle agreement reached with MoD, even if it is not available immediately.

(iii) The Authority reiterated that in the upcoming auction of 2100 MHz band spectrum, an auction-specific cap should be placed that no bidder would be permitted to bid for more than 2 blocks in an LSA if 3-4 blocks are available in that LSA.

(iv) It is the responsibility of the DoT to ensure that the spectrum being auctioned is either interference free or to share information upfront about the areas where interference is likely to occur so that the TSPs participating in the auction can take informed decision.

BROADCASTING & CABLE TV SECTOR

LIST OF RECOMMENDATIONS

1. Recommendations dated 23rd July 2014 on "Issues related to New DTH Licenses".

2. Recommendations dated 12th August 2014 on "Issues relating to Media Ownership".

3. Recommendations dated 29th August 2014 on "Issues related to Community Radio Stations".

4. Additional Recommendations/Response dated 5th September 2014 on "Reduction of minimum channel spacing within a license service area from 800 KHz to 400 KHz and Migration of FM Radio Broadcasters from Phase-II to Phase-III".

5. Recommendation/Clarification dated 14th November 2014 on the issue of Prasar Bharti's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory sharing with Prasar Bharti) Act, 2007 (henceforth, the Sports Act).

6. Recommendations dated 19th November 2014 on "Regulatory Framework for Platform Services".

7. Recommendations/Clarification dated 22nd January 2015 on the "Use of DTH by Central/State Governments".

8. Recommendations dated 24th March 2015 on "Reserve Prices for Auction of FM Radio channels in New Cities".

➢ Recommendations dated 23rd July 2014 on "Issues related to New DTH Licenses"

2.5.13 Recommendations on "Issues related to New DTH Licenses" were forwarded to the Government on 23rd July 2014. It was recommended that the Government come out with a new licensing regime for DTH sector which, amongst others, allows for a longer license period, rationalised license fee, rationalised and regulated cross-holding and vertical integration between broadcasters and distribution platform operators including DTH operators. The recommendations also suggest a mechanism for migration of operators from the existing regime to the new regime. Salient features of these recommendations are:

(i) New DTH licensing regime

(a) The existing DTH Guidelines be reviewed and a new DTH licensing regime be put in place for issue of new licenses and migration of existing DTH licensees.

(b) The period of DTH license be increased from the existing 10 years to 20 year be renewable by 10 years at a time.

(c) One time entry fee '10 crore should be charged in the new DTH licensing regime.

(d) Existing license fee to be reduced from 10% of Gross Revenue (GR) to 8% of Adjusted Gross Revenue (AGR) in line with the telecom licenses.

(e) The existing DTH licensees to be permitted to migrate to the new regime at any time during the currency of their existing licenses. A "migration fee" be charged from existing DTH operators who wish to migrate to the new DTH licensing regime.

(f) The annual License Fee shall be subject to a minimum of 10% of the Entry Fee.

(g) BIS to come out with updated specifications for Set Top Boxes in consultation with TRAI which should be complied by DTH licencees.

(h) The licence conditions should mandate the licencee to comply with the tariff order/ scheme prescribed by TRAI for commercial interoperability.

(ii) Cross Holding/Control in the Broadcasting and Distribution Sectors

(a) Policy on Cross-holding/Control be restructured to bring in uniformity in the broadcasting and distribution sectors.

(b) Comprehensive definition of 'control' be uniformly adopted in all segments of broadcasting and distribution sectors.

(c) Relevant market for DTH be the entire country and for MSO/HITS – State.

(d) Broadcasters and Distribution Platform Operators (DPOs) – MSO/HITS and DTH operators be separate legal entities.

(e) Rationalized and regulated vertical integration be permitted between broadcasters and DPOs.

- Vertically integrated broadcaster(s) and DPO be subjected to additional set of regulations.
- A vertically integrated broadcaster be permitted to control only one DPO.
- A vertically integrated DPO to be restricted from controlling any other DPO of other category in the relevant market.
- A vertically integrated DPO not be permitted to acquire more than 33% of the market share in the relevant market.

(f) The additional regulations for a vertically integrated broadcaster to include:

- The agreements with the DPOs to be non-discriminatory and on charge-per-subscriber (CPS) basis.
- To file the Reference Interconnect Offer (RIO) for approval by the Authority. All Interconnection Agreements to be only on the terms specified in the RIO.
- To make disclosures as prescribed by the Authority.

(g) The additional regulations for a vertically integrated DPO to include:

- DPO to declare its channel carrying capacity and not to reserve more than 15% of this capacity for its vertically integrated broadcaster(s). Rest of the capacity to be offered to other broadcasters on non-discriminatory basis.
- DPO to publish the access fees for carriage of channels over its network. The charging of the access fees should be on non-discriminatory basis.

- To make disclosures as prescribed by the Authority.

➢ Recommendations dated 12th August 2014 on "Issues relating to Media Ownership"

2.5.14 Recommendations on "Issues related to Media Ownership" were forwarded to the Government on 12th August 2014.The recommendations cover - a comprehensive definition of "Control", cross-media ownership, vertical integration and internal plurality. The salient features of the recommendations are:

(i) Defining who owns a media entity and controls it – In brief, an entity that possess not less than fifty per cent of voting rights in the media entity or can appoint more than fifty per cent of the members of its board of directors will be deemed to control it. The Recommendations also take into consideration control through debt, and has recommended the loan threshold that will deem the lender to be in control of a media entity.

(ii) Cross-Media Ownership -The restrictions recommended on cross-media ownership apply on the media entities that cover news and current affairs genres in the television and print segments only, as impact of radio and internet in India on opinion formation is marginal. In the print segment, only daily newspapers, including business and financial newspapers, should be considered. The recommendations in brief are:

- To find out whether a media market is concentrated and whether any one entity has a disproportionate market share, the Herfindahl Hirschman Index (HHI) has been proposed to be adopted to measure concentration in a media segment in a relevant market

- The relevant geographic market is defined in terms of the language and the State(s) in which that language is spoken in majority. A combination of reach and volume of consumption metrics to be used for computing market shares for the television segment. For the print segment, using only the reach metric is considered sufficient.

- The rule based on HHI to be implemented is - the television as well as newspaper markets will be deemed to be concentrated if the HHI>1800 in each. In such a case, a media entity contributing more than 1000 to the HHI of the television market, cannot contribute more than 1000 towards HHI in the newspaper market as well, and vice-versa. If it does so, it will have to dilute its control in one of the two segments. This rule applies only if the HHI thresholds are violated consecutively for two years.

- Detailed reporting requirements, which are to be made on an annual basis to the licensor and the regulator, have also been provided.

(iii) Vertical Integration amongst Media Entities – Regarding vertical integration amongst broadcasters and DPOs, the Authority reiterated its recommendations as contained in its "Recommendations on Issues related to New DTH Licenses" dated 23rd July 2014.

(iv) Issues affecting Internal Plurality – Regarding internal plurality, the Authority noting that its Recommendations of 12th November 2008 and 28th December 2012 about who cannot own media entities had not yet been acted upon by the Government, strongly recommended that they may be implemented forthwith. In addition, on examination of fresh issues the Authority recommended:

- Practices such as "private treaties"; "Advertorials"; and "paid news" should appropriately be proscribed given their insidious character and ability to undermine distribution of true and fair news.
- Establishment of a "Media Regulator" to ensure editorial independence. With respect to the "media regulator", the Authority recommended inter alia that the Government should not regulate the media; there should be a single regulatory authority for TV and print mediums; the regulatory body should consist of eminent persons from different walks of life, including the media but it should be manned predominantly by eminent non-media persons; and it should have the power to investigate complaints, impose and enforce an appropriate regime of penalties.
- The Authority noting that there would still exist the need for a comprehensive evaluation of the legislative and legal framework in order to establish a robust institutional mechanism in the long term, recommended that a Commission, perhaps, by a retired Supreme Court Judge, be set up to comprehensively examine various issues relating to the media, including the role and performance of various existing institutions, and the way forward.

➢ Recommendation dated 29th August 2014 on "Issues related to Community Radio Stations"

2.5.15 The Recommendation on "Issues related to Community Radio Stations" was issued on 29th August.2014. The salient features of the recommendations are as under:-

(i) Initial permission for operating a CRS to be five (5) years;

(ii) Extension of permission for five (5) years at a time, to be allowed following performance evaluation;

(iii) CRS to be allowed to broadcast locally relevant news and current affairs content, sourced exclusively for AIR, in its original form of translated into the local language/ dialect.

(iv) National Disaster Management Authority to draw up detailed guidelines, it consultation with the MIB and the Wireless Planning and Coordination Wing of the DoT, for fully utilizing CRSs in disaster mitigation and relief work.

(v) MIB to set-up an online single window system, integrating the entire application/ approval process for establishing a community radio stations. The online system is to be based on a seamless e-governance platform integrating the different government departments involved in the approval process. The full text of the recommendations is available on TRAI's website www.trai.gov.in

The above recommendations were preceded by a consultation paper on "Issues related to Community Radio Stations" released on 21st May 2014.

➢ Additional Recommendations/ Response dated 5th September 2014 on "Reduction of minimum channel spacing within a license service area from 800 KHz to 400 KHz and Migration of FM Radio Broadcasters from Phase-II to Phase-III"

2.5.16 Additional Recommendations/Response on Reduction of minimum channel spacing within a license service area from 800 KHz to 400 KHz and Migration of FM Radio Broadcasters from Phase-II to Phase-III were forwarded to the Government on 5th September 2014. The salient features of the recommendations are:

- The rationale behind the reduction of minimum channel spacing within a licensed service area to 400 KHz is to ensure the efficient utilization of the scarce spectrum resource and make available additional number of FM radio channels in the areas where it is technically feasible and, the demand is more than the already identified number of channels.
- Since considerable time has already elapsed after the TRAI's recommendations dated 19th April 2012 and subsequent direction by EGoM vide its decision dated 6th March 2013, BECIL should be asked to complete the feasibility study in a time bound manner so that the schedule for Phase-III auction is not disturbed.
- In an extreme case, if the BECIL is not able to complete the feasibility studies well in time, then the Government should accept in-principle, TRAI's recommendation for reduction of minimum channel spacing within a licensed service area to 400 KHz subject to technical feasibility and declare this in the NIA document for Phase-III auction so that prospective bidders can take an informed decision.
- Regarding the issue of methodology for determining reserve price for fresh cities in Phase-III, TRAI reiterated its earlier recommendations and advised the Ministry of Information and Broadcasting (MIB) to make a fresh reference to TRAI in case any specific recommendation on the matter is required.

➢ Recommendations / Clarifications dated 14th November 2014 on the issue of Prasar Bharati's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 (henceforth, the Sports Act)

2.5.17 Recommendations/Clarifications on the issue of Prasar Bharati's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007 (henceforth, the Sports Act) were sent to the Government 14th November 2014. The Authority observed that if flexibility is granted to Prasar Bharati through the proposed amendment to the Sports Act, it may carry such events, due to various techno-commercial reasons, on a terrestrial channel other than DD-National, say DD News. In such a scenario, in the terrestrial network, the reach of such events will get considerably reduced as any such channel in the terrestrial network has only a limited reach. Further, if Prasar Bharati decides to carry such events on a channel operating only as a satellite channel, the viewers catered to by its terrestrial network will not be able to watch such events at all. With the above observations, the Authority recommended that with the present network infrastructure of Prasar Bharati, if the proposed amendment to the Sports Act is given effect, it will alter the main objectives of the Sports Act and requested the Government to review the matter accordingly.

➢ Recommendations dated 19th November 2014 on "Regulatory Framework for Platform Services"

2.5.18 The recommendations on "Regulatory Framework for Platform Services" were forwarded to the Government on 19th November 2014. These recommendations cover ground based channels being operated by cable TV operators and programming services being offered by DTH service providers to their subscribers. Collectively, these kinds of programming services provided by the Distribution Platform Operators (DPOs) are referred to as Platform services. The salient features of the recommendations are:

(i) Defining what is 'platform service' and the content that can be carried on these channels;

(ii) Establishment of an online system by MIB to register all the platform services being offered. Registration is to be on the basis of a simple set of information and at a nominal registration fee of Rs. 1000/- per channel;

(iii) Prior clearance is to be obtained from the district authorities for any local information; local affairs bulletins that may be transmitted;

(iv) Incorporation as a company under the Indian Companies Act, 2013 for all DPO's desirous of providing platform services; and

(v) Limitations have been prescribed on the number of PS channels that a DPO may offer to its subscribers.

In addition to the recommendations on PS, TRAI suo motu made recommendations for a regulatory framework for ground based broadcasters. This has been done to ensure that any TV channel that is distributed on any TV network in India is covered by a regulatory framework, whether it is obtained from a satellite-based broadcaster; produced by the network operator or sourced from a terrestrial broadcaster. The recommendations for the ground-based broadcasters are largely similar to those for satellite broadcasters, barring the requirements of seeking spectrum and approvals in that regard from Department of Telecommunications (DoT) and Department of Space (DoS).

➢ Recommendations / Clarifications dated 22nd January 2015 on the issue of use of DTH by Central and State Governments and guidelines thereon

2.5.19 Recommendations / Clarifications on the issue of Use of DTH by Central and State Governments and guidelines thereon were sent to the Government on 22nd January 2015. Salient features of the recommendations are:-

i. Non-commercial use of DTH, by the Central and State Governments, for educational purposes should be done through the Prasar Bharati route, through suitable agreements between Prasar Bharati and the concerned Central/ State Governments.

ii. Prasar Bharati shall ensure that content dissemination through such non-commercial educational channels comply with the code and conduct of broadcasting established in India such as Programme code, AIR code etc. and the content disseminated through such channels should be such that it can form part of any regular Prasar Bharati channel.

iii. As the transponder capacity is a scarce resource as on date, the allocation of transponder capacity to Central/State Governments for running DTH educational channels on a non-commercial basis should be done in a very careful and judicious manner. It should not lead to a situation where transponder capacity is kept idling on one hand when, on the other hand, Service Providers are kept waiting for the same, thereby adversely impacting the expansion and improvement of quality of their services.

iv. The Authority reiterated its earlier recommendations regarding strengthening the maintenance of an arm's length relationship between Prasar Bharati and the Government and ensuring functional independence and autonomy of Prasar Bharati.

➢ Recommendations dated 24th March 2015 on "Reserve Prices for auction of FM Radio channels in new cities"

2.5.20 The Recommendations on "Reserve Prices for auction of FM Radio channels in new cities" were forwarded to the Government on 24th March 2015. The salient features of the recommendations are:

(i) The valuation of FM radio channels in 253 new cities has been worked out as a simple mean of the three valuation approaches. The approaches are based on the following variables:

- Population of the city.
- Per capita Gross State Domestic Product (GSDP).
- Listenership of FM Radio .
- Per capita Gross Revenue earned by the existing FM Radio operators.

(ii) The reserve price of FM radio channels for each of the 253 new cities has been fixed at 80% of the valuation for each city.

(iii) The recommended reserve prices for FM radio channels for each of the 253 new cities are given in the recommendations.

(iv) For 11 cities of 'Others category, having a population less than 1 lakh in the border areas of Jammu & Kashmir (J&K) and the North East (NE) region, the reserve price is kept at ` 5 Lakh for each FM channel in all these cities, as approved by the Cabinet in the Phase-III policy.

2.6 During the year 2014-15, the Authority in discharge of its functions assigned under the Telecom Regulatory Authority of India Act, 1997, has framed the following regulations in Telecom and Broadcasting sectors.

TELECOM SECTOR

LIST OF REGULATIONS

1. The Telecom Commercial Communications Customer Preference (Fifteenth Amendment) Regulations 2014 dated 7^{th} April 2014.

2. Quality of Service of Broadband Service (Second Amendment) Regulations 2014 dated 25^{th} June 2014.

3. Telecommunication Consumers Education and Protection Fund (Third Amendment) Regulations 2014 dated 26^{th} June 2014.

4. Telecom Consumers Complaint Redressal (Third Amendment) Regulations 2014 dated 1^{st} July 2014.

5. The Standards of Quality of Service for Wireless Data Services (Amendment) Regulations 2014 dated 24^{th} July 2014.

6. The International Calling Card services (Access charges) Regulations 2014 dated 19^{th} August 2014.

7. The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Third Amendment) Regulations 2014 dated 21^{st} August 2014.

8. The Telecom Commercial Communications Customer Preference (Sixteenth Amendment) Regulations 2014 dated 10^{th} December 2014.

9. The Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations 2015 dated 23^{rd} February 2015.

10. The Telecommunication Interconnection Usage Charges (Twelfth Amendment) Regulations 2015 dated 24^{th} February 2015.

11. The Telecommunication Mobile Number Portability (Sixth Amendment) Regulations 2015 dated 25^{th} February 2015.

REGULATIONS

➢ The Telecom Commercial Communications Customer Preference (Fifteenth Amendment) Regulations 2014 dated 7^{th} April 2014

2.6.1 TRAI issued the Telecom Commercial Communications Customer Preference Regulation, 2010 TCCP Regulations dated 15^{th} December, 2010 to provide for a comprehensive regulatory framework for curbing Unsolicited Commercial Communications (UCC). These regulations have been amended from time to time to fine tune them to meet current needs. To further strengthen this framework, vide the 13^{th} Amendment, it was provided that telecom resources of entities such as banks, insurance companies and real estate companies on whose behalf UCCs were sent, would also to be disconnected, thereby prescribing as a deterrent against such organizations and to inculcate a greater sense of responsibility in them.

Some of these entities represented to the Authority requesting for reconnection of their disconnected resources. The Authority noted the various measures taken by these entities, their channel partners, dealers, agents etc. in order to comply with the regulations. After examination, wherever the Authority was satisfied with such measures, the Authority ordered the reconnection of disconnected telecom resources of such entities, except the resources which were used for originating the UCC.

To streamline the reconnection procedure for such entities, the Authority, through these regulations, has prescribed a reconnection charge of ‘500 per telecom resource (subject to a maximum of ‘5,00,000) to be collected from these entities. These charges will act as a further deterrence against misuse of telecom resources for unwanted calls.

➢ Quality of Service of Broadband Service (Second Amendment) Regulations 2014 dated 25th June 2014

2.6.2 The Authority laid down the QoS standards for Broadband service through the Quality of Service of Broadband Service Regulation 2006 dated 6th October 2006. Through the above cited amendment, the definition of ‘Broadband’ was modified from the earlier definition of a connection with a minimum speed of 256 Kbps to a connection with a minimum download speed of 512 Kbps. This would ensure better quality, faster and smoother internet access to subscribers.

➢ Telecommunication Consumers Education and Protection Fund (Third Amendment) Regulations 2014 dated 26th June 2014

2.6.3 The Authority had notified the Telecommunication Consumers Education and Protection Fund Regulations, 2007 (6 of 2007) on 15th June 2007. In terms of the Regulations, a fund called "Telecommunication Consumers Education and Protection Fund" was created. The income from the Fund is utilized to undertake programmes for educating consumers of telecommunication services on the recommendation of the Committee for Utilization of Telecommunication Consumers Education and Protection Fund (CUTCEF).

Presently, the accounts referred to in sub-regulation (4) of regulation 5 are operated, jointly by the presiding member i.e. Secretary, TRAI and the member referred to in clause (e) of regulation 8 i.e. Principal Advisor/Advisor of the Finance and Economic Analysis Division. Vide the amendment dated 26th June 2014, this regulation has been amended to allow the above members to authorize operation of the accounts by Joint or Deputy Advisor of the Consumer Affairs & Quality of Services Division and Joint or Deputy Advisor of the Finance and Economic Analysis Division.

➢ Telecom Consumers Complaint Redressal (Third Amendment) Regulations 2014 dated 1st July 2014

2.6.4 The Authority amended Regulation 2 of the Telecommunications Consumer Redressal Regulations 2012, to include the definition of broadband as under:

(f) "Broadband" or " Broadband service" means a data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of five hundred and twelve kilo bits per second (512 kbps) to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband service."

The objective of the amendment was to ensure that consumers get faster speed and better experience when using a broadband connection.

➢ The Standards of Quality of Service for Wireless Data Services (Amendment) Regulations 2014 dated 24th July 2014

2.6.5 In order to ensure proper delivery, Quality of Service (QoS) and transparency in wireless data services for consumers, the Authority laid down the Quality of Service standards for wireless data services through the Standards of QoS for Wireless Data Services Regulations, 2012 on 4th December, 2012. In these regulations, the "minimum download speed" is one of the QoS parameters. It was mandated that the TSPs will measure the minimum download speed according to the test methodology prescribed, for each of the data plans offered and report to TRAI. There were concerns expressed by customers that the TSPs were not mentioning the minimum download speeds in their offer. Through this amendment, the Authority mandated TSPs to indicate the minimum download speed available to customers in all the data plans. The TSPs have also been mandated to print details of the minimum download speed on the vouchers of the wireless data plans, publish on their websites, at their complaint centres and sale outlets.

➢ The International Calling Card services (Access charges) Regulations 2014 dated 19th August 2014

2.6.6 TRAI issued the Regulations on international Calling Card service prescribing access charges payable by International Long Distance Operator (ILDO) to the Access Service Provider in case the customer of Access Service Provider avails of the Calling Card service of ILDO. As per these regulations, Access Charges to be paid by ILDO to Access Provider shall be 40 paisa per minute for wireless services and Rs.1.20 per minute for wireline services. These regulations are expected to pave way for introduction of Calling Cards, resulting in availability of choice for a customer to choose his/her International long distance operator which would further result in lower tariffs for ISD calls.

➢ The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Third Amendment) Regulations 2014 dated 21st August 2014

2.6.7 The Authority has issued benchmarks for various parameters pertaining to wire line and cellular mobile services being provided to telecom customers by TSPs under the Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service Regulations 2009 (7 of 2009). The Authority has been monitoring compliance with these benchmarks by various TSPs on a periodic basis and has been imposing financial disincentives on TSPs wherever there has been failure to meet the stipulated benchmarks. From the monitoring of performance of TSPs, TRAI has observed that compliance with benchmarks for parameters relating to fault incidences, fault repair and response time to the customer for assistance has been a recurrent problem area. There have been representations from these TSPs to the Authority expressing their inability and practical difficulties in achieving prescribed benchmarks and requesting the Authority to review the benchmark for some of the parameters. After discussing the issue with the service providers, the Authority initiated a consultation process to rationalize the parameters of QoS of Basic Telephone (wireline) and Cellular mobile telephone. After consultations and internal assessments, it was found that there are practical and genuine difficulties in achieving benchmarks of some QoS parameters. After detailed analysis, the benchmarks were rationalized through this amendment to ensure better compliance by TSPs. This step will ensure better quality of service to wireline and mobile consumers.

➢ The Telecom Commercial Communications Customer Preference (Sixteenth Amendment) Regulations 2014 dated 10th December 2014

2.6.8 The Authority had taken a series of measures to stop the menace of unsolicited commercial communications (unwanted telemarketing calls). One such measure was to mandate only an alpha header, with no reply path, for sending transactional messages. The Authority received a number of representations from various stakeholders requesting for allowing a return path in transactional messages as many applications like social networking sites require two–way or interactive communication. The Authority, through this amendment has enabled two-way interactive SMS transactional communication, through a suitable header starting with 5 for various user-friendly applications. Through this amendment, various ILDOs have also been allowed to carry international transactional messages from international entities.

To ensure suitable safeguards against misuse of reply path, the financial disincentives for such transactional messages are double than that for normal transactional messages.

➢ The Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations 2015 dated 23rd February 2015

2.6.9 TRAI issued an amendment to IUC Regulations presenting revised Domestic and International Termination charges. Domestic termination charges are the charges payable by a Telecom Service Provider (TSP) whose subscriber originates the call, to the TSP in whose network the call terminates. In the prevailing Calling Party Pays (CPP) regime, the calling party subscriber pays for the call to his TSP who, in turn, pays termination charges to the called party's TSP to cover the interconnection/network usage costs. International Termination Charges (ITC) are the charges payable by an International Long Distance Operator (ILDO), which is carrying calls from outside the country to a TSP in the country in whose network the call terminates.

Key features of the Regulations are as follows:

(i) Mobile Termination Charge (MTC) for all calls originating and terminating in wireless network has been reduced from 20 paise per minute to 14 paisa per minute;

(ii) To promote investment in and adoption of wireline network as an effective vehicle for delivery of high speed internet in the country, the Authority has decided to prescribe Fixed Termination Charges (FTC) as well as MTC for wireline to wireless calls as zero. Accordingly,

(a) MTC for all calls originating from wireline has been set to zero;

(b) FTC for all calls originating either from wireline network or from wireless network has been set to zero;

(iii) Termination charge for international incoming calls has been increased to 53 paisa per minute from existing 40 paisa per minute;

The Regulations became effective from 1st March, 2015.

➢ The Telecommunication Interconnection Usage Charges (Twelfth Amendment) Regulations 2015 dated 24th February 2015

2.6.10 TRAI issued amendment to IUC Regulations presenting Domestic Carriage charges.

An Access Service provider in India can offer access services within the Licensed Service Area (LSA) only. Inter-LSA calls have to be routed through a National Long Distance Operator (NLDO). The charges to be paid by an access provider to the NLDO to cover the cost for carrying inter-LSA calls are called carriage charges. TRAI had prescribed the carriage charges through the Interconnection Usage Charges (IUC) Regulations dated 23rd February, 2006 which stipulated a ceiling of Rs. 0.65 (65 Paise) per minute. These charges were reviewed again in 2008/2009 but the same ceiling was retained.

Through these Regulations, the Authority has reduced the ceiling of the domestic carriage charge to ₹ 0.35 (Paise 35) per minute from the existing ₹ 0.65 (65 Paise) per minute.

The Regulations became effective from 1st March, 2015.

➢ **The Telecommunication Mobile Number Portability (Sixth Amendment) Regulations 2015 dated 25th February 2015**

2.6.11 The Telecom Regulatory Authority of India (TRAI) issued 6th Amendment to the Telecommunication Mobile Number Portability Regulation, 2009 on 25th February 2015 which will facilitate Full MNP (PAN India Portability) in the country w.e.f. 3rd May,2015.

Earlier TRAI made recommendations to the Department of Telecommunications (DoT) for implementation of Full MNP/National MNP and suggested amendments in the licences of MNP service providers and mobile service providers.

Accordingly, on 3rd November, 2014, the DoT had issued amendment(s) to the MNP License Agreement. As per the DoT, the Full MNP is to be implemented in the country within a period of 6 months from the date of amendment to the Licenses, i.e. 3rd May, 2015.

In view of the implementation of Full Mobile Number Portability, some changes were required in the MNP Regulations, 2009 (as amended). Accordingly, a draft Amendment to the Telecommunication Mobile Number Portability Regulation, 2009 was prepared and uploaded on TRAI website for consultation with the stakeholders. Based on stakeholders comments & in house analysis, necessary amendments have been made in the MNP Regulations.

Accordingly, in this Amendment, apart from facilitating Pan-India Portability, a few changes have also been made in the porting process.

BROADCASTING & CABLE TV SECTOR

LIST OF REGULATIONS

1. The Telecommunication (Broadcasting And Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Fourth Amendment) Regulation, 2014 dated 18th July 2014.

2. The Telecommunication (Broadcasting And Cable Services) Interconnection (Eighth Amendment) Regulation, 2014 dated 18th July 2014.

3. The Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 dated 25th March 2015.

REGULATIONS

➢ **The Telecommunication (Broadcasting And Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Fourth Amendment) Regulation, 2014 dated 18th July**

2014 & The Telecommunication (Broadcasting And Cable Services) Interconnection (Eighth Amendment) Regulation, 2014 dated 18th July 2014

2.6.12 The amendments in the interconnection regulation, applicable both for Digital addressable Cable TV systems and non-addressable systems, amongst others, incorporated the definition of "Commercial establishment" and the definition of "commercial subscriber was suitably amended. This is also in line with the tariff prescription and the manner of offering of television services to the commercial subscribers. With the coming into force of these changes in the regulatory framework, the distribution of TV services to the commercial subscribers would be streamlined and the services would be available to them at competitive rates. The regulatory framework is likely to balance the interests of all the stakeholders in the value chain and bring in complete transparency in the business transactions.

➢ The Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 (4 of 2015) dated 25th March 2015

2.6.13 Telecom Regulatory Authority of India, notified the Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 on 25th March, 2015 applicable for Cable TV Services being provided through Digital Addressable Systems (DAS) incorporating provisions for levy of financial disincentives on Multi System Operators (MSOs) who are not complying with the regulatory provisions of Quality of Standards regarding billing and issue of receipts for payment made by the subscribers. A provision for financial disincentive of an amount not exceeding ₹ 20/- per subscriber has been made in the amended regulation.

The QoS Regulations also prescribe that the cable TV services shall be offered to the subscribers either both on pre-paid and post paid payment models, with subscribers' having option to choose. The pre-paid option offered by MSO shall be implemented through electronic pre-paid mechanisms. In order to ensure that the MSOs honour the pre-paid or post-paid option given by the subscriber in a timely manner a financial disincentive of exceeding '100/- per subscriber has been made on the MSO for each contravention.

The MSOs have been provided a timeframe of 60 days to align their business processes for compliance with the provisions of the Regulations.

2.7 During the year 2014-15, the Authority issued the following Tariff Orders in Telecom and Broadcasting Sectors.

TELECOM SECTOR

LIST OF TARIFF ORDERS

1. The Telecommunication Tariff (Fifty Seventh) Amendment Order dated 14th July 2014.

2. The Telecommunication Tariff (Fifty Eighth) Amendment Order dated 1st August 2014.

3. The Telecommunication Tariff (Fifty Ninth) Amendment Order dated 21st November 2014.

TARIFF ORDERS

➢ Telecommunications Tariff (Fifty seventh Amendment) Order 2014 dated 14th July 2014 & Telecommunications Tariff (Fifty eighth Amendment) Order 2014 dated 1st August 2014

2.7.1 A leased circuit is a two-way link for the exclusive use of a subscriber regardless of the way it is used by the subscriber. A leased circuit having both of its end-links within India is termed a Domestic Leased Circuit (DLC). As per the present licensing regime in the country, both, national long distance operators (NLDOs) and access service providers (ASPs) can provide DLCs. The ceiling tariffs for DLCs were last specified by the Authority through the Telecommunication Tariff (Thirty Sixth Amendment) Order, 2005 dated 21st April.2005. In 2014, it was observed that prevailing tariffs for DLCs on dense routes were significantly below the ceiling tariffs prescribed by the Authority. However, tariffs in hilly and remote areas were operating at ceiling rates. It was noted that there was a decline in the per unit cost of providing DLCs due to (i) advancement in transmission technologies, (ii) increase in transmission infrastructure and (iii) increase in the bandwidth carrying capacity of transmission media. The Authority also noticed signs of a lack of competition in some parts of the country. With a view to align ceiling tariffs with the present costs, the Authority decided to review the ceiling tariffs for DLCs.

After a comprehensive consultation, the Authority, through the TTO (Fifty seventh Amendment), 2014, brought about the following changes in the tariff regime for DLCs;

(i) Tariffs for DLCs of less than E1 capacity have been kept under forbearance.

(ii) Ceiling tariffs for DLCs of E1, DS-3 and STM-1 capacities have been reduced.

(iii) The DLCs of STM-4 capacity, the tariff for which was under forbearance, have been brought under tariff regulation by way of prescription of ceiling tariffs.

It is expected that with the implementation of the reduced ceiling tariffs, customers seeking DLCs on thin routes connecting small cities, remote and hilly areas like Assam, North East, Jammu and Kashmir and other areas such as Himachal Pradesh, Uttarakhand, Jharkhand, Orissa etc. (i.e. the routes which are not sufficiently competitive) would benefit. The Authority is of the view that the reduction in ceiling tariffs for DLCs would help improve demand and, in turn, give a substantial boost to the overall growth of the economy.

➢ The Telecommunication Tariff (Fifty Ninth) Amendment Order dated 21st November 2014.

2.7.2 Telecommunication Tariff (59th Amendment) Order, 2014 dated 21st November 2014, the Authority granted the following exemptions to ISPs in respect of tariff reporting requirement:

(i) An ISP shall be exempted from the tariff reporting requirement during a financial year if the total number of its subscribers is less than ten thousand (<10,000) on the last day of the preceding financial year.

(ii) The existing exemption given to access service providers in respect of tariff schemes offered to bulk customer in response to a tender process or as a result of negotiations between the access provider and such bulk customer has been extended to the ISPs also.

Such exemption would help the small ISPs in reducing their compliance costs and once they achieve a subscriber base of 10,000 they will come under the ambit of tariff reporting requirement.

BROADCASTING AND CABLE SERVICES SECTOR

LIST OF TARIFF ORDERS

1. Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Twelfth Amendment) Order, 2014 dated 16th July2014.

2. Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (Fourth Amendment) Order, 2014 dated 18th July 2014.

3. Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Thirteenth Amendment) Order, 2014 dated 31st December 2014.

4 Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Fourteenth Amendment) Order, 2015 dated 6th January 2015.

TARIFF ORDERS

- **The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Twelfth Amendment) Order, 2014 dated 16thJuly 2014 and the Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (Fourth Amendment) Order, 2014 dated 18th July 2014**

2.7.3 In a matter relating to a tariff order prescribing tariffs for commercial subscribers, the Hon'ble Supreme Court, in April 2014, asked TRAI to come out with a new tariff dispensation for such subscribers. Accordingly, on 16th July and 18th July 2014, TRAI notified amendments to tariff orders pertaining to commercial subscribers of broadcasting and cable TV services. The salient features of the tariff orders are:

(i) Commercial establishments that do not specifically charge clients/guests on account of providing/showing television programmes, and offer such services as part of amenities, are to be treated like ordinary subscribers, and charges would be on a per-television basis;

(ii) In cases where commercial establishments specifically charge clients/guests on account of providing/showing television programmes, the tariff would be determined on mutually agreed terms between the broadcaster and the commercial subscriber;

(iii) In all cases, the commercial subscriber would obtain television services only from a distribution platform operator (MSO/DTH operator/Cable Operator / IPTV operator / HITS operator).

These amendments bring in clarity regarding the manner of distribution of TV signals to commercial subscribers, prescribe tariffs based on intended use of the TV signals, and aim to enhance transparency in tariff regulation.

➢ Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Thirteenth Amendment) Order, 2014 dated 31st December 2014

2.7.4 TRAI has been regulating tariff for the broadcasting and cable TV services since 2004. The objective has been to give relief and protection to consumers of broadcasting and cable TV services from frequent hikes in cable TV charges. Accordingly, in the principal tariff order notified in 2004 for cable TV services offered through analog cable TV systems, TRAI prescribed that the prevailing charges at various levels, as on 26th December 2003, shall be the tariff ceilings. However, TRAI has reviewed the prescribed ceilings, from time to time, to make adjustments for inflation. However, periodic reviews to make inflation linked adjustments could not be carried out from January 2009 to March 2014 as certain provisions of the tariff order were under judicial scrutiny since 2008 and a tariff determination exercise was under way as per directions of the Hon'ble Supreme Court. Therefore, in March 2014, with concurrence of the Hon'ble Supreme Court, the Authority carried out the review.

Based on the rise in the wholesale price index (WPI) over the last five years and considering other relevant factors, the Authority came to a conclusion that an overall 27.5% inflation hike is to be allowed, both at the wholesale and retail levels. Taking into account the consumer's interest, the Authority prescribed that this hike be implemented in two installments. The first installment of 15% was made effective from 1st April 2014. This was notified vide the Telecommunications (Broadcasting & Cable) Services (Second) Tariff (Eleventh Amendment) Order 2014 dated 31st March 2014. The second installment for the remaining inflation-linked increase shall be made effective from 1st January 2015 which shall be notified subsequently. This is expected to give adequate and reasonable time to all stakeholders to adjust to these hikes. To take care of the second installment of the inflation linked hike, the Authority notified the Telecommunications (Broadcasting & Cable) Services (Second) Tariff (Thirteenth Amendment) Order 2014 dated 31st December 2014.

➢ Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Fourteenth Amendment) Order, 2015 dated 6th January 2015

2.7.5 TRAI notified on 6th January 2015, the Tariff (Amendment) Order applicable for non-addressable (Analogue Cable TV) systems in accordance with the Hon'ble Supreme Court order dated 17th September 2014. The key provisions in the said tariff order pertain to principle for pricing of new channels and channels converted from free-to-air to pay, mandatory a-la-carte offering of channels at wholesale level and twin conditions, for non addressable (analogue cable TV) systems. The existing provisions in this regard have not been changed.

In addition, in this Tariff (Amendment) Order, it has also been specifically clarified that in cases where the operators implement Digital Addressable Cable TV Systems (DAS) before the cut-off dates notified by the Government, the regulatory regime pertaining to DAS will apply and that the broadcaster will have to declare the genre of the channels from amongst the specified genres.

2.8 Telecom Regulatory Authority of India issued the following Directions to the Service Providers during the year 2014-15 for compliance of its order/Regulations, some of these Directions are detailed below:-

TELECOM SECTOR

LIST OF DIRECTIONS

1. Direction dated 30th September 2014 to M/s Loop Mobile (I) Ltd. to inform subscribers about the closure of services in Mumbai Licensed service area due to expiry of its CMTS license on 28th November 2014.

2. Direction dated 7th November 2014 to M/s Loop Mobile (I) Ltd. w.r.t closure of services by M/s Loop Mobile (I) Ltd in Mumbai Licensed service area due to expiry of its CMTS license on 29th November 2014.

3. Direction dated 14th November 2014 for obtaining explicit consent of consumers for provisioning non-subscription based value added service products embedded in SIM Application Tool Kit (STK) of SIM card.

4. Third Amendment dated 17th December 2014 to Direction dated 10th February 2010 regarding updation of service provider codes for Unique Porting Code.

5. Direction dated 5th January 2015 to access providers (Basic Telephone Service Providers, Cellular Mobile Telephone Providers and Unified Access Service Providers) and National Long Distance Operators regarding waiving of Termination charges.

6. Direction dated 5th February 2015 on short codes and use of special characters.

7. Direction dated 2nd March to M/s Vodafone (I) Ltd. to discontinue use of level 111

8. Amendment dated 27th March 2015 to Direction dated 2nd March 2015 to M/s Vodafone (I) Ltd. to discontinue use of Level 111.

DIRECTIONS

➢ **Directions dated 30th September 2014 and 7th November 2014 to M/s Loop Mobile (India) Ltd. with regard to closure of services in Mumbai Licensed Service Area (LSA)**

due to expiry of its CMTS licence on 29th November 2014

2.8.1 Due to expiry of its Cellular Mobile Telephone Service (CMTS) licence, M/s Loop Mobile (India) Limited closed its operation on 29th November, 2014.

To protect the interest of consumers of M/s Loop Mobile and to provide advance information about closure of service of M/s Loop and facilitate subscribers of M/s Loop to port their mobile number to the service provider of their choice without any hassle, the Authority directed M/s Loop Mobile (India) Ltd. on 30th September 2014, to inform the date of closure of its services in Mumbai LSA to:

(i) all its existing subscribers in its Mumbai service area either in writing or by sending SMS/ e-mail, within ten days of the issue of the said direction;

(ii) every new subscriber at the time of his enrollment to its network.

Pursuant to this direction, on the request of M/s Loop informing that its existing systems may not be able to cater to surge of requests in the event of 'an SMS blast to subscribers' or an 'advertisement in the newspapers giving an option to subscribers to port out', the Authority through its direction dated 7th November 2014, had allocated an additional service provider code to M/s Loop so as to enable it to generate a large number of Unique Porting Codes in advance, for all of its subscriber base and to communicate the same to its subscribers so that the subscribers can port out their mobile numbers.

The Authority also informed all subscribers of M/s Loop in Mumbai service area through a press release to port out from Loop's network before 29th November 2014.

➢ Direction dated 14th November 2014 for obtaining explicit consent of consumers for provisioning non-subscription based value added service products embedded in SIM Application Tool Kit (STK) of SIM card

2.8.2 While the menace of activation of subscription based Value Added Services (VAS) was addressed to a great extent with the double confirmation procedure as per TRAI regulations, consumers continued to complain regarding false activations of various VAS embedded in the SIM card itself. This direction seeks to address the issue relating to activation and deactivation of non-subscription based Value Added Service (VAS) products embedded in SIM Application Tool Kit (STK) of a SIM Card. As a measure of consumer protection, the service providers were directed to ensure that the VAS for products embedded in the SIM are also provided to the consumer only after obtaining the explicit consent of the consumer. The direction also defines how service providers have to obtain the explicit consent of consumers.

➢ Third Amendment dated 17th December 2014 to Direction dated 10th February 2010 regarding updation of service provider codes for Unique Porting Code

2.8.3 To assist the customer in identifying the source and origin of the SMS sent by a TSP, the Authority directed that the alpha numerical identifier provided, along with the code of the service area, be sent for all commercial SMSs for sender identification. After the issuance of the direction, some service providers have ceased operation and licenses have been issued to new service providers necessitating new allocation of codes for the service providers. Through this amendment, the revised list of codes for the service providers were notified.

➢ Direction dated 5th January 2015 to access providers (Basic Telephone Service Providers, Cellular Mobile Telephone Providers and Unified Access Service Providers) and National Long Distance Operators regarding waiving of Termination charges

2.8.4 Department of Telecommunications had forwarded a copy of the representation dated 17th September 2014 of M/s Aircel for waiving off the IUC termination charges, which an originating J&K operator had to pay to a terminating operator (of Pan-India service areas) for 2 days i.e. 10th September 2014 to 11th September 2014. The service provider mentioned that in the unprecedented emergent flood situation in J&K state during September 2014, M/s Aircel, as the major operator, provided 100% free local and national voice calling to all J&K customers for entire 2 days.

TRAI sought comments from Access Providers on this issue and after deliberations, agreed with the request for waiving off the termination charges. Accordingly a Direction was issued by the Authority on 5th January 2015 to all Access Service Providers and NLDOs, to waive off termination charges in respect of all calls made by their subscribers in the state of Jammu & Kashmir on 10th and 11th September, 2014.

➢ Direction dated 5th February 2015 on Short Codes and use of special characters

2.8.5 The Authority, vide its letter dated 4th July 2014, directed the service providers to furnish information on short codes in the prescribed format. In the reports received from the service providers, it has been noted that service providers have violated the instructions of the licensor on short codes and the provisions of the National Numbering Plan.

Further, TRAI, vide its Direction dated 5th February 2015 directed all the Unified Licence (Access Service), Unified Access Service Providers, Cellular Mobile Telephone Service providers on the use of short codes and special characters to :-

(a) comply with the instructions issued by the licensor vide its letter No. 16-7/2006-BS.II dated the 23rd May, 2006, Office Memorandum No. 16-3/2003-BS.II/Vol.VI dated the 30th November, 2006, Office Memorandum No. 16-3/2003-BS.II/Vol.VI dated the 1st December, 2006 and letter No. 16-3.2003-BS.II/Vol.VI/441 dated 7th May, 2007;

(b) comply with the provisions of sub-regulation (1) of regulation 10 of the Telecom Consumers Protection Regulations, 2012(2 of 2012);

(c) publish on the main page of their website under the title 'Short codes and special characters', in the prescribed format, the details of services offered to the consumers and tariffs for such services and update immediately, information on any change therein; and

(d) furnish to the Authority on quarterly basis, within ten days of the end of the quarter, commencing from the quarter ending March, 2015, information in the prescribed format.

➢ Direction dated 2nd March 2015 to M/s Vodafone India Ltd. to discontinue use of level '111'

2.8.6 Department of Telecommunications had issued the National Numbering Plan, 2003 wherein the number/prefix 111 to 115 have not been allocated for any type of services and have been kept as 'SPARE'.

The Authority observed from the advertisements on the website of M/s Vodafone India Ltd. that customers were being urged to call '111' to get internet settings on their handset for pre-paid data offers, postpaid 3G data packs, self help for data services, Blackberry internet offers and to find out the balance.

The Authority issued a Show Cause Notice dated 2nd February, 2015 to M/s Vodafone India Ltd. for violation of the National Numbering Plan, 2003.

The Authority examined the reply dated 18th February 2015 received from M/s Vodafone India Ltd in response to the aforesaid Show Cause Notice and was of the view that by using level '111' without the permission of the Department of Telecommunications, M/s Vodafone India Ltd. has contravened the provisions of National Numbering Plan. The Authority therefore vide its Direction dated 2nd March 2015 directed M/s Vodafone India Ltd. to discontinue use of level '111' and submit a compliance report.

➢ Amendment to Direction No. 413-2/2014-NSL-I dated the 2nd March, 2015 to M/s Vodafone India Ltd. to discontinue the use of level '111' – Dated 27th March 2015

2.8.7 M/s Vodafone India Ltd., in its response dated 5th March, 2015, to Authority's direction dated 2nd March 2015 mentioned that it was listing the activities for the migration of their customer helpline from the existing level '111' to another level. Further, it expressed its intention to comply with the Direction dated 2nd March, 2015, however, from both the technical and customer experience aspects, to complete all the necessary activities and ensure minimum customer inconvenience, it requested for grant of suitable time for migration and parallel working of both the old and the new code.

The Authority considered the request of M/s Vodafone India Ltd. and directed M/s Vodafone India Ltd. to submit the compliance report of the aforesaid Direction latest by the 30th April, 2015.

BROADCASTING & CABLE TV SECTOR

LIST OF DIRECTIONS

1. Direction dated 27th May 2014 to Multi System Operators (MSOs) in DAS Areas

DIRECTIONS

➢ Direction dated 27th May 2014 to Multi System Operators (MSOs) in DAS Areas

2.8.8 Vide this direction, the Authority directed MSOs in Digital Addressable Cable TV Systems (DAS) areas to ensure delivery of individual subscriber bills, provide option for online bill payment and electronic acknowledgement to the subscriber for the payment made, in areas where DAS has been implemented.

2.9 Besides the above, following Orders were also issued:-

ORDERS

LIST OF ORDERS

1. Order to Multi System Operators, operating in areas covered under DAS Phase-I and Phase-II, under section 12 of the Telecom Regulatory Authority of India Act, 1997, to furnish information relating to Interconnection Agreements entered into by them with Cable Operators.

2. Order to Broadcasters under section 12 of the Telecom Regulatory Authority of India Act, 1997 to furnish information relating to Interconnection Agreements entered into by them with Multi System Operators operating in areas covered under DAS Phase-I and Phase-II.

3. Order under section 12 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) to furnish information relating to Consumer Premises Equipment (CPE) offered by direct to home operators to their subscribers dated 24.10.2014.

➢ Order to Multi System Operators, operating in areas covered under DAS Phase-I and Phase-II, under section 12 of the Telecom Regulatory Authority of India Act, 1997, to furnish information relating to Interconnection Agreements entered into by them with Cable Operators

TRAI issued an order dated 30th December, 2014 to 15 major MSOs for providing the details of their Interconnection agreements entered into with LCOs.

➢ Order to Broadcasters under section 12 of the Telecom Regulatory Authority of India Act, 1997 to furnish information relating to Interconnection Agreements entered into by them with Multi System Operators operating in areas covered under DAS Phase-I and Phase-II

TRAI issued an order dated 30th December, 2014 to 15 major broadcasters for providing details of all Interconnection Agreements entered into by them with Multi System Operators, operating in areas covered under DAS Phase-I and Phase-II.

➢ Order under section 12 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) to furnish information relating to Consumer Premises Equipment (CPE) offered by direct to home operators to their subscribers

TRAI issued an order dated 24th October 2014 to all pay DTH Operators directing to furnish information relating to Consumer Premises Equipments (CPE) offered by them to their subscribers.

2.10 Telecom Regulatory Authority of India interacts with various stakeholders such as the service providers, their organizations, Consumer Advocacy Groups/Consumer Organizations and other experts in the 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 on Consultation Papers. In addition to the Consultation Papers which have culminated in issue of Recommendations/Regulations/ Telecom Tariff Order, the following Consultation Papers were also issued during the year 2014-15.

TELECOM SECTOR

LIST OF CONSULTATION PAPERS

1. Consultation Paper dated 30th June 2014 on 'Migration to IP based Networks'.
2. Consultation Paper dated 24th September 2014 on 'Delivering broadband quickly: What do we need to do?'
3. Consultation Paper dated 19th November 2014 on 'Interconnection Usage Charges'.
4. Consultation Paper dated 5th December 2014 on 'Delinking of the License for Networks from delivery of services by way of virtual network operators'.
5. Consultation Paper dated 27th March 2015 on 'Regulatory Framework for Over-the -top (OTT) services'.

CONSULTATION PAPERS

➢ Consultation Paper dated 30th June 2014 on 'Migration to IP based Networks'

2.10.1 Traditional telecommunication systems are migrating towards more powerful and viable internet protocol based telecommunication systems. Migration to IP based network will result in co-existence of legacy network along with IP based network. The new IP based network as well as its coexistence with legacy network will give rise to several operational, interconnection and quality of service issues which needs to be addressed for the successful migration to IP based networks. In view of these, TRAI brought out a consultation paper on 30th June 2014 on "Migration to IP based networks" for consultation with the stake-holders. The important issues for consultations were: i) IP inter-connection issues. ii) Co-existence of legacy network with IP based networks. iii) Requirement of regulatory intervention in IP based interconnection. iv) Interconnection requirement for application and content service providers. v) Quality of service issues. vi) Various other operational Issues such as Sharing of network elements, emergency numbering etc.

➢ Consultation Paper dated 24th September 2014 on 'Delivering broadband quickly: What do we need to do?'

2.10.2 Affordable broadband connectivity, services and applications are essential to modern society, offering widely recognised social and economic benefits is the impact of broadband more important and critical than in the developing countries. Growing evidence suggests that higher broadband usage can boost GDP, jobs and income, helping to combat poverty and hunger. While India has a broadband policy in place since the year 2004 and the Government has taken a number of initiatives to increase the penetration of broadband in the country, the performance is still dismal, compared to most other countries in the world. In this backdrop, the Authority had come out with a Consultation Paper (CP) to seek inputs from the stakeholders and others regarding issues leading to poor broadband penetration in India and the measures required to accelerate the Broadband usage in the country. Subsequently, the Authority finalised its recommendations on the subject and forwarded the same to the Government on 17th April 2015.

➢ Consultation Paper dated 19th November 2014 on 'Interconnection Usage Charges'

2.10.3 The IUC regime not only determines the revenue accruable to the service providers but also how this revenue is to be distributed among them. An efficient interconnection and charging regime is central to efficient and seamless connectivity between networks.

The prevailing IUC regime was notified on 9th March 2009 and became effective from 1st April 2009. In this regime, the termination charges for local and national long distance voice calls to fixed line and mobile were uniformly fixed at the rate of Rs.0.20 (twenty paisa) per minute and the termination charges for incoming international long distance calls were fixed at the rate of Rs.0.40 (forty paisa) per minute. The Authority carried out a review exercise in view of the fact that a significant amount of time had elapsed since the last review. The consultation paper sought inputs of the stakeholders, *inter-alia*, mainly on the following issues:

(a) Which is the most appropriate approach for prescribing mobile termination charge and fixed termination charge: cost oriented or Bill and Keep?

(b) Which is the most appropriate methodology for estimating mobile termination cost and fixed termination cost?

(c) What is the most appropriate level for international termination charge?

(d) What should be the methodology for determining the domestic carriage charges and transit charges?

➢ Consultation Paper dated 5th December 2014 on 'Delinking of the License for Networks from delivery of services by way of virtual network operators'

2.10.4 Department of Telecommunications (DoT), through its letter dated 7th July 2014, sought the Authority's recommendations for delinking of licensing of networks from delivery of services by way of virtual network operators etc. including associated issues such as Adjusted Gross Revenue, terms of sharing of passive & active infrastructure etc. under unified licensing regime.

TRAI had earlier released a Pre-Consultation Paper on "Delinking of the license for networks from delivery of services by way of Virtual Network Operators (VNO)" on 3rd September 2014.

Based on the comments received from the stakeholders during the pre-consultation, TRAI released a Consultation Paper on "Delinking of the license for networks from delivery of services by way of Virtual Network Operators (VNO)" on 5th December 2014. TRAI raised specific issues on the subject for consideration of stakeholders. Subsequently, the Authority finalized its recommendations on the subject and forwarded the same to the Government on 1st May 2015.

➢ **Consultation Paper dated 27th March 2015 on 'Regulatory Framework for Over-the -top (OTT) services'**

2.10.5 Telecom service providers (TSPs) offering fixed and mobile telephony are currently being overwhelmed by online content, known as over-the-top (OTT) applications and services. The term over-the-top (OTT) refers to applications and services which are accessible over the internet and ride on operators' networks offering internet access services e.g. social networks, search engines, amateur video aggregation sites etc. OTT providers make use of the TSPs' infrastructure to reach their customers and offer products/services that not only make money for them but also compete with the traditional services offered by TSPs. These apps also compete with brick and mortar rivals e.g. e-commerce sites, banking etc. Today, users can directly access these applications online from any place, at any time, using a variety of internet connected consumer devices.

The rising penetration of smart phones and the up-gradation of access networks by the TSPs are among the important factors contributing to OTT growth. Digitalization of content has reduced conservation, reproduction and distribution costs, which, in turn, has promoted the explosive growth in the supply of online content. Paradoxically, the broadband networks provided by incumbent TSPs are used as a platform by the OTT players for the development of new businesses. The growth of traffic apart, the OTT applications have created an increasing demand for faster broadband speed, which translates into a need for huge investments in network up-gradation by the TSPs.

Worldwide, there is an ongoing debate amongst Governments, industry and consumers regarding regulation of OTT services and about net-neutrality. In this background, the Authority released a Consultation Paper on 27th March 2015 regarding 'Regulatory Framework for Over-the-top (OTT) services'. This Consultation Paper covers all related issues such as network neutrality, international experience on net-neutrality and regulation of OTTs (communications and non-communications).

Some of the important issues discussed in the Consultation Paper are:

a. Policy and regulatory environment and need for regulation;

b. Current policy dispensation for OTT players vis-a-vis TSPs;

c. Security concerns of OTT players providing communication services;

d. Issues related to security, safety and privacy of the consumer;

e. Issues arising because of 'net-neutrality';

f. Network discrimination and traffic management practices;

g. Non-price based discrimination of services and ensuring transparency to consumers;

h. Pricing-related issues, including differential pricing for data access.

BROADCASTING & CABLE TV SECTOR

LIST OF CONSULTATION PAPER

1. Consultation Paper dated 27th February 2015 on 'Draft Tariff Order prescribing framework for commercial interoperability of Customer Premises Equipment (CPE) in DTH Services.

CONSULTATION PAPER

➢ Consultation Paper dated 27th February 2015 on 'Draft Tariff Order prescribing framework for commercial interoperability of Customer Premises Equipment (CPE) in DTH Services

2.10.6 The Draft Tariff Order which prescribes a framework for commercial interoperability of Customer Premises Equipment (CPE) offered by the Direct-to-Home (DTH) operators to their subscribers was issued on 27th February 2015 seeking comments / views of the stakeholders. Commercial interoperability provides for a viable exit option to the subscribers in case they want to switch operator/platform. The draft Tariff Order intends to strike a balance between the interests of the consumers and that of the service providers, as well as to curb piling up of e-waste on account of CPEs. The draft tariff order covers the following aspects:-

- Declaration of the price of all type of CPEs, installation & activation charges and applicable taxes on CPEs by the DTH operators.
- mandatory offering of standard scheme for all type of CPEs on a standalone basis by DTH operators, specifying separately the price of CPE, taxes, other charges etc;
- flexibility to DTH operators to offer other schemes;
- flexibility to DTH operators to offer brand new as well as refurbished CPEs;
- provision of buy-back/refund option in all the offered schemes, including bundled schemes for CPEs;

- mechanism for buy-back/refund in the standard and other schemes for CPEs;
- provision of lock-in period for the purpose of refund in the offered schemes for CPEs if the subscriber wants to switch from one operator to the other;
- applicability of buy-back/refund option for all types of offered CPEs;
- option for the DTH operators to redeploy the surrendered CPEs;
- mechanism for registration of request for surrender of connection;
- time-limit to settle refund/buy-back claims of the subscribers.

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

2.11 The working and operation of Telecom Regulatory Authority of India in the specific context of policy framework 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) Rural Telephone Network

2.11.1 The total rural subscriber base has reached 419.31 million as on 31st March 2015 from 377.73 million 31st March 2014. As per the performance indicator report, 42.08% of total subscribers are now in rural areas.

The rural wireline subscriber base is decreasing. As on 31st March, 2015, the rural wireline subscriber base stood at 5.12 million as compared to 5.96 million at the end of 31st March, 2014. Whereas the rural wireless subscriber base increased during the same period. As on 31st March 2015, the Wireless rural market has reached 414.18 million mark as against 371.78 million as on 31st March 2014. 42.70% of total wireless subscribers are now in rural areas.

(b) Expansion of Telephone Network

2.11.2 As on 31st March, 2015, the total wireline subscriber base stood at 26.59 million. The incumbents BSNL and MTNL have 61.71% and 13.36% market share respectively in the subscriber base, while all the six private operators together have 24.93% share. The share of private operators has increased from 22.70% as on 31st March, 2014 to 24.93% as on 31st March 2015.

The Wireless Subscriber base was 969.89 million as on 31st March 2015 in comparison to the subscriber base of 904.51 million as on 31st March 2014. The subscriber base has increased by 65.38 million subscribers in the financial year 2014-15. The total subscriber base of wireless services has grown from 584.32 million in March 2010 to 969.89 million in March 2015. Out of 969.89 million subscribers at the end of financial year 2014-15, 917.73 million (94.62%) were GSM Subscribers and 52.16 million (5.38%) were CDMA Subscribers.

In the wireless segment subscriber base of GSM was 917.73 million subscribers at the end of March 2015, as compared to 847.41 million as at the end of March 2014. GSM subscriber base increased by around 70.32 million subscribers during the year.

In terms of subscriber base and market share of GSM services, M/s Bharti with 226.02 million subscriber base remains the largest GSM Service providers followed by M/s Vodafone, M/s Idea, and M/s Reliance with subscriber base of 183.80 million, 157.81 million and 82.43 million respectively.

The CDMA subscriber base stood at 52.16 million as on 31st March 2015. In terms of subscriber base and market share, M/s Reliance with 27.04 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 14.18 million and 8.86 million, respectively.

(c) Entry of Private Sector in Basic and Value Added Services

2.11.3 At present, there are a total of 167 Access Service licensees providing basic and cellular mobile services in the country. The license wise break up is as below:

Name of license/ Authorization	Number of license granted
UL	6
UL(AS)	6
UASL	118
CMTS	37
TOTAL	**167**

(d) Technical Compatibility and effective Interconnection between Service Providers

2.11.4 Under the TRAI Act, the Authority is mandated to fix the terms and conditions of interconnectivity and to ensure technical compatibility and effective interconnection between service providers. Interconnection lies at the core of the telecom business in a multi-operator environment. The terms and conditions of interconnection need to be regulated to ensure a level playing field among service providers. Accordingly, the following interconnection charges were prescribed by TRAI during the reporting period:-

(i) The International Calling Card Services (Access Charges) Regulations 2014 dated 19th August 2014

TRAI issued the Regulations on international Calling Card service prescribing access charges payable by International Long Distance Operator (ILDO) to the Access Service Provider in case the customer of Access Service Provider avails of the Calling Card service of ILDO. As per these regulations, Access Charges to be paid by ILDO to Access Provider shall be 40 paisa per minute for wireless services and Rs.1.20 per minute for wireline services. These regulations are expected to pave way for introduction of Calling Cards, resulting in availability of choice for a customer to choose his/her International long distance operator which would further result in lower tariffs for ISD calls.

(ii) The Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations 2015 dated 23rd February 2015

The Authority issued an amendment to IUC Regulations presenting revised Domestic and International Termination charges. Key features of the Regulations are as follows:

(i) Mobile Termination Charge (MTC) for all calls originating and terminating in wireless network has been reduced from 20 paise per minute to 14 paisa per minute;

(ii) MTC for all calls originating from wireline has been set to zero as well as FTC for all calls originating either from wireline network or from wireless network has been set to zero;

(iii) Termination charge for international incoming calls has been increased to 53 paisa per minute from existing 40 paisa per minute;

(iii) The Telecommunication Interconnection Usage Charges (Twelfth Amendment) Regulations 2015 dated 24th February 2015

Through these Amendments, the Authority has reduced the ceiling of the domestic carriage charge to Re 0.35 (Paise 35) per minute from the existing Re 0.65 (65 Paise) per minute.

(e) Telecommunication Technology

i) Implementation of Green Technology in Telecom Sector

TRAI has recommended the measures for implementation of green technology in telecom sector; vide its recommendation on 'Approach towards Green Telecommunications' dated 12th April 2011. Based on TRAI's recommendations, DoT had issued the directions in January 2012 to all NLDs/ILDs/ISPs/CMTS/UASL/Basic Service Licensee including BSNL and MTNL. Subsequently to the directions, DoT had issued further clarification dated 18th September 2012 and 19th November 2012'

- As per the DoT's directives, all service providers should declare to TRAI, the carbon footprint of their network operations in the format prescribed by TRAI twice in a year.
- The directions of DoT also mandate the service providers to consensually evolve through their Association, a Voluntary Code of Practice encompassing energy efficient Network Planning, infra-sharing deployment of energy efficient technologies and adoption of Renewable Energy Technology (RET) and submit the voluntary code of practice to TRAI.
- Accordingly, TRAI has conducted various meetings for clarifications and issued letter and reminders to the service providers to obtained the requisite compliance in respect of DoT directives.
- The Telecom Service Providers (Access SPs, NLD / ILDs and ISPs) has timely submitted the Carbon footprint report from Base year i.e. 2011-12 onwards.
- As per DoT directives, Voluntary code of practice had also been received in TRAI from telecom Association.

- During 2014-15, Carbon footprint report of the NLDs/ILDs/ISPs and access service providers had been received for H2 (2013-14) and H1 (2014-15), has been received in TRAI.

ii) Next Generation Network (NGN)

At present networks are virtually separated and provide fixed services, mobile services and internet services. Next Generation Networks has the ability to converge different traffic types (Voice, Video and data etc) onto a single network. It is essentially a managed IP-based (i.e. packet-switched) network that supports variety of services. TRAI had earlier appointed a consultant, to assist in establishing appropriate police and regulatory framework on Next Generation Networks (NGNs). Scope of the consultancy work includes preparation of exhaustive report on NGN, preparation of a draft consultation paper, conducting workshop on NGN for Industry, assist TRAI in post evaluation work. The Consultant had submitted the exhaustive report and consultation paper on NGN.

During 2014-15, based on the inputs received from consultants and TRAI's own analysis, a consultation paper on 'Migration to IP based Networks' has been floated by TRAI on 30th June 2014 to engage the stakeholders in an exhaustive consultation process on all relevant issues. After receiving comments and counter comment5s of stakeholders, an Open House Discussion (OHD) was held on 2nd December 2014. The comments received during public consultation are being analysed in TRAI.

iii) Regulatory framework on Over-the-top services

Telecom service providers (TSOs) offering fixed and mobile telephony are currently being overwhelmed by online content, known as over-the-top (OTT) applications and services. The term over-the-top (OTT) refers to applications and services which are accessible over the internet and ride on operators' networks offering internet access services e.g. social networks, search engines, amateur video aggregation sites etc. OTT providers make use of the TSPs' infrastructure to reach their customers and officer products / services that not only make money for them but also compete with the traditional services offered by TSPs. Leave aside TSPs, these apps also compete with brick and mortar rivals e.g. e-commerce sites, banking etc. Today, users can directly access these applications from any place, at any time, using a variety of internet connected consumer devices.

During the year 2014-15, a consultation paper on 'Regulatory framework on Over-the-Top services, has been floated by TRAI on 27th March 2015 to engage the stakeholders in an exhaustive consultation process on all relevant issues. Some of the important issues discussed in the Consultation Paper are:

a. Policy and regulatory environment and need for regulation;

b. Current policy dispensation for OTT players vis-à-vis TSPs;

c. Security concerns of OTT players providing communication services;

d. Issues related to security, safety and privacy of the consumer;

e. Issues arising because of 'net-neutrality';

f. Network discrimination and traffic management practices;

g. Non-price based discrimination of services and ensuring transparency to consumers;

h. Pricing-related issues, including differential pricing for data access;

iv) Information paper On 'Effects of Electromagnetic Field Radiation from Mobile Towers and Handsets'

Concerns have been raised that continuous exposure to EMF radiation emanating from telecom towers causes harmful thermal and non-thermal health effects. The information paper on EMF seeks to clear the air and apprise all stakeholders about EMF radiation. It elaborates the various aspects of radiations emanating from mobile towers and mobile handsets including the norms prescribed by various international bodies.

v) Publication of Technology Digest

New technology is constantly being developed and finds its applications in the technical systems that make up a telecommunications network. However, keeping pace with advances in telecom technology becomes difficult for most telecom professionals. To identify and to share new technology trends with industry, TRAI is publishing a technology bulletin called 'Technology Digest' which focuses on one technology aspect in every issue. During the year 2014-15, technology digest on 'Lots of Data' and 'DOCSIS' has been released.

vi) MIS project

MIS portal has been launched during the year 2014-15. The service providers have started submitting their reports through this portal. The portal will help in collection of various report in electronic form and will help to generate all types of reports & dashboards for data analysis purpose. A trial run on reports submitted by the service providers are being carried out.

(f) Implementation of National Telecom Policy (NTP)

2.11.6 In accordance with the provisions contained in the National Telecom Policy 2012 regarding "One Nation – Full Mobile Number Portability" (FMNP), TRAI after going through the consultation process and examination of various issues involved, forwarded its recommendation on FMNP across license service areas, on 25th September 2013.The Authority suggested amendments in the licenses of MNP service providers and mobile service providers.

Accordingly, on 3rd November, 2014, the DoT issued amendment(s) to the MNP License Agreement. As per the DoT, the Full MNP is to be implemented in the country within a period of 6 months from the date of amendment to the Licenses, i.e. 3rd May, 2015.

Accordingly, the Authority issued 6th Amendment to the Telecommunication Mobile Number Portability Regulation, 2009 on 25th February 2015 which will facilitate Full MNP (PAN India Portability) in the country w.e.f. 3rd May, 2015. Through this Amendment, apart from facilitating Pan-India Portability, a few changes have also been made in the porting process.

(g) Quality of Service (QoS)

2.11.7 TRAI has laid down the benchmark for various Quality of Service parameters through the following regulations:

(a) The Standards of Quality of Service of Basic Telephone Service (wireline) and Cellular Mobile Telephone Service Regulations, 2009.

(b) The Quality of Service of Broad Service Regulations, 2006.

(c) The Standards of Quality of Service for Wireless Data Services Regulations, 2012.

The Quality of Service performance of service providers against the benchmarks are assessed through compliance reports submitted by service providers. The compliance reports are submitted on a quarterly basis. For ensuring compliance with the Quality of Service benchmarks and to protect the interests of the consumers, TRAI had introduced the system of financial disincentives through the Second Amendment regulations issued on 8th November 2012. These regulations provide financial disincentives for non-compliance with the benchmarks, delay in submission of compliance reports and false reporting. For non-compliance with the benchmarks the financial disincentive is Rs.50,000/- per parameter. However in the case of cellular mobile service for network parameters the financial disincentive for second or subsequent non-compliance is Rs. 1,00,000/- per parameter. For false reporting, the financial disincentive is Rs.10,00,000/- per parameter.

TRAI also undertakes audit and assessment of Quality of Service through independent agencies. The Audit work has been awarded on zonal basis to M/s CS Datamation South Zone, M/s TUV South Asia (North & West Zone) and M/s IMRB in (East Zone). The audit reports submitted by the audit agencies during the year 2014-15 were analysed and released on the website of TRAI for information of all stakeholders. TRAI also undertakes through independent agencies assessment of customer perception of service provided by service providers through surveys and the survey reports are also released on the website of TRAI for information of all stakeholders. **The details of surveys are given in Part-III.**

The performance of the service providers are evaluated every Quarter based on the compliance reports submitted by service providers and also based on the reports of the audit agencies engaged by TRAI. Wherever deficiencies in achieving the quality of service benchmarks have been noticed through close monitoring of the performance of service providers by way of periodic reports, audit and assessment of quality of service through independent agencies, TRAI has been following up with the service providers for addressing such deficiencies in achieving the benchmarks for the various parameters. In this regard, various meetings were held in TRAI with the service providers from time to time. These meetings and follow-up action with the service providers have been pivotal in improving the quality of service. Further, based on compliance reports, wherever non-compliance with the benchmarks are observed, the explanation of the service provider is called for and considering the explanation submitted by the service provider, gravity of non-compliance, action taken to improve the service, financial disincentives are imposed on service providers. The total amount of financial disincentive received during the financial year 2014-15 on account of QOS regulations violations was Rs.4.15 crore. TRAI also publishes information about the quality of service performance by service providers, the results of Audit and assessment of Quality of Service under taken by Independent Agencies and the results of survey under taken by independent agencies about customer perception of service through its website for the information of stakeholders. The publishing of quality of service related information has also been forcing the service providers to improve the quality of service performance and also to address deficiencies in meeting the benchmarks.

During the year 2014-15 TRAI has issued the following Consultation Paper/ draft regulations relating to Quality of Service for seeking the views of stakeholders:

(i) Consultation Paper on Amendment to the Standards of Quality of Service for Wireless Data Services Regulations, 2012 dated 21st April, 2014.

(ii) Consultation Paper on "Review of the Standards of Quality of Service of Basic Telephone Services (Wireline) and Cellular Mobile Telephone Service dated 21st May 2014.

(iii) Draft "The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Fourth Amendment) Regulations, 2014" dated 28th January 2015.

TRAI has issued the following regulations in 2014-15 relating to Quality of Service:-

(i) The Telecom Commercial Communications Customer Preference (Fifteenth Amendment) Regulations, 2014 dated 7th April 2014.

(ii) Quality of Service of Broadband Service (Second Amendment) Regulations, 2014 dated 25th June, 2014.

(iii) Telecom Consumers Complaint Redressal (Third Amendment) Regulation dated 1st July 2014.

(iv) The Standard of Quality of Service for Wireless Data Services (Amendment) Regulations, 2014 dated 24th July 2014.

(v) The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Third Amendment) Regulations 2014 dated 21st August 2014.

(vi) The Telecom Commercial Communications Customer Preference (Sixteenth Amendment) Regulation, 2014 issued on 10th December, 2014.

Consumer Outreach Programmes

During the year 2014-15 a total of 96 Consumer Outreach Programmes (COPs) were organized in different parts of the country by the Authority. The COPs were held to disseminate information to consumers about their rights. Besides these, five Regional Workshops on Capacity Building of CAGs and consumer education programmes were also organized in different parts of the country by the Authority.

Details of Consumer Outreach Programmes organized with the help of Regional Offices of TRAI are as under:

S.No.	State	Place	Date
1	Assam	Guwahati	10.04.14
2		Dibrugarh	15.12.14
3	A.P./Telangana	Rajahmundry	29.05.14
4		Mehboobnagar	30.06.14
5		Guntur	31.07.14
6		Kurnool	23.08.14
7		Nizamabad	28.08.14
8		Karimnagar	28.11.14
9		Sangareddy	13.03.15
10	Bihar	Patna	15.07.14
11		Muzaffarpur	27.02.15
12	Chandigarh	Chandigarh	08.08.14
13		Chandigarh (B&CS)	16.01.15
14	Chhattisgarh	Jagdalpur	26.11.14
15		Raipur	21.11.14
16		Raigarh	11.03.15
17	Delhi	Delhi	27.03.15
18	Gujarat	Mehsana	16.04.14
19		Jamnagar	12.08.14
20		Palanpur	16.10.14
21		Surat	26.09.14
22		Bhuj	16.12.14
23	Haryana	Faridabad	15.5.14
24		Sirsa	08.05.14
25		Gurgaon	28.06.14
26		Yamunanagar	24.07.14
27	Himachal Pradesh	Chamba	21.05.14
28		Solan	10.07.14
29		Mandi	12.11.14
30	J&K	Jammu	12.03.15
31	Jharkhand	Ranchi	20.08.14
32		Jamshedpur	25.11.14
33		Dhanbad	19.02.15
34		Bokaro	26.03.15
35	Karnataka	Davangere	30.04.14
36		Shimoga	12.06.14
37		Bellary	24.07.14
38		Bijapur	13.11.14
39		Hassan	11.12.14
40		Bangalore	30.03.15
41	Kerala	Thodupuzha	26.06.14
42		Kasargod	06.08.14
43		Pathanamthitta	20.11.14
44		Cochin(B&CS)	20.02.15

S.No.	State	Place	Date
45	Lakshdweep	Kavaratti	18.02.15
46	M.P.	Mandsaur	11.07.14
47		Rewa	12.08.14
48		Guna	26.08.14
49		Shajapur	16.09.14
50		Ratlam	20.11.14
51		Shahdol	10.12.14
52	Maharashtra	Pune	29.05.14
53		Satara	18.09.14
54		Kolhapur	30.10.14
55		Thane	18.12.14
56		Nagpur	22.01.15
57		Amravati	12.02.15
58	Meghalaya	Shillong	26.05.14
59	Mizoram	Aizawl	28.08.14
60	Odisha	Bhubaneshwar	26.09.14
61		Dhenakanal	25.02.15
62		Baleswar	27.02.15
63	Puducherry	Yanam	03.12.14
64		Karaikal	29.12.14
65		Puducherry	19.02.15
66	Punjab	Ludhiana	12.06.14
67		Patiala	10.09.14
68		Jalandhar	29.10.14
69	Rajasthan	Nagaur	21.01.15
70		Bharatpur	29.01.15
71		Sawaimadhopur	12.02.15
72	Tamil Nadu	Ramanathpuram	29.04.14
73		Vellore	24.06.14
74		Kodaikanal	30.03.15
75		Dindigul	31.03.15

S.No.	State	Place	Date
76	Tripura	Agartala	08.11.14
77	U. P.	Jhansi	23.05.14
78		Agra	27.05.14
79		Noida	09.06.14
80		Kanpur	06.06.14
81		Mathura	25.06.14
82		Lucknow	18.07.14
83		Ghaziabad	26.07.14
84		Meerut	13.09.14
85		Agra	31.10.14
86		Allahabad	18.12.14
87		Faizabad	02.02.15
88		Moradabad	24.03.15
89	Uttarakhand	Dehradun	19.12.14
90		Almora	23.02.15
91	West Bengal	Malda	30.04.14
92		Salt Lake	30.06.14
93		Baruipur	24.06.14
94		Murshidabad	10.09.14
95		Tamluk	17.10.14
96		Nadia	28.01.15

Detail of Regional Workshops on Capacity Building of CAGs and consumer education programmes are as under:

Sl.No.	Place of WS/ CEP	Date
1.	Shillong	26.05.14
2.	Lucknow (U.P.)	18.07.14
3.	Surat (Gujarat)	26.09.14
4.	Raipur (Chhattisgarh)	21.11.14
5.	Puducherry (UT)	20.02.15

(h) Universal Service Obligation (USO)

2.11.8 The Authority in its Recommendations dated 14th May 2012 on Support for Rural Wire-line Connections, Installed Before 1st April 2002 stated that support to M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 1st April 2002. The amount of support may be Rs.1500 Crore for the first year and Rs.1250 Crore for the second year.

(i) Other Activities

MIS project

MIS portal has been launched during the year 2014-15. The service providers have started submitting their reports through this portal. The portal will help in collection of various report in electronic form and will help to generate all types of reports & dashboards for data analysis purpose. A trial run on reports submitted by the service providers are being carried out.

Consumer's Handbook

During the year 2014-15 the Authority initiated publication of 70,000 Consumers' Handbook on Telecommunications in 10 regional languages besides Hindi and English for distribution amongst consumers during the consumer outreach programmes. Out of which 30,000 copies in Hindi and English language have been published and distributed to Regional offices for further distribution in consumer education programmes

News Letter

A monthly Newsletter conveying important activities/initiatives taken by the Authority and other developments in Telecom and Broadcasting sectors was put together and electronically circulated to all CAGs.

Consumer Education

TRAI also released advertisements across the country in local newspapers to educate the public about Frauds related with Tower Installation. TRAI developed and broadcasted radio jingles on value added services (VAS) and Unsolicited Commercial Communication (UCC) through FM radio channels across the country.

Report on Activities

A Report on Activities of TRAI from 1st January 2014 to 31st December 2014 was also published to give the stakeholders a broader view and better understanding of initiatives taken by the Authority to enhance the growth of telecom and broadcasting sector and also the measures taken to protect the consumer interest.

ITU-TRAI Training Program

Acknowledging the importance of ICT in the evolution of smart cities, a training program on "Leveraging ICTs for Smart Sustainable Cities for Asia-Pacific Region" was conducted at New Delhi from 24-26 March, 2015 through a joint initiative of International Telecommunication Union (ITU) and Telecom Regulatory Authority of India (TRAI). Apart from 5 ITU experts, the training was attended by 18 international participants from the various countries viz. Malaysia, South Korea, China, Hong Kong, Nepal, Mongolia and Afghanistan and international organizations viz. ITU, WHO. The domestic participants were from various government departments/ Ministries, TRAI,Department of Telecommunications (DoT), Telecom Service Providers (TSPs) and their associations. The Asia-Pacific office of ITU engaged number of eminent international experts/speakers to share their experience and work done on the subject. Many experts/ eminent speakers from TRAI, Government of India and industry also shared their experiences on a wide variety of issues involved in the SSCs.

TRAI-ITU Symposium

In continuation to the training program conducted during 24-26 March, 2015, TRAI-ITU jointly organized a one day symposium on "ICT Regulatory challenges in Indian smart cities" on 27th March 2015. The agenda of the symposium focuses on initiatives taken on Indian smart cities and discuss the issues/challenges being faced by the stakeholders. The symposium was focused on ICT regulatory issues in the proposed smart cities in India.

Activity related to Broadcasting and Cable Services

(a) In order to monitor the compliance of the regulatory framework notified by the Authority, inspection of Head-ends of the MSOs, providing cable TV services in N.C.T. of Delhi, was carried out by Joint Team of TRAI and BECIL (A PSU under Ministry of Information & Broadcasting).

(b) A two day workshop was also organized by TRAI on 19th & 20th January, 2015 for Regional Offices of TRAI on the aspect of implementation of DAS.

j) International Relations

2.10.10 Bilateral Meetings

(i) A delegation from Nepal Telecom Authority (NTA) led by Mr.Suman Prasad Sharma, Secretary, Ministry of Information and Communications, Nepalvisited TRAI for the bilateral meeting on 18th June 2014.

(ii) A delegation from Nigerian Communication Commission (NCC) led by Engr. U.S.A. Maska, Executive Commissioner, Nigeria visited TRAI on 25th August 2014 for a bilateral meeting with Secretary TRAI.

(iii) Mr. Md. Sarwar Alam, Secretary of Bangladesh Telecommunication Regulatory Commission, Bangladesh visited TRAI on 18th September for the bilateral meeting with Secretary TRAI.

(iv) U.S.-India Business Council (USIBC) delegation consisting senior executives from U.S .technology companies visited TRAI on 20th November 2014 for a meeting with Chairman TRAI.

(v) A delegation from Bhutan InfoComm & Media Authority (BICMA) visited TRAI from 19-23 January, 2015 for attachment programme on the topics related to Accounting Separation and Spectrum Management & Planning.

Memorandum of Understanding (MoU):

TRAI signed the Memorandum of Understanding with Bhutan Infocomm and Media Authority (BICMA), Bhutan in Paro, Bhutan on 5th August 2014.

International Events hosted by TRAI

TRAI organized an ITU TRAI Training programme on "Leveraging ICT for Smart Sustainable Cities for Asia Pacific" from 24th to 26th March 2015 and TRAI Symposium on "ICT Regulatory Challenges in Indian Smart Cities" on 27th March 2015 at India Habitat Centre, New Delhi.

ITU-TRAI Training on Leveraging ICTs for Sustainable Smart Cities held in New Delhi from March 24-26, 2015.

TRAI-ITU Symposium on ICT Regulatory Challenges in Indian Smart Cities held at New Delhi on 27th March 2015

(From Left to Right) Shri Sudhir Gupta Secretary, TRAI, Shri R. K. Arnold , Member TRAI, Dr. Vijayalakshmy K Gupta, Member TRAI and Shri Sanjeev Banzal, Advisor, TRAI deliberating on the issue during an Open House Discussion held at New Delhi on 19th June 2014.

(From Left to Right) Shri Sudhir Gupta Secretary, TRAI, Shri R. K. Arnold , Member TRAI and Dr. Vijayalakshmy K Gupta, Member TRAI deliberating on the issue during an Open House Discussion held at New Delhi on 19th June 2014.

(From Left to Right) Shri Robert J. Ravi, Advisor TRAI, Shri Sudhir Gupta Secretary, TRAI, Shri Rahul Khullar, Chairman, TRAI Dr. Vijayalakshmy K Gupta, Member TRAI and Shri Suresh Kumar Gupta, Pr. Advisor, TRAI on dais during the inauguration session of the seminar on Regulatory Framework for OTT Services held at New Delhi on 5th August 2014.

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 TELECOM REGULATORY AUTHORITY OF INDIA ACT

Section 11 of the Telecom Regulatory Authority of India Act, 1997, as amended, provides that –

(1) notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the functions of the Authority shall be to—

(a) make recommendations, either suo motu or on a request from the licensor, on the following matters, namely:

(i) need and timing for introduction of new service provider;

(ii) terms and conditions of licence to a service provider;

(iii) revocation of licence for non-compliance of terms and conditions of licence;

(iv) measures to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services;

(v) technological improvement in the services provided by the service providers;

(vi) type of equipment to be used by the service providers after inspection of equipment used in the network;

(vii) measures for the development of telecommunication technology and any other matter relatable to telecommunication industry in general;

(viii) efficient management of available spectrum;

(b) discharge the following functions, namely:

(i) ensure compliance of terms and conditions of licence;

(ii) notwithstanding anything contained in the terms and conditions of the licence granted before the commencement of the Telecom Regulatory Authority of India (Amendment) Act, 2000, fix the terms and conditions of inter-connectivity between the service providers;

(iii) ensure technical compatibility and effective interconnection between different service providers;

(iv) regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services;

(v) lay-down the standards of quality of service to be provided by the service providers and 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 telecommunications service;

(vi) lay-down and ensure the time period for providing local and long distance circuits of telecommunication between different service providers;

(vii) maintain register of interconnect agreements and of all such other matters as may be provided in the Regulations;

(viii) keep register maintained under clause (vii) open for inspection to any member of public on payment of such fee and compliance of such other requirement as may be provided in the regulations;

(ix) ensure effective compliance of universal service obligations.

(c) levy fees and other charges at such rates and in respect of such services as may be determined by Regulations;

(d) perform such other functions including such administrative and financial functions as may be entrusted to it by the Central Government or as may be necessary to carry out the provisions of this Act:

Provided that the recommendations of the Authority specified in clause (a) of this sub-section shall not be binding upon the Central Government.

Provided further that the Central Government shall seek the recommendations of the Authority in respect of matters specified in sub-clauses (i) and (ii) of clause (a) of this sub-section in respect of new licence to be issued to a service provider and the Authority shall forward its recommendations within a period of sixty days from the date on which that Government sought the recommendations:

Provided also that the Authority may request the Central Government to furnish such information or documents as may be necessary for the purpose of making recommendations under sub-clauses (i) and (ii) of clause (a) of this sub-section and that Government shall supply such information within a period of seven days from receipt of such request:

Provided also that the Central Government may issue a licence to a service provider if no recommendations are received from the Authority within the period specified in the second proviso or within such period as may be mutually agreed upon between the Central Government and the Authority:

Provided also that if the Central Government having considered that recommendation of the Authority, comes to a prima facie conclusion that such recommendation cannot be accepted or needs modifications, it shall, refer the recommendation back to the Authority for its reconsideration, and the Authority may within fifteen days from the date of receipt of such reference, forward to the Central Government its recommendation after considering the reference made by that Government. After receipt of further recommendation if any, the Central Government shall take a final decision.

(2) Notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the Authority may, from time to time, by order, notify in the Official Gazette the rates at which the telecommunication services within India and outside India shall be provided under this Act including the rates at which messages shall be transmitted to any country outside India:

Provided that the Authority may notify different rates for different persons or class of persons for similar telecommunication services and where different rates are fixed as aforesaid the Authority shall record the reasons there for.

(3) While discharging its functions under sub-section (1) or subsection (2) the Authority shall not act against the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality.

(4) The Authority shall ensure transparency while exercising its powers and dischargingits functions.

3. 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.

3.1 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. 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 2014-15 are discussed in the following paragraphs.

3.1.1 TRAI looks after consumer interests through tariff regulation. Tariff regulation takes the form of ensuring clarity and transparency in tariff offers to consumers and fixing tariff charges where the market is not delivering optimal rates. The following specific measures taken in the telecom sector were:

➢ Telecommunications Tariff (Fifty seventh Amendment) Order 2014 dated 14th July 2014 & Telecommunications Tariff (Fifty eighth Amendment) Order 2014 dated 1st August 2014

After a comprehensive consultation, the Authority, through the TTO (Fifty seventh Amendment), 2014, brought about the following changes in the tariff regime for DLCs;

(i) Tariffs for DLCs of less than E1 capacity have been kept under forbearance.

(ii) Ceiling tariffs for DLCs of E1, DS-3 and STM-1 capacities have been reduced.

(iii) The DLCs of STM-4 capacity, the tariff for which was under forbearance, have been brought under tariff regulation by way of prescription of ceiling tariffs.

It is expected that with the implementation of the reduced ceiling tariffs, customers seeking DLCs on thin routes connecting small cities, remote and hilly areas like Assam, North East, Jammu and Kashmir and other areas such as Himachal Pradesh, Uttarakhand, Jharkhand, Orissa etc. (i.e. the routes which are not sufficiently competitive) would benefit.

➢ The Telecommunication Tariff (Fifty Ninth) Amendment Order dated 21st November 2014

Telecommunication Tariff (59th Amendment) Order, 2014 dated 21st November 2014, the Authority granted the following exemptions to ISPs in respect of tariff reporting requirement:

(i) An ISP shall be exempted from the tariff reporting requirement during a financial year if the total number of its subscribers is less than ten thousand (<10,000) on the last day of the preceding financial year.

(ii) The existing exemption given to access service providers in respect of tariff schemes offered to bulk customer in response to a tender process or as a result of negotiations between the access provider and such bulk customer has been extended to the ISPs also.

Such exemption would help the small ISPs in reducing their compliance costs and once they achieve a subscriber base of 10,000 they will come under the ambit of tariff reporting requirement.

3.1.2 In Broadcasting Sector also, during the reporting period, the Authority notified various tariff orders for DAS, DTH for regulating the broadcasting tariff to safe guard the interest of the customers. The following specific measures were taken in the broadcasting sector.

➢ Amendment to Tariff Orders pertaining to 'Commercial Subscribers'

In a matter relating to a tariff order prescribing tariffs for commercial subscribers, the Hon'ble Supreme Court, in April 2014, asked TRAI to come out with a new tariff dispensation for such subscribers. Accordingly, on 16th July and 18th July 2014, TRAI notified amendments to tariff orders / regulations pertaining to commercial subscribers of broadcasting and cable TV services. These amendments bring clarity regarding the manner of distribution of TV signals to commercial subscribers, prescribe tariffs based on intended use of the TV signals, with an aim to enhance transparency in tariff regulation. The salient features of the tariff orders / regulations are:

- Commercial establishments that do not specifically charge clients/guests on account of providing/showing television programmes to them, and offer such services as part of amenities, are to be treated like ordinary subscribers, and charges would be on a per television basis;
- In cases where commercial establishments specifically charge clients/guests on account of providing/showing television programmes, the tariff would be determined on mutually agreed terms between the broadcaster and the commercial subscriber;
- In all cases, the commercial subscriber would obtain television services only from a distribution platform operator (MSO/DTH operator/Cable Operator/IPTV operator/ HITS operator).

➢ Amendment to the Tariff Order for Analogue Cable TV systems

TRAI has been regulating tariff for the broadcasting and cable TV services since 2004. The objective that has been set for it is to give relief and protection to consumers of broadcasting and cable TV services from frequent hikes in cable TV charges. Accordingly, in the principal tariff order notified in 2004 for cable TV services offered through analog cable TV systems, TRAI prescribed that the prevailing charges at various levels, as on 26th December 2003, shall be the tariff ceilings. However, TRAI has reviewed the prescribed ceilings, from time to time, to make adjustments for inflation. Certain provisions of the tariff order were under judicial scrutiny since 2008 and a tariff determination exercise was under way as per directions of the Hon'ble Supreme Court. Therefore, from January 2009 to March 2014, periodic reviews to make inflation linked adjustments could not be carried out. In March 2014, on direction of the Hon'ble Supreme Court, the Authority carried out the review.

Based on the rise in the wholesale price index (WPI) over the last five years and considering other relevant factors, the Authority came to a conclusion that an overall 27.5% inflation hike is to be allowed, both at the wholesale and retail levels. Taking into account the consumer's interest, the Authority prescribed that this hike be implemented in two installments. The first installment of 15% was made effective from 1st April 2014. This was notified vide the Telecommunications (Broadcasting & Cable) Services (Second) Tariff (Eleventh Amendment) Order 2014 dated 31st March 2014. The second installment for the remaining inflation-linked increase was to be made effective from 1st January 2015 which was to be notified subsequently. This was expected to give adequate and reasonable time to all stakeholders to adjust to these hikes. To take care of the second installment of the inflation linked hike, the Authority notified the Telecommunications (Broadcasting & Cable) Services (Second) Tariff (Thirteenth Amendment) Order 2014 dated 31st December 2014. These tariff orders have been appealed in the TDSAT and presently sub-judice.

➢ Amendment to the tariff order applicable for non-addressable (Analogue Cable TV) systems.

TRAI notified on 6th January 2015, the Tariff (Amendment) Order applicable for non-addressable (Analogue Cable TV) systems in accordance with the Hon'ble Supreme Court order dated 17th September 2014. The key provisions in the said tariff order pertain to principle for pricing of new channels and free-to-air channels converted to pay channels, mandatory a-la-carte offering of channels at wholesale level and twin conditions, for non addressable (analogue cable TV) systems. The existing provisions in this regard have not been changed.

In addition, in this Tariff (Amendment) Order, it has also been specifically clarified that in cases where the operators implement Digital Addressable Cable TV Systems (DAS) before the cut-off dates notified by the Government, the regulatory regime pertaining to DAS will apply and that the broadcaster will have to declare the genre of the channels from amongst the specified genres.

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.

3.2 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 forwarded by TRAI to Government during 2014-15 are given below:-

- Recommendations dated 1st May 2014 on "Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR".
- Recommendations dated 12th May 2014 on "Provisioning of INMARSAT/ Satellite Phone services".
- TRAI response dated 21st July 2014 to DoT reference dated 2nd July 2014 on "Full Mobile Number Portability".
- Recommendations dated 21st July 2014 on "Guidelines on Spectrum Sharing".
- Recommendations dated 22nd July 2014 on "Improving Telecom Services in Andaman and Nicobar Islands and Lakshadweep".
- Recommendations dated 29th August 2014 on "Allocation and pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers".
- Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".
- TRAI Response dated 24th November 2014 on DoT's Reference back on Recommendations dated 15th October 2014

on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".

- TRAI's Response dated 27th November 2014 on DoT's Reference back to Recommendations dated 22nd February 2014 on 'Reserve Price for Auction on Spectrum in 800 MHz'.

- Recommendations dated 31st December 2014 on "Valuation and Reserve Price of Spectrum: 2100 MHz".

- Recommendations dated 6th January 2015 on "Definition of Revenue Base (AGR) for the Reckoning of Licence fee and Spectrum Usage Charges".

- TRAI response dated 15th January 2015 on DoT reference back on recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band dated 31st December 2014".

- Recommendations dated 23rd July 2014 on "Issues related to New DTH Licenses".

- Recommendations dated 12th August 2014 on "Issues rrelating to Media Ownership".

- Recommendations dated 29th August 2014 on "Issues related to Community Radio Stations".

- Additional Recommendations/Response dated 5th September 2014 on "Reduction of minimum channel spacing within a license service area from 800 KHz to 400 KHz and Migration of FM Radio Broadcasters from Phase-II to Phase-III".

- Recommendation/Clarification dated 14th November 2014 on the issue of Prasar Bharti's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory sharing with Prasar Bharti) Act, 2007 (henceforth, the Sports Act).

- Recommendations dated 19th November 2014 on "Regulatory Framework for Platform Services".

- Recommendations/Clarification dated 22nd January 2015 on the "Use of DTH by Central/State Governments".

- Recommendations dated 24th March 2015 on "Reserve Prices for Auction of FM Radio channels in New Cities".

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

c) Ensuring technical compatibility and effective inter-connection

3.3 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. Accordingly, the following interconnection charges were prescribed by TRAI during the reporting period:-

➢ Consultation Paper on 'Interconnect Usage Charges (IUC)' Dated 19th November 2014

The IUC regime not only determines the revenue accruable to the service providers but also how this revenue is to be distributed among them. An efficient interconnection and charging regime is central to efficient and seamless connectivity between networks. The Authority carried out a review exercise through this consultation.

➢ The Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations, 2015 dated 23rd February 2015

Based on the outcome of the Consultation process and internal analysis, the Authority issued an amendment to IUC Regulations by revised Domestic and International Termination charges. Key features of the Regulations are as follows:

(i) Mobile Termination Charge (MTC) for all calls originating and terminating in wireless network has been reduced from 20 paise per minute to 14 paisa
per minute;

(ii) To promote investment in and adoption of wireline network as an effective vehicle for delivery of high speed internet in the country, the Authority has decided to prescribe Fixed Termination Charges (FTC) as well as MTC for wireline to wireless calls as zero. Accordingly,

(a) MTC for all calls originating from wireline has been set to zero;

(b) FTC for all calls originating either from wireline network or from wireless network has been set to zero;

(iii) Termination charge for international incoming calls has been increased to 53 paisa per minute from existing 40 paisa per minute;

The Regulations became effective from 1st March, 2015.

➢ The Telecommunication Interconnection Usage Charges (Twelfth Amendment) Regulations, 2015 dated 24th February 2015

The Authority after due consultation process amended the IUC Regulations for Domestic Carriage charges. Through these amendments, the Authority has reduced the ceiling of the domestic carriage charge to Rs. 0.35 (35 Paise) per minute from the existing Rs. 0.65 (65 Paise) per minute. The Regulations became effective from 1st March, 2015.

BROADCASTING SECTOR

➢ The Telecommunication (Broadcasting And Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Fourth Amendment) Regulation, 2014 dated 18th July 2014 & The Telecommunication (Broadcasting And Cable Services) Interconnection (Eighth Amendment) Regulation, 2014 dated 18th July 2014

The amendments in the interconnection regulation, applicable both for Digital addressable Cable TV systems and non-addressable systems, amongst others, incorporated the definition of "Commercial establishment” and the definition of “commercial subscriber was suitably amended. This is also in line with the tariff prescription and the manner of offering of television services to the commercial subscribers. With the coming into force of these changes in the regulatory framework, the distribution of TV services to the commercial subscribers would be streamlined and the services would be available to them at competitive rates. The regulatory framework is likely to balance the interests of all the stakeholders in the value chain and bring in complete transparency in the business transactions.

d) Regulating arrangement amongst service providers of sharing their revenue derived from providing telecommunication service.

3.4 **The International Calling Card Services (Access Charges) Regulations, 2014 dated 19th August 2014**

The Authority after due consultation and analyses of the matter, formulated and issued the Regulations on international Calling Card service prescribing access charges payable by International Long Distance Operator (ILDO) to the Access Service Provider in case the customer of Access Service Provider avails of the Calling Card service of ILDO. As per these regulations, Access Charges to be paid by ILDO to Access Provider shall be 40 paisa per minute for wireless services and Rs.1.20 per minute for wireline services.

e) Time period for providing local and long distance circuits of telecommunication between different service providers.

3.5 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.

f) Ensuring compliance of the Terms and Conditions of License.

3.6 **Direction dated 5th February 2015 to service providers to comply with the instructions issued by the Department of Telecommunications on Short Codes and use of special characters**

The Authority, vide its letter dated 4th July 2014 had directed the service providers to furnish information on short codes in the prescribed format. In the reports received from the service providers, it was noted that service providers have violated the instructions of the licensor on short codes and the provisions of the National Numbering Plan.

Accordingly, the Authority vide its Direction dated 5th February 2015 directed all the Unified Licence (Access Service), Unified Access Service Providers, Cellular Mobile Telephone Service providers to comply with the instructions issued by the licensor and the provisions of the Telecom Consumers Protection Regulations, 2012 on the use of short codes and special characters.

- **Direction dated 2nd March 2015 to M/s Vodafone India Ltd. to discontinue use of level '111'**

Department of Telecommunications had issued the National Numbering Plan, 2003 wherein the number/prefix 111 to 115 have not been allocated for any type of services and have been kept as 'SPARE'.

The Authority observed that the customers of M/s Vodafone India Ltd. are being urged to call '111' to get internet settings on their handset for pre-paid data offers, postpaid 3G data packs, self help for data services, Blackberry internet offers and to find out the balance.

The Authority issued a Show Cause Notice dated 2nd February, 2015 to M/s Vodafone India Ltd. for violation of the National Numbering Plan, 2003.

The Authority vide its direction dated 2nd March 2015 and amendment dated 27th March 2015 sought the compliance report on the above direction by 30th April 2015 from the concerned service provider.

g) Steps taken to protect the Interest of the Consumers of Telecommunications Services.

In order 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, TRAI had recently reviewed the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006 and issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) (Amendment) Regulations, 2013 on 25th March, 2013. 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 31st July 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 15th November of every financial year. Further, for effective implementation of these regulations TRAI has also enforced financial disincentive at the rate of

Rs.1,00,000/-per week for delay in submission of Audit Reports and Action Taken Reports and Financial disincentive not exceeding an of Rs.10,00,000/- per action taken report for false or incomplete information. The service providers have submitted the audit reports and action taken reports within the time limit. The audit has helped in identifying billing and charging deficiencies leading to refunds of excess charges levied to affected customers and addressing systemic issues.

- **Direction for obtaining explicit consent of consumers for provisioning non-subscription based Value Added Service products embedded in SIM Application Tool Kit (STK) of SIM card dated 14th November 2014**

This direction seeks to address the concerns raised by consumers relating to activation and deactivation of non-subscription based value added service products embedded in SIM Application Tool Kit (STK) of SIM Card. The service providers were directed that the value added service for products embedded in the SIM Application Tool Kit(STK) of SIM Card is provided to the consumer only after obtaining the explicit consent of the consumer. The direction also defines the way as to how the service providers have to obtain the explicit consent of consumers.

- **Directions dated 30th September 2014 and 7th November 2014 to M/s Loop Mobile (India) Ltd. with regard to closure of services in Mumbai Licensed Service Area (LSA) due to expiry of its CMTS licence on 29th November 2014**

Due to expiry of its Cellular Mobile Telephone Service (CMTS) licence, M/s Loop Mobile (India) Limited closed its operation on 29th November, 2014. To protect the interest of consumers of M/s Loop Mobile and to provide advance information about closure of service of M/s Loop and facilitate subscribers of M/s Loop to port their mobile number to the service provider of their choice without any hassle, the Authority directed M/s Loop Mobile (India) Ltd. on 30th September 2014, to inform the date of closure of its services in Mumbai LSA to all its subscribers in its Mumbai service area either in writing or by sending SMS/ e-mail, within ten days of the issue of the said direction. The Authority also informed all subscribers of M/s Loop in Mumbai service area through a press release to port out from Loop's network before 29th November 2014.

BROADCASTING SERVICES

In order to protect the interest of the consumers of Broadcasting services, the Authority reviewed the Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012 and Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 on 25th March, 2015. It was observed that the prescribed norms for billing and issue of receipts for every payment made by subscribers are not being complied with by the MSOs. Such non-compliance resulted in numerous legitimate consumer grievances.

The QoS Regulations prescribe that the cable TV services shall be offered to the subscribers both on pre-paid and post paid payment models, with subscribers' having option to choose either. In the amendment Regulation, notified, an explanation was incorporated, which clarified that the pre-paid option offered by MSO shall be implemented through electronic pre-paid mechanisms. Further, in order to ensure that the MSOs honour the pre-paid or post-paid option chosen by a subscriber, in a timely manner, a financial disincentive not exceeding Rs. 100/- per subscriber has been made on the MSO for each contravention.

The MSOs were given a period of 60 days to align their business processes for compliance with the provisions of the Regulations. The Authority is of the view that the imposition of financial disincentives would effectively curb the non-compliance of the provisions of the regulations and would benefit consumers and the Cable TV sector.

➢ **Third Amendment to the Direction dated 10th February 2010 regarding updation of Service Provider Codes for Unique Porting Code**

To assist the customer in identifying the source and origin of the SMS sent by a TSP, the Authority directed that the alpha numerical identifier provided, along with the code of the service area, be sent for all commercial SMSs for sender identification. After the issuance of the direction, some service providers have ceased operation and licenses have been issued to new service providers necessitating new allocation of codes for the service providers. Through this amendment, the revised list of codes for the service providers were notified.

h) Steps taken to facilitate competition and promote efficiency in the operation of telecommunication services so as to facilitate growth in such services.

3.8.1 TRAI has always endeavoured to establish policies that are contemporary, in tune with the current developments, simple, 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.

3.8.2 To facilitate competition and promote efficiency in the operation of telecommunications and Broadcasting services TRAI issued the following Regulations during 2014-2015:

- The Telecom Commercial Communications Customer Preference (Fifteenth Amendment) Regulations 2014 dated 7th April 2014.

- Quality of Service of Broadband Service (Second Amendment) Regulations 2014 dated 25th June 2014.
- Telecommunication Consumers Education and Protection Fund (Third Amendment) Regulations 2014 dated 26th June 2014.
- Telecom Consumers Complaint Redressal (Third Amendment) Regulations 2014 dated 1st July 2014.
- The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Fourth Amendment) Regulation, 2014 dated 18th July 2014.
- The Telecommunication (Broadcasting and Cable Services) Interconnection (Eighth Amendment) Regulation, 2014 dated 18th July 2014.
- The Standards of Quality of Service for Wireless Data Services (Amendment) Regulations 2014 dated 24th July 2014.
- The International Calling Card services (Access charges) Regulations 2014 dated 19th August 2014.
- The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service (Third Amendment) Regulations 2014 dated 21st August 2014.
- The Telecom Commercial Communications Customer Preference (Sixteenth Amendment) Regulations 2014 dated 10th December 2014.
- The Telecommunication Interconnection Usage Charges (Eleventh Amendment) Regulations 2015 dated 23rd February 2015.
- The Telecommunication Interconnection Usage Charges (Twelfth Amendment) Regulations 2015 dated 24th February 2015.
- The Telecommunication Mobile Number Portability (Sixth Amendment) Regulations 2015 dated 25th February 2015.
- The Standards of Quality of Service (Digital Addressable Cable TV Systems) (Amendment) Regulations, 2015 dated 25th March 2015.

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

3.9 TRAI is mandated to decide the tariff policies for telecommunications and broadcasting services. TRAI looks after consumer interests through tariff regulation. Tariff regulation takes the form of ensuring clarity and transparency in tariff offers to consumers and fixing tariff charges where the market is not delivering optimal rates. The following specific measures taken in this direction were:

- The Telecommunication Tariff (Fifty Seventh) Amendment Order dated 14th July 2014.
- Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Twelfth

Amendment) Order, 2014 dated 16th July2014.

- Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (Fourth Amendment) Order, 2014 dated 18th July 2014.

- The Telecommunication Tariff (Fifty Eighth) Amendment Order dated 1st August 2014.

- The Telecommunication Tariff (Fifty Ninth) Amendment Order dated 21st November 2014.

- Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Thirteenth Amendment) Order, 2014 dated 31st December 2014.

- Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Fourteenth Amendment) Order, 2015 dated 6th January 2015.

The details of these Tariff Orders have already been discussed in the Part II of the report.

j) Steps taken to ensure effective compliance of universal service obligation (USO)

3.10 The Authority in its recommendations dated 14th May 2012 on support for Rural Wire-line Connections, has recommended that support to M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 1st April 2002. The amount of support may be Rs.1500 crore for the first year and Rs.1250 crore for the second year. Further, the Authority vide its recommendations dated 22nd July 2014 on "Improving Telecom Services in Andaman and Nicobar Islands and Lakshadweep" has recommended measures for improving the telecom services in these areas.

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.

3.11 Details of advice rendered by TRAI to the Central Government in the matters relating to development of telecommunication and broadcasting cable sectors are given below:

- Recommendations dated 1st May 2014 on "Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR".

- Recommendations dated 12th May 2014 on "Provisioning of INMARSAT / Satellite Phone services".

- TRAI response dated 21st July 2014 to DoT reference dated 2nd July 2014 on "Full Mobile Number Portability".

- Recommendations dated 21st July 2014 on "Guidelines on Spectrum Sharing".

- Recommendations dated 22nd July 2014 on "Improving Telecom Services in Andaman and Nicobar Islands and Lakshadweep".

- Recommendations dated 23rd July 2014 on "Issues related to New DTH Licenses".

- Recommendations dated 12th August 2014 on "Issues relating to Media Ownership"
- Recommendations dated 29th August 2014 on "Allocation and pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers".
- Recommendations dated 29th August 2014 on "Issues related to Community Radio Stations".
- Additional Recommendations/Response dated 5th September 2014 on "Reduction of minimum channel spacing within a license service area from 800 KHz to 400 KHz and Migration of FM Radio Broadcasters from Phase-II to Phase-III".
- Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".
- TRAI Response dated 24th November 2014 on DoT's Reference back on Recommendations dated 15th October 2014 on "Valuation and Reserve Price of Spectrum: Licences Expiring in 2015-16".
- Recommendation/Clarification dated 14th November 2014 on the issue of Prasar Bharti's proposed amendment to a provision of the Sports Broadcasting Signals (Mandatory sharing with Prasar Bharti) Act, 2007 (henceforth, the Sports Act).
- TRAI's Response dated 27th November 2014 on DoT's Reference back to Recommendations dated 22nd February 2014 on 'Reserve Price for Auction on Spectrum in 800 MHz'.
- Recommendations dated 19th November 2014 on "Regulatory Framework for Platform Services".
- Recommendations dated 31st December 2014 on "Valuation and Reserve Price of Spectrum: 2100 MHz".
- Recommendations/Clarification dated 22nd January 2015 on the "Use of DTH by Central/State Governments".
- Recommendations dated 6th January 2015 on "Definition of Revenue Base (AGR) for the Reckoning of Licence fee and Spectrum Usage Charges".
- TRAI response dated 15th January 2015 on DoT reference back on recommendations on "Valuation and Reserve Price of Spectrum: 2100 MHz Band dated 31st December 2014".
- Recommendations dated 24th March 2015 on "Reserve Prices for Auction of FM Radio channels in New Cities".

The details of these Recommendations are given in Part II of the Report.

Besides this, following advise has been rendered by TRAI to Central Government in matters related to development of Broadcasting and Cable Sector:-

- TRAI's response to MIB reference dated 25th August, 2014 on Recommendations on Migration of FM Radio Broadcasters from Phase-II to Phase-III dated 20th February, 2014 on 5th September 2014.
- Advice of the Authority with regard to grant of permission for setting up of a diversity

site by a DTH operator in response to MIB's letter dated 11th April 2014 on 8th May 2014.

- Advice of the Authority on issues related to grant of permission for setting up of standby / redundant uplinking antennae to DTH operators in response to MIB's letter dated 16th April 2014 dated 27th June 2014.
- Letter of the Authority with reference to MIB's letter dated 25th June 2014 regarding suitable amendments to the uplinking Guidelines, relating to grant of permission for uplinking by Indian News Agencies on 26th September 2014.

l) Monitoring of the quality of services and details of promotional survey of such services by the service providers.

a) Basic and Cellular Mobile Services

TRAI monitors the performance of Basic and Cellular Mobile service against the benchmarks prescribed by TRAI through quarterly performance monitoring report (PMR) received from service providers in accordance with the above directions. In order to improve the quality of service provided by the service providers TRAI has prescribed financial disincentive through The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service(Second Amendment) Regulations, 2012 dated 8th November 2012 on Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service operators for non-compliance with the benchmark for the Network Service Quality Parameters and Customer Service Quality Parameters. These regulations also provide for deterrent as financial disincentives against false reporting and delay in submission of report of the Quality of Service benchmarks.

b) Broadband Service

TRAI monitors the performance of the service providers against the Quality of Service benchmarks laid down by TRAI, through the quarterly Performance Monitoring Reports (PMRs) vide Regulation on Quality of Service of Broadband Service dated 6th October, 2006. The quarterly reports submitted by Broadband service providers are analysed for assessing their performance with regard to the QOS benchmark.). To further strengthen the quality of standards TRAI had issued "The Quality of Service of Broadband Service (Second Amendment) Regulations, 2012, on 25th June 2014 for improve the speed of Broadband.

c) Network/Point of Interconnection (POI) reports

TRAI is monitoring the level of congestion at the POI between various Service Providers on Monthly basis. This parameter signifies the ease by which a customer of one network is able to communicate with a customer of another network. This parameter also reflects as to how effective is the interconnection between two networks. The bench mark notified by TRAI in the QoS Regulations for this parameter is <0.5%. TRAI receives monthly PoI

Congestion Reports from Basic and Cellular Mobile Services for assessing their performance with regard to Quality of Service benchmarks.

d) Assessment of Quality of Service through independent agencies

TRAI also monitor the Quality of Service through audit and assessment done by independent agencies. These reports are analysed and released on the website of TRAI for information of all stakeholders. Also the areas of concern pointed out in the reports are shared with the service providers for improving Quality of Service.

e) Assessment of customer perception of service through surveys

In accordance with the mandate given by the TRAI Act, 1997, TRAI undertakes through independent agencies assessment of customer perception of service provided by service providers through surveys. The work for the assessment of (i) implementation of effectiveness of various regulations, directions, and orders issued by TRAI in the interest of consumers and (ii) customer perception of telecom service being provided by Basic, Cellular Mobile and Broadband service providers, through Survey was awarded on zonal basis viz North Zone, West Zone, South Zone and East Zone. All the service areas in the zone are surveyed once in a year. The survey work awarded to the independent survey agencies namely M/s Spectrum India Planning Ltd. M/s IMRB International, M/s Voice and M/s Mott MacDonald, for conducting survey respectively in West Zone, East Zone, North Zone and of West Zone.

As per the methodology of the survey, survey questionnaire has been framed to assess customer perception service relating to seven quality of parameters specified in the regulation and for assessing effectiveness of the regulations relating to awareness about grievances redressal mechanism, implementation of mobile number portability and UCC regulation. The respondent were asked to rate their satisfaction on a scale of 1-7 , where 1 implies 'extremely dissatisfied' and 7 implies 'extremely satisfied'. To measure the percentage of consumer satisfied on various QoS parameters, the score of 4-7 is considered, where score of 4 is considered as 'not dissatisfied', 5 is considered as ' satisfied' , 6 is considered as very satisfied', 7 is considered as 'extremely satisfied'. Customer Satisfaction (CS) is computed using the formula CS = (A/N)*100, where A is the sum total of subscriber who were ' not dissatisfied' + 'satisfied' + 'very satisfied' + 'extremely satisfied' on each of the broad parameter and N is the total sample size achieved.

The Survey reports submitted by the Survey Agencies are uploaded on TRAI website www.trai.gov.in for information of stakeholders.

PART-IV

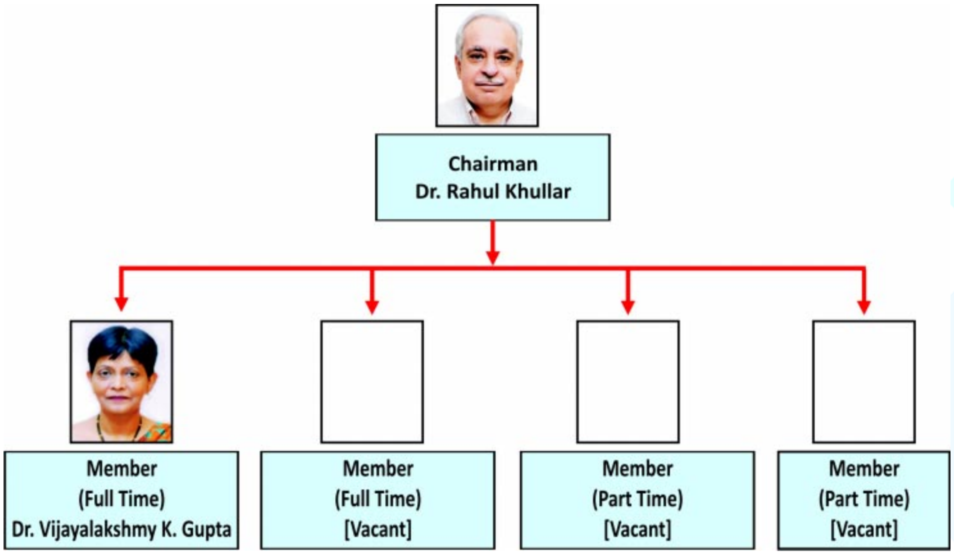
ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA AND FINANCIAL PERFORMANCE

A) ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA

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

(a) 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 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. The constitution of the Authority as on 31st March 2015 is as given at previous page.

(b) SECRETARIAT OF TRAI (HQ)

3. The Authority functions with a Secretariat headed by the Secretary and assisted by seven divisions which are as follows:

(i) General Administration (GA); (ii) Broadcasting & Cable Services (B&CS); (iii) Consumer Affairs and Quality of Service (CA&QoS) (iv) Financial & Economic Analysis (F&EA) (v) Legal; (vi) Networks, Spectrum and Licensing (NSL); (vii) Technological Development (TD).

GENERAL ADMINISTRATION

4. General Administration Division is responsible for all administrative and personnel functions which include planning and control of human resource development in TRAI as well as ensuring coordinated availability of information on enforcement of all the Regulations/ Directions/Orders issued by TRAI for the Authority's use. General Administration Division has the responsibility of management and control of activities of Administration & Personnel Section, General Administration Section, Communication Section, International Relation Section, RE&RO Section, OL Section, MR Section and RTI Section. On Regulatory Enforcement front, it is responsibility of the Division directly concerned with the relevant regulation. However, General Administration Division ensures coordinated availability of information in respect of all Divisions and collates the information for the Authority's use. The Division through its IR Section, also handles 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.

BROADCASTING & CABLE SERVICES (B&CS) DIVISION

5. The Broadcasting and Cable Services (B&CS) Division is responsible for advising the Authority, for laying down the overall regulatory framework for the broadcasting, cable TV and FM Radio sectors: encompassing the interconnection, Quality of Service and tariff aspects, to ensure, effective interconnection between the service providers, implementation of laid down quality of service and tariff norms by service providers and compliance of license conditions by the service providers. B&CS division is also responsible for examination of issues relating to the modernization/ digitization of the Broadcasting, cable TV and FM Radio sectors and proposing recommendations or lay down the necessary regulatory framework regarding the same. The Division is also entrusted with monitoring and follow up of the complaints as provided for in the laid down regulations, measures to protect the interest of all the stakeholders including the consumers, and proposing

recommendations regarding introduction of new services in the broadcasting, Cable TV and FM radio sectors.

CONSUMER AFFAIRS AND QUALITY OF SERVICE (CA & QOS) DIVISION

6. CA & QoS 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 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 division for protection of interest of consumers include organizing 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.

The division is responsible for laying down the standards of quality of service to be provided by the service providers; to 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 services. The division is also responsible for maintaining register of interconnect agreements and all such other matters as may be provided in the regulations.

FINANCIAL & ECONOMIC ANALYSIS (F&EA) DIVISION

7. F&EA 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. The 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 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.

Pr. Advisor (F&EA) is also 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.

NETWORKS, SPECTRUM AND LICENSING (NSL) DIVISION

8. NSL 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. The 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.

The Division is responsible for the issues related to management of Spectrum including, inter-alia, its efficient utilizations and its refarming. It also deals with issues related to introduction of new wireless technologies and related regulatory issues. The 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.

LEGAL DIVISION

9. 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.

TECHNOLOGICAL DEVELOPMENT (TD) DIVISION

10. 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 TD 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. The Division handles the issues related to Next Generation networks and matters, manufacturing for telecom sector, environmental issues, infrastructure management, electromagnetic radiation and public safety and 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 is also entrusted with the responsibility of managing IT resources including local and remote servers and publication of Technology Digest which focuses on one Technology in every issue.

(c) HUMAN RESOURCES

(i) Staff strength of TRAI Headquarters (as on 31.03.2015)

11. A staff of 186 (as on 31.03.2015) is handling the work in the Secretariat of TRAI (HQ), which performs the tasks assigned to it by the Authority in the discharge of its functions. Wherever necessary, Consultants are engaged.

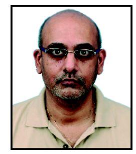
12. As on 31.03.2015, the Staff strength of the TRAI (Headquarters) was as under:

S.NO.	POSTS	SANCTIONED	ACTUAL
1.	SECRETARY	01	01
2.	PR. ADVISOR / ADVISOR	14	14
3.	JT. ADVISOR /DY. ADVISOR	35	27
4.	SR. PR. PRIVATE SECRETARY	03	03
5.	SR. RESEARCH OFFICER	37	24
6.	PPS	02	02
7.	TECHNICAL OFFICER	12	12
8.	SECTION OFFICER	19	10
9.	PRIVATE SECRETARY	14	09
10.	ASSISTANT	48	47
11.	LIBRARIAN	01	—
12.	PERSONAL ASSISTANT	18	14
13	STENO 'D'	01	—
14.	JR. HINDI TRANSLATOR	01	—
15.	LDC	07	02
16.	DRIVERS	15	13
17.	PCM OPERATOR	02	02
18.	DESPATCH RIDER	01	01
19.	ATTENDANTS	08	05
	TOTAL	**239**	**186**

13. Details of Secretary, Pr. Advisors / Advisors Level Officers in TRAI (HQ)

Sl.No.	Name of the Officer/Designation	
1.	Sh. Sudhir Gupta Secretary	
2.	Sh. N. Parameswaran Principal Advisor (NSL)	
3.	Sh. Suresh Kumar Gupta Principal Advisor (CA&QOS)/(TD)	
4.	Sh. S.K. Mishra Principal Advisor (F&EA)	

Sl.No.	Name of the Officer/Designation	
5.	Sh. Sunil Kumar Gupta Principal Advisor (B&CS)	
6.	Sh. C.P.S. Bakshi Advisor (Admin. & IR)	
7.	Sh. Wasi Ahmad Advisor (B&CS)-I	
8.	Sh. Sunil Kumar Singhal Advisor (B&CS)-II	
9.	Sh. Agneshwar Sen Advisor (B&CS/CA)	
10.	Sh. Arvind Kumar Advisor (NSL)-I	
11.	Sh. Sanjeev Banzal Advisor (NSL)-II	
12.	Sh. Amit Mohan Govil Advisor (Legal)	

Sl.No.	Name of the Officer/Designation	
13.	Sh. A. Robert Jerard Ravi Advisor (CA&QOS)	
14.	Sh. Manish Sinha Advisor (F&EA)	
15.	Sh. Maruthi Prasad Tangirala Advisor (F&EA)	

14. 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 a period of two years and thereafter, if required, requests are sent to concerned Government Departments / Organisations for extending their deputations. Seeking extension of deputations in respect of trained and experienced existing employees has often proved to be difficult. While the scope, scale and complexity of Authority's functions continue to grow at a fast pace, the Authority is facing the problem of losing trained and experienced personnel due to their frequent repatriation to their parent departments. The Authority has, therefore, constituted a cadre of officers and staff with specialized expertise and skills with the option of permanent absorption in TRAI.

ii) Recruitment

15. 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 deputationists, particularly in the senior and middle levels do 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. However, Authority has been experiencing difficulty in recruiting specialized manpower on account of unattractive terms & conditions of service.

iii) Training

16. TRAI accords utmost importance to human resource initiatives to develop expertise for its staff in the fields of Telecom and Broadcasting especially related to tariffs and quality of services standards, conduct of surveys on Quality of Service and other consumer related matters. This initiative has proved to be useful for its officers and staff in participating effectively in the consultative process for the Authority, both through the preparation of consultation papers and analysing feedback and responses received and also during Open House Discussion. This has also helped in developing the policy framework to address various issues which arise in regulating the telecom sector. In selecting and designing training programmes / workshops, TRAI's endeavour is to impart diverse skills for macro level policy and handling of techno-economic operating details relevant for implementation and monitoring of policies. Special programmes need to be identified or designed and run to meet the specific needs of TRAI, the Authority sponsors its officers for international training under the 'Institutional Capacity Building Project' for further developing their expertise within the organization.

17. A 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. 55 Officers/Officials of TRAI were deputed for various domestic training programmes which included "IT skill training programme" conducted through National Institute of Electronics & Information Technology (formerly DOEACC Society), New Delhi, "3G Mobile, Broadband & OFC" through Advance Level Telecom Training Centre, BSNL, Ghaziabad and training programme on "Accounts & Finance" through NIFM, Faridabad as well as ASCI, Hyderabad etc.

18. TRAI also has in place a system of in-house training and workshops, wherein distinguished national and international experts are invited for interaction with its officers on latest developments in the telecom sector. These are the steps for capacity building by TRAI for its officers and staff.

(iv) Seminar / Workshops

19. In order to keep pace with the developments taking place globally, the Authority has deputed members of its staff to 24 international events, meetings and symposia which not only helped gather valuable feedback / inputs for its own policy formulation as well to keep abreast with the latest development in the fields of technology, but has also contributed to the international efforts being focused on issues of major regulatory concerns in India and many other countries and enabled India to play a leading role in emerging global information society.

v) Office accommodation

20. As per the policy of the Government of India TRAI is an eligible office for Office Accommodation from Government pool. But, since its inception in 1997 TRAI has been functioning through rented accommodation. In the past TRAI had made vigorous efforts to get its own office premises through Ministry of Communications & IT but to no avail. TRAI being an autonomous regulatory body for regulating the affairs of Telecom Sector and Broadcasting and Cable Services needs its 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

21. 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

22. 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 2014-15 was Rs.58.64 crore; out of this, Rs.10.66 crore was incurred during 2014-15 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.

23. 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) OPENING OF TRAI REGIONAL OFFICES

24. Authority had approved opening of 11 (eleven) Regional Offices of TRAI at various locations across the country. The Authority reviewed the working of the Regional Offices and approved closure of 5 Regional Offices located at Chandigarh, Patna, Mumbai, Guwahati and Lucknow and continuation of 6 Regional Offices located at Hyderabad, Kolkata, Bengaluru, Bhopal, Jaipur and Delhi during 2014-15 with revised License Service Areas. These Regional Offices of TRAI are operating on Pilot Project basis under Plan Fund as part of Capacity Building Project of TRAI. The locations of Regional Office with revised License – Service Areas covered (during 2014-15) are as follows:-

Sl.No.	Location of the 6 TRAI ROs	License Service Areas covered by each RO
1	Kolkata	West Bengal, Kolkata, North East, Assam, Bihar
2	Bengaluru	Karnataka, Kerala, Maharashtra, Mumbai
3	Hyderabad	Andhra Pradesh, Tamilnadu including Chennai, Orissa
4	Bhopal	Madhya Pradesh, UP (East), UP(West)
5	Jaipur	Rajasthan, Himachal Pradesh, Haryana, Jammu & Kashmir, Punjab, Gujarat
6	Delhi	Delhi

Staff strength of TRAI Regional Offices (as on 31.03.2015)

25. As on 31.03.2015, the Staff strength of the TRAI (Regional Offices) was as under:

SL.NO.	POSTS	SANCTIONED	ACTUAL
1.	ADVISORS	6	5
2.	JT. ADVISOR /DY. ADVISOR	12	0
3.	SR. RESEARCH OFFICER	12	9
4.	ASSISTANT	6	2
	TOTAL	**36**	**16**

26. **Details of Advisor level officers in TRAI Regional Offices (as on 31.3.2015)**

Sl.No.	Name of the Officer/Designation
1.	Rupa Pal Choudhary Advisor Kolkata 
2.	G. Muralidhar Advisor Hyderabad 
3.	Arvind Sinha Advisor Bhopal 

Sl.No.	Name of the Officer/Designation
4.	Dr. Sibichen K. Mathew Advisor Bengaluru 
5.	Ramdeo Arya Advisor Jaipur 
11	Vacant Advisor Delhi

27. The role and functions of the above Regional Offices (RO) are:

(i) Ensuring compliance of Tariff related Guidelines & effective monitoring of Retail Tariff of Telecommunications, Broadcasting & Cable Services;

(ii) Proper coordination with Service Providers with regard to Regulatory and marketing aspects;

(iii) Monitoring of Quality of Service and handling of consumer grievance;

(iv) Organizing Open House Discussions (OHD) / Consumer Advocacy Groups (CAG) meetings of TRAI;

(v) Coordination & monitoring of Audit and Survey by Independent Agencies appointed by TRAI;

(vi) Development of CAG upto to District / Block level and close interaction with CAGs;

(vii) Organizing Consumer Education Workshops;

(viii) Close interaction with TERM Cell of DoT;

(ix) Monitoring of implementation of Mobile Number Portability (MNP) Regulations and Unsolicited Commercial Communications (UCC) Regulations; and

(x) Perform such other functions including such administrative and financial functions as may be entrusted to it by the Headquarters of TRAI or as may be necessary to carry out the provisions of TRAI Act.

(f) Right to Information Act

28. 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 Advisor/Advisor 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.

29. During the year 2014-15, 776 applications were received under the RTI Act. All these applications were promptly dealt with and replies have been sent within the stipulated time period.

(g) IS/ISO 9001 : 2008 Certification to TRAI

30. TRAI had been awarded ISO 9001:2000 certification in December 2004 by Bureau of Indian Standards (BIS). The same was renewed thrice in the year 2007, 2010 and 2013 with the validity period of three years. The present series of ISO Standards IS/ISO 9001:2008 certification was awarded to TRAI for valid period up to November, 2016. To evaluate the implementation and effectiveness of Quality Management System (QMS) in TRAI, BIS has also conducted surveillance audits once every year and three renewal audits since December, 2004. The quality-auditors have found the QMS functioning satisfactory and had recommended the continuance of the license issued by the BIS.

31. Conducting internal quality audit on a bi-annual basis has also ensured the continual improvement in the system. TRAI has 43 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.

(h) Implementation of Official Language Policy

32. An Official Language Section under the supervision of Secretary, TRAI is functioning in Telecom Regulatory Authority of India to implement the provisions of Official Language Act, 1963, Official Languages

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

33. The implementation of Official Language policy of the Union Government by all the Divisions and Sections of TRAI is monitored by the Official Language Implementation Committee (OLIC) constituted under the Chairmanship of Advisor (Admn.). 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, 4 meetings of OLIC were held on 17th July, 2014, 08th October, 2014, 31st December, 2014 and 31st March, 2015.

34. In compliance with the directives received from Department of Official Language (Ministry of Home Affairs) and Department of Telecommunications, “Hindi Month” was organized in TRAI from 14th August, 2014 to 12th September, 2014 during which various Hindi competitions viz. Hindi essay writing, poetry recitation, speech, noting/drafting etc. were organized. A number of officers up to the rank of Senior Research Officer 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. Members, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 13th October, 2014. The “Hindi Month” proved successful in promoting and propagating the maximum use of Hindi in official work during the entire month of September, 2014.

35. 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 Six years. Under this scheme, 10 cash prizes are given every year to the officers / employees for doing 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 most of their official work in Hindi throughout the year.

36. 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, four Hindi workshops were organized in TRAI on 07th May, 2014, 19th & 20th August, 2014, 31st December, 2014 and 31st March, 2015.

37. 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. 15 & 16) 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.

Member (Whole Time) TRAI giving away cash prize and certificate of merit to a winner at the Hindi Pakhwada Function held in TRAI on 13th October 2014

Secretary, TRAI giving away cash prize and certificate of merit to a winner of the Hindi competition during Hindi Pakhwada

(B) AUDITED ACCOUNT OF TRAI FOR THE YEAR 2014-15

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 2015

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as on 31 March 2015 and the Income and Expenditure Account/Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000). These financial statements are the responsibility of the Telecom Regulatory Authority of India's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We

believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;

ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Section 23 (1) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000).

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India.

iv. We further report that:

Grants in aid

1. Non Plan

Out of the grants in aid (Non Plan) of ₹ 4540 lakh (including unspent balance of ₹ 290 lakh of the earlier year) received during the year, TRAI could utilise a sum of ₹ 4359 lakh, leaving a balance of ₹ 181 lakh, as unutilised grant as on 31 March 2015.

2. Plan

Further, out of the grants in aid (Plan) of ₹ 1399 lakh (including unspent balance of ₹ 99 lakh of the earlier year) received during the year, TRAI could utilise a sum of ₹ 1263 lakh, leaving a balance of ₹ 136 lakh as unutilised grant as on 31 March 2015.

i. 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.

ii. 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 2015; and

b. In so far as it relates to the Income and Expenditure Account of the Surplus (both Plan and Non-Plan) for the year ended on that date.

For and on behalf of the C&AG of India

Sd/-

(Meera Swarup)

Director General of Audit (P&T)

Place: Delhi

Date: 29th October, 2015

ANNEXURE-I TO SEPARATE AUDIT REPORT ON THE ACCOUNTS OF TELECOM REGULATORY AUTHORITY OF INDIA FOR THE YEAR ENDED 31 MARCH 2015

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 its own Internal Audit division headed by SRO (IA) directly reporting to the Secretary TRAI. The reports of Internal Audits are submitted to the Secretary for approval and are thereafter forwarded to the respective divisions for necessary corrective measures. The action taken by the divisions is monitored regularly.

SCOPE OF INTERNAL AUDIT

The scope and function of the internal audit organization depends on the nature of work, the number of subordinate offices, the strength of establishment, nature and quantum of expenditure etc. Annual Internal Audit plans have been prepared and acted upon regularly. However, Manual of Internal Audit specifying the duties and functions of the organization, with particular reference to the prevailing conditions in the TRAI is in the process of being prepared.

DUTIES OF INTERNAL AUDIT

The duties of the internal audit organization includes the following :

(i) study of accounting procedures prescribed with a view to ensuring that they are correct, adequate and free from any defects or lacunae;

(ii) watch over the implementation of the prescribed procedures and the orders issued from time to time;

(iii) scrutiny and check of payments and accounting work of the accounting units;

(iv) periodical review of all accounts records;

(v) the appraisal, monitoring and evaluation of individual schemes;

(vi) assessment of adequacy and effectiveness of internal controls in general, and soundness of financial systems and reliability of financial and accounting reports in particular;

(vii) identification and monitoring of risk factors including those contained in the Outcome Budget;

(viii) providing an effective monitoring system to facilitate mid course corrections.

QUANTUM OF AUDIT

The internal audit has conducted a general review of all the accounts records maintained by the office since the last inspection. Apart from the general review, it also conducted a detailed check of accounts records of at least one month in a year, selected by in charge of internal audit. The extent and nature of checks included the following:

(a) Detailed scrutiny of accounts records required to be maintained in DDOs offices;

(b) Verification of payment and accounting procedures including procedures to be followed by DDOs.

(c) Recoveries and deductions made from the bills are in order; correctness and accountancy of Interest wherever required;

(d) Scrutiny of the sanctioning and purchase procedures, so as to ensure that they are free from any defect or lacunae; checking of contracts with respect to terms and conditions of contract;

(g) Checking the procedures followed for disposal of assets etc to ensure they are as per laid down condemnation and disposal procedures;

(h) Payments are made in accordance with the rules and orders governing them with the correct arithmetical calculations;

(h) Scrutiny of general office management procedures adopted by the heads of offices in areas having financial and accounting implications, so as to suggest measures for tightening up administrative and financial control, savings in expenditure or streamlining of accounting.

CHECKING OF RECEIPTS

The respective divisions in TRAI are primarily responsible to ensure that all revenues (Fees/Penalties etc.) or dues to TRAI are correctly and properly assessed, realized and credited to respective account.

Internal Audit has conducted mandatory checks to see whether the TRAI has prescribed adequate regulations and procedures for effective check on collection and accounting of all revenue receipts and refunds, and that they are followed correctly.

FREQUENCY OF INTERNAL AUDIT

Internal Audit of important units was conducted once during the year.

As per size and nature of functions performed by TRAI the Internal Audit System is adequate.

(2) Adequacy of Internal Control System

TRAI has framed the policies and procedures for appointment of staff/ officers, fixation of pay, extension of terms of consultant, settlement of personal claims, TA claims, training and study tours of officers and staff and regulations on various matters in accordance with the provisions of the TRAI Act. The same are being followed. Receipt and disbursement of cash and maintenance of cash book has been properly done in compliance with relevant rules and regulations. Physical verification of cash has been regularly done and the maximum limit of the cash balance, as prescribed by the Authority, was maintained. Two types of funds – one Plan Fund and the other Non-Plan Fund are maintained by TRAI and separate books of accounts are maintained for each fund. TRAI General Fund is maintained by the Department of Telecommunication (DoT). Grants from the Government of India to TRAI under Plan and Non Plan heads are credited to this fund. Expenditure of TRAI is met out of the release of grants by DoT under plan and non- plan heads and utilisation certificates in respect of grants received are furnished by TRAI to DoT.

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

(3) System of physical verification of fixed assets

The Registers of Fixed Assets are maintained manually as well as in computerized form. The Committee for conducting the physical verification of assets/ stores is being formed.

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

(4) System of physical verification of inventory

Proper records of inventory have been maintained. The physical verification of inventory for the year 2014-15 has been done.

In our opinion, the system for physical verification of inventory is adequate and commensurate with its size and the nature of its functions.

(5) Regularity in payment of statutory dues

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

FORM OF FINANCIAL STATEMENTS(NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
BALANCE SHEET AS AT 31-03-2015

(Amount-₹)

	Schedule	NON-PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
CORPUS/CAPITAL FUND	1	22,62,52,597	13,10,72,337	65,40,90,217	45,79,41,975
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	19,69,79,662	15,80,28,429	7,73,25,540	8,81,89,019
TOTAL		**42,32,32,259**	**28,91,00,766**	**73,14,15,757**	**54,61,30,994**
ASSETS					
FIXED ASSETS	8	1,61,87,431	2,11,42,180	7,30,78,721	6,12,44,135
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9				
INVESTMENTS-OTHERS	10				
CURRENT ASSETS,LOANS,ADVANCES ETC	11	40,70,44,828	26,79,58,586	65,83,37,036	48,48,86,859
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
TOTAL		**42,32,32,259**	**28,91,00,766**	**73,14,15,757**	**54,61,30,994**
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25				

Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (F&EA)	**Secretary**	**Member**	**Chairperson**

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2015

(Amount-₹)

	Schedule	NON-PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
INCOME					
Income from Sales/Services	12				
Grants/Subsidies	13	41,50,00,000	41,00,00,000	300,000,000	22,00,00,000
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	1,48,898	2,41,775	3,756	
Other Income	18	15,98,47,834	15,73,61,030	1,459	
Increase(decrease) in stock of Finished goods and works-in-progress	19				
TOTAL(A)		**57,49,96,732**	**56,76,02,805**	**30,00,05,215**	**22,00,00,000**
EXPENDITURE					
Establishment Expenses	20	22,57,03,861	20,40,57,521		
Other Administrative Expenses etc	21	24,69,71,933	23,66,98,713	10,06,97,598	10,08,29,431
Expenditure on Grants,Subsidies etc	22				
Interest	23				
Depreciation (Net Total at the year end-corresponding to Schedule 8)		71,66,449	57,75,308	58,68,861	32,24,977
TOTAL (B)		**47,98,42,243**	**44,65,31,542**	**10,65,66,459**	**10,40,54,408**

	Schedule	NON-PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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		9,51,54,489	12,10,71,263	19,34,38,756	11,59,45,592
SIGNIFICANT ACCOUNTING POLICIES	24				
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25				

Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (F&EA)	**Secretary**	**Member**	**Chairperson**

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS)
TELECOM REGULATORY AUTHORITY OF INDIA
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-03-2015

SCHEDULE 1 - CORPUS/CAPITAL FUND

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	**Previous Year 2013-14**	**Current Year 2014-15**	**Previous Year 2013-14**
Balance as at the beginning of the year	131,072,337	10,377,491	45,79,41,975	34,20,37,200
Add:/Less Contributions towards Corpus/Capital Fund	25,771	-376,417	27,09,486	-40,817
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	9,51,54,489	12,10,71,263	19,34,38,756	11,59,45,592
BALANCE SHEET AS AT THE YEAR-END	**22,62,52,597**	**13,10,72,337**	**65,40,90,217**	**45,79,41,975**

SCHEDULE 2 - RESERVES AND SURPLUS

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2014-15	**Previous Year 2013-14**	**Current Year 2014-15**	**Previous Year 2013-14**
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/-
Jt. Advisor

SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-₹)

	FUND-WISE BREAKUP				TOTALS			
					NON-PLAN		PLAN	
	Fund WW	Fund XX	Fund YY	Fund ZZ	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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/-
Jt. Advisor

SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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/-
Jt. Advisor

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
1. Acceptance secured by hypothecation of capital equipment and other assets	-	-	-	-
2. Others	-	-	-	-

Note : Amount due within one year

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
A. CURRENT LIABILITIES				
1) Acceptances	-	-	-	-
2) Sundry Creditors	-	-	-	-
a) For Goods	-	-	-	-
b) Others	-	-	-	-
3) Advances Received	-	-	-	-
4) Interest accrued but not due on:	-	-	-	-
a) Secured loans/borrowings	-	-	-	-
b) Unsecured Loans/borrowings	-	-	-	-
5) Statutory Liabilities	-	-	-	-
a) Overdue	-	-	-	-
b) Others	-	-	-	-
6) Other current Liabilities	-	-	-	-
1) For TRAI General Fund (EMD)	11,81,500	14,15,900	67,500	3,16,942
2) For Telemarketers Registration fees	-	-	-	-
3) For Customer Education Fees	-	-	-	-
4) Penalty from telemarketers	-	-	-	-
TOTAL (A)	**11,81,500**	**14,15,900**	**67,500**	**3,16,942**
B. PROVISIONS				
1. For Taxation				
2. Gratuity	3,17,21,294	2,57,04,542	-	-
3. Superannuation/Pension				
4. Accumulated Leave Encashment	3,53,04,506	2,81,82,416	-	-
5. Trade Warranties/Claims				
6. Other (Specify)				
Provisions for expenses	128,772,362	10,27,25,571	7,72,58,040	8,78,72,077
TOTAL (B)	**19,57,98,162**	**15,66,12,529**	**7,72,58,040**	**8,78,72,077**
TOTAL (A+B)	**19,69,79,662**	**15,80,28,429**	**7,73,25,540**	**8,81,89,019**

Sd/-
Jt. Advisor

SCHEDULE 8 - FIXED ASSETS NON-PLAN

(Amount-₹)

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	86,84,212	–	8,23,313	78,60,899	41,39,681	7,95,691	6,20,095	43,15,277	35,45,622	45,44,531
5. FURNITURE,FIXTURES	1,99,14,200	8,96,618	–	2,08,10,818	1,36,80,328	16,41,457	–	1,53,21,785	54,89,033	62,33,872
6. OFFICE EQUIPMENT	1,16,77,498	12,25,696	67,000	1,28,36,194	96,42,980	11,64,254	26,319	1,07,80,915	20,55,279	20,34,518

(Contd...)

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

(Amount-₹)

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
7. COMPUTER/PERIPHERALS	3,19,27,593	2,32,996	–	3,21,60,589	2,70,87,596	20,32,741	–	2,91,20,337	30,40,252	48,39,997
8. ELECTRIC INSTALLATIONS	76,70,717	90,047	–	77,60,764	42,92,283	14,35,348	–	57,27,631	20,33,133	33,78,434
9. LIBRARY BOOKS	37,80,960	10,242	–	37,91,202	36,70,132	96,958	–	37,67,090	24,112	1,10,828
10. TUBEWELLS & W.SUPPLY	–	–	–	–	–	–	–	–	–	–
11. OTHER FIXED ASSETS	–	–	–	–	–	–	–	–	–	–
TOTAL OF CURRENT YEAR	8,36,55,180	24,55,599	890,313	8,52,20,466	6,25,13,000	71,66,449	6,46,414	6,90,33,035	1,61,87,431	2,11,42,180
PREVIOUS YEAR	7,88,82,334	54,66,122	6,93,276	8,36,55,180	5,73,85,028	57,75,308	6,47,336	6,25,13,000	2,11,42,180	2,14,97,306
B. CAPITAL WORK-IN-PROGRESS										
TOTAL										

Sd/-
Jt. Advisor

SCHEDULE 8 - FIXED ASSETS PLAN

(Amount-₹)

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	–	–	–	–	–	–	–	–	–	–
5. FURNITURE,FIXTURES	17,24,714	1,36,702	–	18,61,416	244,092	1,65,697	–	4,09,789	14,51,627	1,480,622
6. OFFICE EQUIPMENT	18,25,608	4,57,653	–	22,83,261	470,576	4,77,213	–	9,47,789	13,35,472	1,355,032

(Contd...)

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

(Amount-₹)

	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
7.	COMPUTER/PERIPHERALS	6,31,86,975	–	63,226	6,31,23,749	4,826,269	51,76,214	26,979	99,75,504	5,31,48,245	58,360,706
7a.	SERVER AND LAN (Work in progress)	–	1,71,32,399	–	1,71,32,399	–	–	–	–	1,71,32,399	–
8.	ELECTRIC INSTALLATIONS	–	12,940	–	12,940	–	1,962	–	1,962	10,978	–
9.	LIBRARY BOOKS	3,64,407	–	–	3,64,407	3,16,632	47,775	–	3,64,407	–	47,775
	TOTAL OF CURRENT YEAR	**6,71,01,704**	**1,77,39,694**	**63,226**	**8,47,78,172**	**58,57,569**	**58,68,861**	**26,979**	**1,16,99,451**	**7,30,78,721**	**6,12,44,135**
	PREVIOUS YEAR	**1,95,92,034**	**47,538,670**	**29,000**	**6,71,01,704**	**26,39,804**	**32,24,977**	**7,212**	**58,57,569**	**6,12,44,135**	**1,69,52,230**
B.	**CAPITAL WORK-IN-PROGRESS**										
	TOTAL										

Sd/-
Jt. Advisor

SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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/-
Jt. Advisor

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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)	52,214	1,20,060	-	-
4. Bank Balances:				
a) With Scheduled Banks	-	-	-	-
- On Current Accounts TRAI General fund	2,43,14,898	3,17,85,009	13,361,434	1,04,79,312
- On Current Accounts Registration Fees	2,32,000	2,32,000	-	-
Penalty from Telemarketers	2,34,95,840	1,65,26,783	-	-
- On Savings Account Customer Education Fees	7,21,52,777	6,07,46,851	-	-
- On Savings Account Financial Disincentive	25,48,63,211	11,35,56,707	-	-
b) With non-Scheduled Banks				
- On Current Accounts	-	-	-	-
- On Deposit Accounts	-	-	-	-
- On Savings	-	-	-	-
5. Post Office-Savings Accounts	-	-	-	-
TOTAL (A)	**37,51,10,940**	**22,29,67,410**	**1,33,61,434**	**1,04,79,312**

Sd/-
Jt. Advisor

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
B. LOANS, ADVANCES AND OTHER ASSETS				
1. Loans				
a) Staff	11,77,328	17,70,800	-	-
b) Other Entities engaged in activities/objectives similar to that of Entity				
c) Others (TA, LTC and Festival Advances to Officers & Staff))	1,35,500	20,12,480	-	9,07,547
2. Advance and other amounts recoverable in cash or in kind or for value to be received:				
a) On Captial Account	2,75,00,000	3,75,00,000	643,500,000	47,35,00,000
b) Prepayments				
c) Others	9,08,999	8,59,928	1,475,602	-
3. Income Accrued				
a) On Investments from Earmarked/Endowment Funds				
b) On Investments-Others				
c) On Loans and Advances	17,22,968	22,86,559	-	-
d) Others (includes income due unrealised Rs.)				
5. Claims Receivable	4,89,093	5,61,409	-	-
TOTAL (B)	**3,19,33,888**	**4,49,91,176**	**64,49,75,602**	**47,44,07,547**
TOTAL (A+B)	**40,70,44,828**	**26,79,58,586**	**65,83,37,036**	**48,48,86,859**

Sd/-
Jt. Advisor

SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
(Irrevocable Grants & Subsidies Received)				
1) Central Government	41,50,00,000	41,00,00,000	30,00,00,000	22,00,00,000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
TOTAL	**41,50,00,000**	**41,00,00,000**	**30,00,00,000**	**22,00,00,000**

Sd/-
Jt. Advisor

SCHEDULE 14 - FEES/SUBSCRIPTIONS

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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

(Amount-₹)

	Investment from Earmarked Fund			
	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
(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/-
Jt. Advisor

SCHEDULE 16 -INCOME FROM ROYALTY, PUBLICATION ETC

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
1. Income from Royalty	-	-	-	-
2. Income from Publications	-	-	-	-
3. Others (specify)	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

SCHEDULE 17 - INTEREST EARNED

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
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	1,48,898	2,41,775	3,756	-
b) Others	-	-	-	-
4) Interest on Debtors and Other Receivables	-	-	-	-
TOTAL	**1,48,898**	**2,41,775**	**3,756**	**-**

Note-Tax deducted at source to be indicated

Sd/-
Jt. Advisor

SCHEDULE 18 - OTHER INCOME

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
1. Profit on Sale/disposal of Assets	-	-	-	-
a) Owned assets	-	204,184	-	-
b) Assets acquired out of grants, or received free of cost	-	-	-	-
2. Export Incentives realized	-	-	-	-
3. Fees for Miscellaneous Services	-	-	-	-
4. Miscellaneous Income	1,66,347	69,631	1,459	-
5. Registration Fees from Telemarketers	-	98,000	-	-
6. Customer Education Fees from Telemarketers	1,14,05,926	3,96,72,723	-	-
7. Penalty from Telemarketers	69,69,057	38,62,652	-	-
8. Financial Disincentive	14,13,06,504	11,34,53,840	-	-
TOTAL	**15,98,47,834**	**15,73,61,030**	**1,459**	**-**

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

(Amount-₹)

	NON - PLAN		PLAN	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
a) Closing stock				
- Finished Goods	-	-	-	-
- Work-in-progess	-	-	-	-
b) Less Opening Stock				
- Finished Goods	-	-	-	-
- Work-in-progess	-	-	-	-
NET INCREASE/(DECREASE) [a-b]	**-**	**-**	**-**	**-**

Sd/-
Jt. Advisor

SCHEDULE 20 - ESTABLISHMENT EXPENSES

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
a)	Salaries and Wages	18,36,04,659	16,34,81,888	-	-
b)	Allowances and Bonus	2,73,577	2,85,789	-	-
c)	Contribution to Provident Fund	49,08,811	44,84,133	-	-
d)	Contribution to Other Fund(specify)			-	-
e)	Staff Welfare Expenses	5,00,941	5,20,248	-	-
f)	Expenses on Employees Retirement and Terminal Benefits	2,45,55,823	2,40,44,617	-	-
g)	Others (LTC, Medical to Officers & Staff and OTA to Staff)	1,18,60,050	1,12,40,846	-	-
	TOTAL	**22,57,03,861**	**20,40,57,521**	**-**	**-**

Sd/-
Jt. Advisor

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
a)	Purchases	-	-	-	-
b)	Labour and processing expenses	-	-	-	-
c)	Cartage and Carriage Inwards	-	-	-	-
d)	Electricity and power	18,85,340	17,44,264	-	-
e)	Water charges			-	-
f)	Insurance	1,00,679	1,17,588	-	-
g)	Repairs and maintenance	49,56,131	22,74,934		-
h)	Excise Duty			-	-
i)	Rent,Rates and Taxes	17,97,69,793	16,21,96,118	-	-
j)	Vehicles Running and Maintenance	22,71,580	29,46,056	-	-
k)	Postage,Telephone and Communication Charges	71,50,734	74,56,065	-	-
l)	Printing and Stationery	50,06,366	55,88,511	-	-
m)	Travelling and Conveyance Expenses	99,92,052	1,12,54,973	-	-
n)	Expenses on Seminar/Workshops	35,622	38,992	-	-
o)	Subscription Expenses	31,963	4,35,857	-	-
p)	Expenses on Fees			-	-
q)	Auditors Remuneration	1,48,070	2,40,955	-	-
r)	Hospitality Expenses	14,69,957	13,41,827	-	-
s)	Professional Charges	1,96,75,359	2,61,57,462	-	-
t)	Provision for Bad and Doubtful Debts/Advances	-	-	-	-
u)	Irrecoverable Balances Written-off	-	-	-	-
v)	loss on sale of assets	60,718	-	-	-
w)	Freight and Forwarding Expenses	-	-	-	-
x)	Distribution Expenses	-	-	-	-
y)	Advertisement and Publicity	10,06,065	11,17,796	-	-
z)	Others	-	-	-	-
	(i) Others (Payment to Security, Housekeeping etc.)	1,34,11,504	1,37,87,315	-	-
	(ii) Expenditure on Capacity Building	-	-	10,06,97,598	10,08,29,431
	TOTAL	**24,69,71,933**	**23,66,98,713**	**10,06,97,598**	**10,08,29,431**

Sd/-
Jt. Advisor

SCHEDULE 22 - EXPENDITURE ON GRANTS,SUBSIDIES ETC

(Amount-₹)

	NON - PLAN		**PLAN**	
	Current Year 2014-15	**Previous Year 2013-14**	**Current Year 2014-15**	**Previous Year 2013-14**
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

(Amount-₹)

	NON - PLAN		**PLAN**	
	Current Year 2014-15	**Previous Year 2013-14**	**Current Year 2014-15**	**Previous Year 2013-14**
a) On Fixed Loans	-	-	-	-
b) On Other Loans (including Bank Charges)	-	-	-	-
c) Others (specify)	-		-	-
TOTAL	**-**	**-**	**-**	**-**

Sd/-
Jt. Advisor

TELECOM REGULATORY AUTHORITY OF INDIA
RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2015

(Amount-₹)

RECEIPTS	NON-PLAN Current Year 2014-15	NON-PLAN Previous Year 2013-14	PLAN Current Year 2014-15	PLAN Previous Year 2013-14	PAYMENTS	NON-PLAN Current Year 2014-15	NON-PLAN Previous Year 2013-14	PLAN Current Year 2014-15	PLAN Previous Year 2013-14
I. Opening Balance					**1. Expenses**				
a) Cash in hand	120060	99902		1	a) Establishment Expenses (corresponding to Schedule 20)	199810756	178887124		
i) In current accounts	31785009	36934014	10479312	42175612	b) Administrative expenses (corrosponding to Schedule 21)	233936025	208028204	99647755	96248906
ii) In deposit accounts					**II. Payments made against funds for various projects**				
iii) Savings accounts penality	16526783	12664131			(Name the fund or project should				
Registration fees	232000	134000			be shown along with the particulars				
Customer education fees	60746851	21074128			of payments made for each project)				
Financial disincentive	113556707	102867							
II. Grants Received					**III. Investments and deposits made**				
a) From Government of India	425000000	387500000	130000000	72500000	a) Out of Earmarked/Endowment funds				
b) From State Government					b) Out of Own Funds(investments-Others)				
c) From other sourches(details)									
(Grants for capital & revenue exp to shown sperately)					**IV. Expenditure on Fixed Assets & Capital Work-in-progress**				
III. Income on Investments from					a) Purchase of Fixed Assets	2138261	5520075	26657841	766715
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				
a) On Bank depostis					b) To the State Government				
b) Loans,Advances et	715481	228835	5215		c) To other providers of funds				
c) Miscellaneous	25771				(Consumer Protection Fund)				
					To DoT for registration fees of telemarketrs				
					To DoT for customer education fees				

(Contd...)

(Amount-₹)

RECEIPTS	NON-PLAN Current Year 2014-15	NON-PLAN Previous Year 2013-14	PLAN Current Year 2014-15	PLAN Previous Year 2013-14	PAYMENTS	NON-PLAN Current Year 2014-15	NON-PLAN Previous Year 2013-14	PLAN Current Year 2014-15	PLAN Previous Year 2013-14
					VI. Finance Charges (Interest)				
V. Other Income(Specify)									
To Miscellaneous Income	166347	69631			**VII. Other Payments(Specify)**				
					Loans and advances and security deposits	234400	1031994	817497	7433058
VI. Amount Borrowed					**VIII. Closing Balances**				
VII. Any other receipts(give details)					a) Cash in hand	52214	120060		
					b) Bank Balances				
To Security Deposits	2490705	335900		252468	1) In current accounts TRAI General fund	24314898	31785009	13361434	10479312
					i) In current accounts Registration fees	232000	232000		
To Sale of Assets	183181	204184			ii) In deposit accounts				
To loans and advances & security deposits					2) Savings accounts				
To registration fees	-	98000			i) Customer Education Fees	72152777	60746851		
To customer education fees	11405926	39672723			ii) penalty from telemarketers	23495840	16526783		
To penalty from telemarketers	6969057	3862652			iii) financial disincentive	254863211	113556707		
To financial disincentive	141306504	113453840							
TOTAL	**811230382**	**616434807**	**140484527**	**114928081**	**TOTAL**	**811230382**	**616434807**	**140484527**	**114927991**

Sd/-
Pr. Advisor (F&EA)

Sd/-
Secretary

Sd/-
Member

Sd/-
Chairperson

SCHEDULE 24 - SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions:

(a) The financial statements have been prepared in the "Uniform Form of Accounts" as approved by the Controller General of Accounts vide their letter No. F.No.19(1)/Misc./2005/TA/450-490 dated 23.07.2007 for both Non-Plan and Plan activities appropriately and distinctly.

(b) Accounts have been prepared on accrual basis for the current year i.e., 2014-15. 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 Accounts.

(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 Part "C" of Schedule II of the Companies Act, 2013 except for the categories mentioned below on which higher rates of depreciation have been applied:

Category	Minimum prescribed depreciation rate as per Companies Act, 1956	Depreciation rate applied
Office Equipments	19.00%	19.00%*
Furnitures and Fixtures	9.50%	10.00%
Electrical Appliances	9.50%	10.00%
Airconditioners	9.50%	10.00%
Books and Publications	6.33%	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%.*

(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 31.03.2015 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 2014-15 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 RE 2014-15 approved by the Government.

(c) The money received on account of Registration Fee, Customer Education Fee, Penality on Telemarketers and Financial Disincentive has been accounted for on cash basis.

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. Grants

During the accounting year i.e. 2014-15, the grants approved for transfer to TRAI General Fund under Non – Plan head was Rs. 41.50 crore against which a sum of Rs.42.50 crores was received as grant from DoT. A sum of Rs. 2.75 crores 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 approved as Rs. 30.00 crore against which a sum of Rs. 13.00 crore was received as grant from DoT. A sum of Rs. 64.35 crore receivable from DoT has been shown in Schedule-11.

5. 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 Telemarketers and Financial Disincentive Accounts.

As on 31st March, 2015 a sum of Rs.1,14,05,926/-, Rs.69,69,057/- and Rs. 14,13,06,504/- has been received on account of Registration Fee, Customer Education Fee, Penalty on Telemarketers and Financial Disincentive respectively. This amount has been shown in Schedule 18 - 'Other Income'.

6. 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.

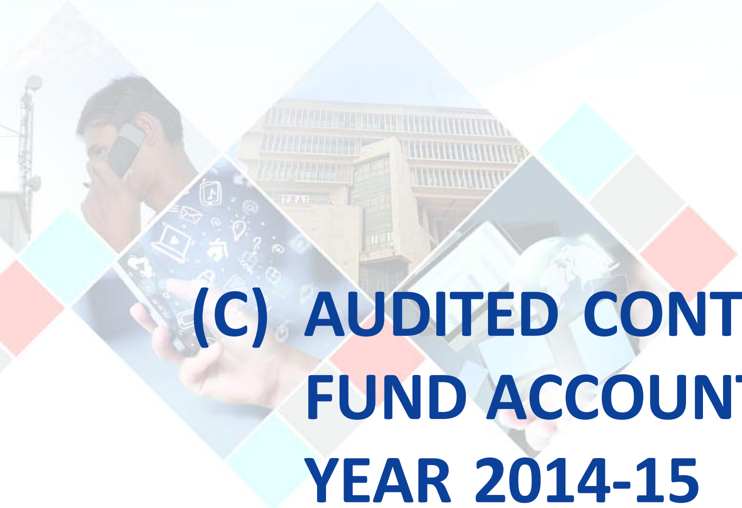
7. Transactions in Foreign Currencies

Expenditure in Foreign Currency: Non - Plan Head		*NIL*
Expenditure in Foreign Currency: Plan Head		
(a)	Travel:	A sum of Rs. 44,21,029/- was paid to officers towards TA/ DA expenditure for overseas travel. A sum of Rs. 32,05,155/- was paid for participation fees for foreign institutions A sum of Rs. 33,69,513/- paid to foreign consultant for conducting NGN consultancy.
(b)	Remittances and Interest payment to Financial Institution, Banks in Foreign Currency	*Nil*
(c)	Other Expenditure:	Nil

8. In Plan Fund, a sum of Rs. 1,71,32,399/ was pad to NIC for LAN system, The depreciation has not been charged as the work was under progress as on 31-03-2015.

9. Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2015 and the Income and Expenditure Account for the year ended on that date.

Sd/-	Sd/-	Sd/-	Sd/-
Pr. Advisor (F&EA)	**Secretary**	**Member**	**Chairperson**



(C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNT OF TRAI FOR THE YEAR 2014-15

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 2015

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2015 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 10th April 2003. These financial statements are the responsibility of the Telecom Regulatory Authority of India-Contributory Provident Fund Account's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;

ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Rule 5 of the Telecom Regulatory Authority of India (Contributory Provident Fund) Rules, 2003.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India – Contributory Provident Fund Account.

iv. We 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 2015; and

b. In so far as it relates to the Income and Expenditure Account of the 'Excess of Income over Expenditure' for the year ended on that date.

For and on behalf of the C&AG of India

Sd/-

(Meera Swarup)

Director General of Audit (P&T)

Place: Delhi

Date: September 2015

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 2015)

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 as the compliance of Scope and observations rest with the auditee unit themselves.

(2) Adequacy of Internal Control System

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-MARCH-2015

(Amount-₹)

	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND AND LIABILITIES			
TRAI - CPF MEMBERS' ACCOUNT	1	107769127.00	86462501.00
RESERVES AND SURPLUS	2	4903670.00	4734742.76
EARMARKED/ ENDOWMENT FUNDS	3		
SECURED LOANS AND BORROWINGS	4		
UNSECURED LOANS AND BORROWINGS	5		
DEFERRED CREDIT LIABILITIES	6		
CURRENT LIABILITIES AND PROVISIONS	7	0.00	-
TOTAL		**112672797.00**	**91197243.76**
ASSETS			
FIXED ASSETS	8		-
INVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9		-
INVESTMENTS - OTHERS	10	108000000.00	84300000.00
CURRENT ASSETS, LOANS, ADVANCES ETC	11	4672797.00	6897243.76
MISCELLANEOUS EXPENDITURE			-
(to the extent not written off or adjusted)			
TOTAL		**112672797.00**	**91197243.76**
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25		

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**	**Sd/-**
Sh. Surendra Chawla	**Sh. J. S. Bhatia**	**Sh. Anurag Sharma**	**Sh. S. B. Singh**	**Smt. Poonam Khurana**	**Sh. C.P.S. Bakshi**
Jt. Advisor (F&EA)	**Jt. Advisor (F&EA)**	**Dy. Advisor (Admin)**	**Jt. Advisor (Legal)**	**P. A. (B&CS)**	**Advisor (Admin)**
Secretary (CPF)	**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-MARCH-2015

(Amount-₹)

	Schedule	Current Year	Previous Year
INCOME			
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	3811934.44	3685145.65
Income for Royalty ,Publication etc	16	-	-
Interest Earned	17	4119498.70	3235300.29
Other Income	18	255941.00	939509.11
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	-
TOTAL (A)		**8187374.14**	**7859955.05**
EXPENDITURE			
Establishment Expenses	20	0.00	30000.00
Other Administrative Expenses etc	21	2889.90	2514.12
Expenditure on Grants, Subsidies etc	22	-	-
Interest	23	8015557.00	6546891.00
Diminution Value of Investments in Mutual Funds			
Depreciation (Net Total at the year end-corresponding to Schedule 8)			
TOTAL (B)		**8018446.9**	**6579405.12**

(Contd...)

(Amount-₹)

	Schedule	Current Year	Previous Year
Balance being excess of Income over Expenditure (A-B)		168927.24	1280549.93
Transfer to Misc Expenditure to the extent not written off - on account of Diminution Value of Investments			-
Transfer to / from General Reserve		168927.24	1280549.93
Balance being Surplus/ (Deficit) carried to Corpus/ Capital Fund			
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25		

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sh. Surendra Chawla	**Sh. J. S. Bhatia**	**Sh. Anurag Sharma**	**Sh. S. B. Singh**	**Smt. Poonam Khurana**	**Sh. C.P.S. Bakshi**
Jt. Advisor (F&EA)	**Jt. Advisor (F&EA)**	**Dy. Advisor (Admin)**	**Jt. Advisor (Legal)**	**P. A. (B&CS)**	**Advisor (Admin)**
Secretary (CPF)	**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-MARCH-2015

SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT

(Amount-₹)

	Current Year	Previous Year
Balance as at the beginning of the year	86462501.00	75210083.00
Deduct: Adjustments for previous year		343030.00
Add: Contributions towards Members' Account	21306626.00	11595448.00
Add/(Deduct): Balance of net income /(expenditure) transferred from the Income and Expenditure Account		
BALANCE AS AT THE YEAR-END	**107769127.00**	**86462501.00**

SCHEDULE 2 - RESERVES AND SURPLUS

(Amount-₹)

	Current Year	Previous Year
1. Capital Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
2. Revaluation Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
3. Special Reserve:		
As per last Account		
Addition during the year		
Less: Deductions during the year		
4. General Reserve:		
As per last Account	4734742.76	3454192.83
Addition during the year	168927.24	1280549.93
Less: Deductions during the year		
TOTAL	**4903670.00**	**4734742.76**

Sd/-
Jt. 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 (specify nature)						
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.						
- Rent						N.A.
- 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/-
Jt. Advisor

SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-₹)

	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

(Amount-₹)

	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/-
Jt. Advisor

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

(Amount-₹)

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

Note : Amount due within one year

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-₹)

	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		
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)		

SCHEDULE 8 - FIXED ASSETS PLAN

(Amount-₹)

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									N.A.	
d) Superstructures on land not belongng to the entity										
3. PLANT MACHINERY & EQUIPMENT										
4. VEHICLES										
5. FURNITURE, FIXTURES										
6. OFFICE EQUIPMENT										

(Contd...)

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

(Amount-₹)

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
7. COMPUTER/PERIPHERALS										
8. ELECTRIC INSTALLATIONS										
9. LIBRARY BOOKS										
10. TUBEWELLS & WATER SUPPLY									N.A.	
11. OTHER FIXED ASSETS										
TOTAL OF CURRENT YEAR										
PREVIOUS YEAR										
B. CAPITAL WORK-IN-PROGRESS										
TOTAL										

Sd/-
Jt. Advisor

SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-₹)

	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	64700000.00	50700000.00
Long-term Investments - Rs. 5,97,00,000		
Current Investments - Rs. 50,00,000		
2. Other approved Securities		
3. Shares		
4. Debentures and Bonds		
5. Subsidiaries and Joint Ventures		
6. Others (Fixed Deposits in Banks/PSU) - *Long-term*	43300000.00	33600000.00
TOTAL	**108000000.00**	**84300000.00**

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-₹)

	Current Year	Previous Year
4. Bank Balances:		
a) With Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts (includes margin money)	444259.01	2049273.02
- On Savings Account	226666.41	147833.74
b) With non-Scheduled Banks		
- On Current Accounts	-	-
- On Deposit Accounts	-	-
- On Savings Account	-	-
5. Post Office-Savings Accounts		
TOTAL (A)	**670925.42**	**2197106.76**
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	4001871.58	4700137.00
c) On Loans and Advances	-	-
d) Others (includes income due unrealised Rs.)	-	-
4. Claims Receivable	-	-
TOTAL (B)	**4001871.58**	**4700137.00**
TOTAL (A+B)	**4672797.00**	**6897243.76**

Sd/-
Jt. Advisor

SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-₹)

	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/-
Jt. Advisor

SCHEDULE 15 - INCOME FROM INVESTMENTS

(Amount-₹)

	Current Year	Previous Year
(Income on Invest. from Earmarked/ Endowment Funds Transferred to Funds)		
1) Interest		
a) On Govt Securities	3811934.44	3685145.65
b) Other Bonds/Debentures		
2) Dividends		
a) On Shares		
b) On Mutual Fund Securities		
3) Rents		
4) Others - Income earned from Sale of Mutual Funds		
TOTAL	**3811934.44**	**3685145.65**

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	3565608.50	2099107.49
b) With Non-Scheduled Banks		
c) With Institutions	536107.20	1094825.00
d) Others		
2) On Savings Account		
a) With Scheduled Banks	17783.00	41367.00
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	**4119498.70**	**3235300.29**

Sd/-
Jt. Advisor

SCHEDULE 18 - OTHER INCOME

(Amount-₹)

	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	-	-
2. Export Incentives realized	-	-
3. Fees for Miscellaneous Services	-	-
4. Miscellaneous Income	255941.00	939509.11
TOTAL	**255941.00**	**939509.11**

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)		
e) Staff Welfare Expenses		
f) Expenses on Employees Retirement and Terminal Benefits		
g) Others		30000.00
TOTAL		**30000.00**

Sd/-
Jt. 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 - Bank & Finance Charges	2889.90	2514.12
	TOTAL	**2889.90**	**2514.12**

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) *- Interest Payable to Members*	8015557.00	6546891.00
	TOTAL	**8015557.00**	**6546891.00**

Sd/-
Jt. Advisor

TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT
RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MARCH-2015

(Amount-₹)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
I. Opening Balance			**1. Expenses**		
a) Cash in hand		-	a) Establishment Expenses	0.00	30000.00
b) Bank Balances			b) Administrative Expenses	2889.90	2514.12
i) In current accounts		-			
ii) In deposit accounts		-			
iii) Savings accounts	147833.74	328102.91			
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 payments made for each project)		
b) From State Government					
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 (On Investment in Mutual Funds)			b) Out of Own Funds (Investments - Others)	61200000.00	34500000.00
			(Investments - Flexi Account)		1096768.69
IV. Interest Received			**IV. Expenditure on Fixed Assets & Capital Work-in-progress**		
a) On Bank Deposits	3427598.92	1894885.89	a) Purchase of Fixed Assets		
b) Loans, Advances etc.			b) Expenditure on Capital Work-in-progress		
c) Miscellaneous	6109567.00	5393898.00			

(Contd...)

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MARCH-2015 *(Contd...)*

(Amount-₹)

RECEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
V. Other Income (Specify)			**V. Refund of surplus money/ Loans**		
To Miscellaneous Income	255941.00	596479.11	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)**	907467.36	179907.36
Fees					
Capital Fund			**VII. Other Payments (Specify)**		
Sales of Publication			Final Payments	5929021.00	6759244.00
Sale of Assets			Advances and Withdrawals	5210915.00	8203600.00
Contribution from Members	18710700.00	14800500.00			
Contribution from TRAI	4817260.00	4454291.00	**VIII. Closing Balances**		
Transfer of Balances	0.00	0.00	a) Cash in hand		
Repayment of Advances	903045.00	756610.00	b) Bank Balances		
Maturity of FDs/ Encashment of Mutual Funds	39105014.01	22695101.00	i) In current accounts		
Interest Shortfall Recovered from TRAI Gen. Fund	0.00	0.00	ii) In deposit accounts		
			iii) Savings accounts	226666.41	147833.74
TOTAL	**73476959.67**	**50919867.91**	**TOTAL**	**73476959.67**	**50919867.91**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sh. Surendra Chawla	**Sh. J. S. Bhatia**	**Sh. Anurag Sharma**	**Sh. S. B. Singh**	**Smt. Poonam Khurana**	**Sh. C.P.S. Bakshi**
Jt. Advisor (F&EA)	**Jt. Advisor (F&EA)**	**Dy. Advisor (Admin)**	**Jt. Advisor (Legal)**	**P. A. (B&CS)**	**Advisor (Admin)**
Secretary (CPF)	**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., 2014-15. There is no change in Method of Accounting from the preceding year.

iii) Investments depicted in Schedule 10 (Investments - Others) are carried at cost.

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. Investments depicted in Schedule 10 (Investments - Others) include investment in Government Securities amounting to Rs. 6,47,00,000.00 and Others (FDs in Banks/ PSUs) amounting to Rs. 4,33,00,000.00. Out of the investments in Govt. Securities, an amount of Rs. 5,97,00,000.00 are Long-term Investments as these are being held for more than one year from the date on which they have been made and a sum of Rs. 50,00,000.00 has been invested in 182 DTB which will mature on 9/04/2015. All the investments in FDs of Banks/ PSUs are Long-Term investments.

3. Corresponding figures for the previous year have been re-grouped/ re-arranged wherever necessary.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sh. Surendra Chawla	Sh. J. S. Bhatia	Sh. Anurag Sharma	Sh. S. B. Singh	Smt. Poonam Khurana	Sh. C.P.S. Bakshi
Jt. Advisor (F&EA)	Jt. Advisor (F&EA)	Dy. Advisor (Admin)	Jt. Advisor (Legal)	P. A. (B&CS)	Advisor (Admin)
Secretary (CPF)	Ex-Officio Trustee	Ex-Officio Trustee	Trustee	Trustee	Ex-Officio President