

Telecom Regulatory Authority of India



The Indian Telecom Services Performance Indicators for Financial Year Ending 31st March 2006

28th June 2006

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(i) INTRODUCTION

- 1.1 This report provides an update on the growth trends for the telecom services for the period **January – March 2006**. It presents a broad perspective on the Telecom Services to serve as a reference document for various stakeholders, research agencies and analysts as an update over the previous reports. Due to the Unified Access Service Regime, the details under mobile services combine both GSM & CDMA. QOS performances of various service providers have also been included in Chapter Five. This report also covers the performance of Cable TV, DTH & Radio Broadcast services in Chapter Six. In addition, the Financial Analysis of telecom services sector is included in Chapter Seven. The summary of the growth pattern of Fixed, Mobile and Internet and Broadband services in form of ‘Quarterly results at a Glance’ is given at the beginning of this compilation.
- 1.2 The information for this report has been collected from various telecom operators and service providers. TRAI collects performance-oriented data from various service providers on a quarterly basis to monitor the growth trend in the sector and to decide upon pro-active and suo motto measures to fuel the growth of the telecom services in the country. The data provided in this report is purely provisional and subject to change. TRAI regularly conducts review of its data collection programme to ensure that its processes remains appropriate/relevant in the rapidly growing telecom sector and are consistent with changing regulatory framework.
- 1.3 This quarterly report is available on the TRAI website (www.trai.gov.in) and is updated on quarterly basis. Any suggestions pertaining to this may please be addressed to S. K. Gupta, Advisor (CN), TRAI; Tel. 26167914, Fax. 26191998 and e-mail: skgupta@traigov.in

(ii) Quarterly Results at a Glance
Performance Indicators of Telecom Services for QE Mar 2006

A. Growth of Fixed & Mobile Services:-

	QE Mar 2005 (FY 2004-05)	QE Jun 2005	QE Sept 2005	QE Dec 2005	QE Mar 2006 (FY 2005-06)	%age growth over Mar 2005 (12 months)	%age growth over Jun 2005 (9 months)	%age growth over Sept 2005 (6 months)	%age growth over Dec 2005 (3 months)
1) Subscriber's Base (in millions)									
i) Fixed Line including WLL(F)	46.19	46.85	48.00	48.84	50.18	8.64	7.11	4.54	2.74
ii) Mobile (GSM + CDMA)	52.22	57.37	65.07	75.94	90.14	72.62	57.12	38.53	18.70
Gross Total	98.41	104.22	113.07	124.78	140.32	42.59	34.64	24.10	12.45
2) Traffic (MOU) (minutes of use/ sub/month) (combined for GSM & CDMA)									
i) Mobile (GSM & CDMA)	344	358	367	GSM- 393	GSM-395				GSM - 0.5
				CDMA - 462	CDMA- 550				CDMA - 19.04
3) ARPU (Rs./sub/ month) (combined for GSM & CDMA)									
i) Mobile (GSM & CDMA)	394	381	374	GSM- 362	GSM- 366				GSM - 1.1
				CDMA - 256	CDMA - 256				CDMA - 0
4) Teledensity									
Population in million (Estimated)	1080	1085	1088	1092	1096				
i) Fixed including WLL(F)	4.28	4.32	4.41	4.47	4.58	7.05	6.03	3.78	2.37
ii) Mobile (GSM + CDMA)	4.84	5.29	5.98	6.95	8.22	70.10	55.54	37.52	18.27
Gross Total	9.11	9.61	10.39	11.43	12.80	40.51	33.29	23.19	12.04

B. Growth of Internet & Broadband Services:-

	QE Mar 2005 (FY 2004-05)	QE Jun 2005	QE Sept 2005	QE Dec 2005	QE Mar 2006 (FY 2005-06)	%age growth over Mar 2005 (12 months)	%age growth over Jun 2005 (9 months)	%age growth over Sept 2005 (6 months)	%age growth over Dec 2005 (3 months)
1) Subscriber's Base (in million)									
i) Internet	5.55	5.89	6.13	6.70	6.94	25.05	17.83	13.21	3.58
ii) Broadband Connections (>=256 Kbps download speed)	0.183	0.399	0.612	0.903	1.348	636.61	237.84	120.26	49.28
2) Minutes of Use (MOU/ subs/month)	305	300	315	189	175	-42.62	-41.67	-44.44	-7.41
3) ARPU (Dialup Internet) (Rs/subs/month)	220	200	190	210	210	-4.55	5.00	10.53	0.00

C. Performance of service providers during the quarter: -

(I) Fixed Line including WLL(F) Subscribers Base(in Million)

1) Basic Service Providers	QE Mar 2005 (FY 2004-05)	QE Jun 2005	QE Sept 2005	QE Dec 2005	QE Mar 2006 (FY 2005-06)	%age growth over Mar 2005 (12 months)	%age growth over Jun 2005 (9 months)	%age growth over Sept 2005 (6 months)	%age growth over Dec 2005 (3 months)
BSNL	37.04	36.80	36.80	36.76	37.51	1.27	1.93	1.93	2.04
MTNL	4.06	3.95	4.05	3.86	3.87	-4.68	-2.03	-4.44	0.34
Tata/Hughes	2.58	3.07	3.62	4.04	4.02	55.81	30.94	11.05	-0.50
Bharti	0.86	0.93	1.06	1.20	1.35	56.98	45.16	27.36	12.59
Reliance	1.31	1.72	2.09	2.57	2.99	128.55	74.07	43.25	16.50
HFCL	0.19	0.21	0.22	0.24	0.26	36.84	23.81	18.18	8.33
Shyam	0.15	0.17	0.16	0.17	0.17	16.00	2.35	8.75	2.35
Total	46.19	46.85	48.00	48.84	50.18	8.63	7.10	4.54	2.75

(II) Mobile Services Subscriber Base (in Million)

Service Providers	QE Mar 2005 (FY 2004-05)	QE Jun 2005	QE Sept 2005	QE Dec 2005	QE Mar 2006 (FY 2005-06)	%age growth over Mar 2005 (12 months)	%age growth over Jun 2005 (9 months)	%age growth over Sept 2005 (6 months)	%age growth over Dec 2005 (3 months)
Reliance	10.45	11.65	12.99	14.68	17.31	65.65	48.58	33.26	17.92
Bharti	10.98	12.26	14.07	16.33	19.58	78.32	59.71	39.16	19.90
BSNL	9.90	10.69	12.38	14.83	17.65	78.30	65.11	42.57	19.02
Hutch	7.79	8.44	9.71	11.41	15.36	97.18	81.99	58.19	34.62
Idea	5.07	5.55	5.94	6.47	7.37	45.36	32.79	24.07	13.91
BPL Group	2.58	2.63	2.81	2.89	1.34	-48.06	-49.05	-52.31	-53.63
Others	1.76	1.87	2.09	2.28	2.61	48.30	39.57	24.88	14.47
Spice	1.44	1.47	1.49	1.63	1.93	34.03	31.29	29.53	18.40
Tata/Hughes	1.09	1.43	2.06	3.68	4.85	344.95	239.16	135.44	31.79
MTNL	1.08	1.29	1.44	1.65	2.05	89.81	58.91	42.36	24.24
HFCL	0.05	0.06	0.06	0.06	0.06	20.00	0.00	0.00	0.00
Shyam	0.03	0.03	0.03	0.03	0.03	0.00	0.00	0.00	0.00
Total	52.22	57.37	65.07	75.94	90.14	72.62	57.12	38.53	18.70

Chapter One

PERFORMANCE OF FIXED SERVICES

Subscribers Base crosses 50 million

1.1 Subscribers Base: -

1.1.1 As on 31st March 2006 the Fixed lines services were provided by 5 licensed private operators in addition to incumbents BSNL and MTNL. List of Fixed Service provider's along with their area of operation is given below in Table 1:

Table 1

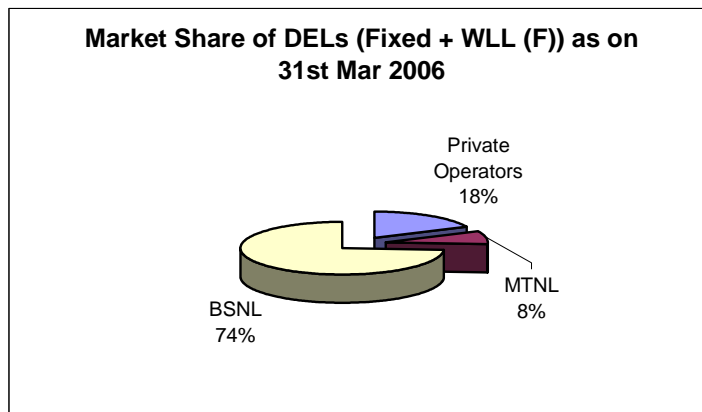
S.No.	Name of the Service Provider	Area of Operation
1	BSNL	All India (except Delhi & Mumbai)
2	MTNL	Delhi & Mumbai
3	Bharti Telesonic Ltd	AP, MP, Delhi, Haryana, TN , Chennai, Karnataka, Kerala, Gujarat, Punjab, Maharashtra, Mumbai, UP(E),UP(W) including Uttaranchal, West Bengal and Kolkata
4	Tata Teleservices (Maharashtra) Ltd	Maharashtra, Mumbai
5	Tata Teleservices Ltd	AP, TN, Chennai, Karnataka, Gujarat, Delhi, Bihar, Orissa, Rajasthan, Punjab, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, U.P. (E), U.P (W) including Uttaranchal, West Bengal and Kolkata
6	HFCL Infotel Ltd	Punjab
7	Shyam Telelink Ltd	Rajasthan
8	Reliance Infocomm.Ltd.	AP, Bihar, Delhi, Gujarat, Haryana, HP, Karnataka, Kerala, MP, Maharashtra, Mumbai Orissa, Punjab, Rajasthan, TN, Chennai, UP (E), UP (W), West Bengal, Kolkata

The information in this report is based on the data provided by the Fixed Service Providers.

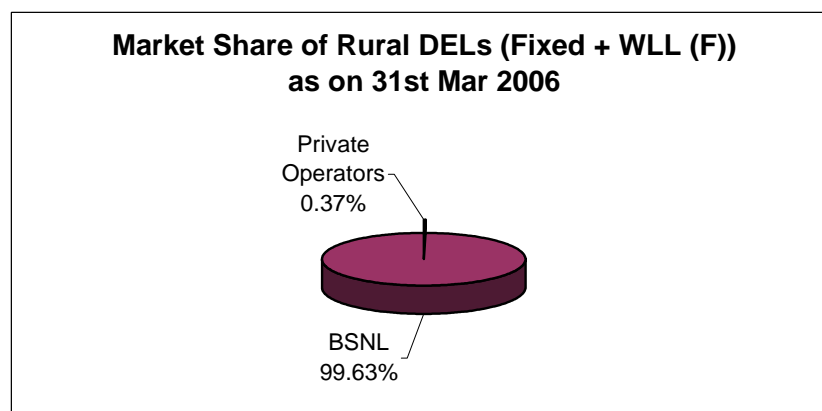
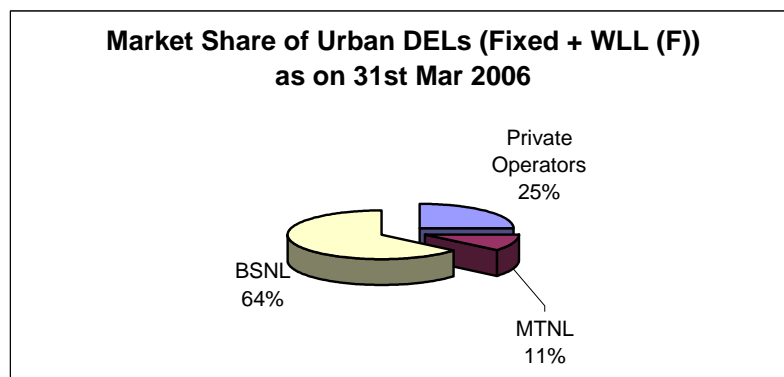
1.1.2 Market Share of DELs

As on 31st March 2006, the total subscriber base of fixed lines including WLL (F) stood at 50.2 million. The incumbents BSNL and MTNL have 74% and 8% market share respectively in the subscriber base, while all the five private operators have 18% share. In the current quarter the share of private operators has increased by 1% and the share of BSNL has declined by 1% whereas the share of MTNL remains the same.

As on 31st March 2006 total urban DELs are 35.49 million and rural DELs are 14.68 million.

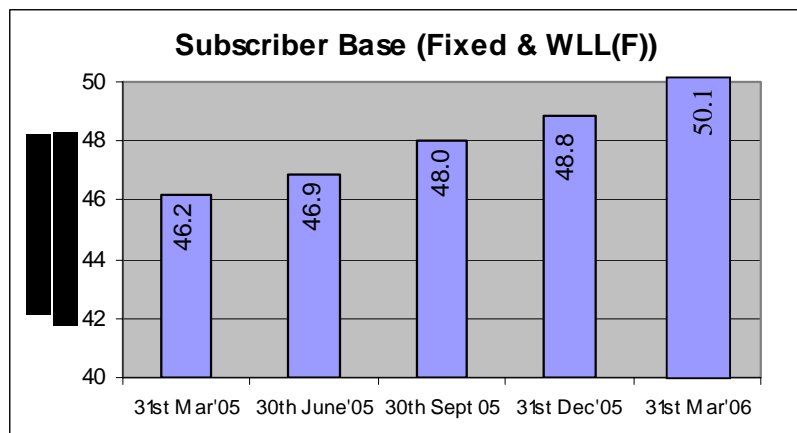
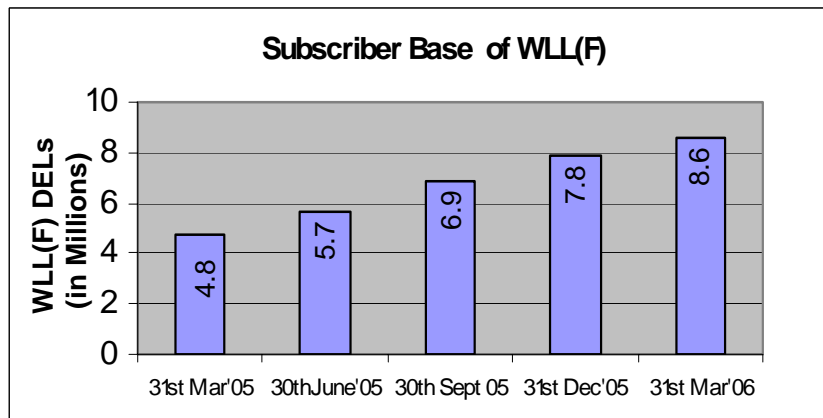
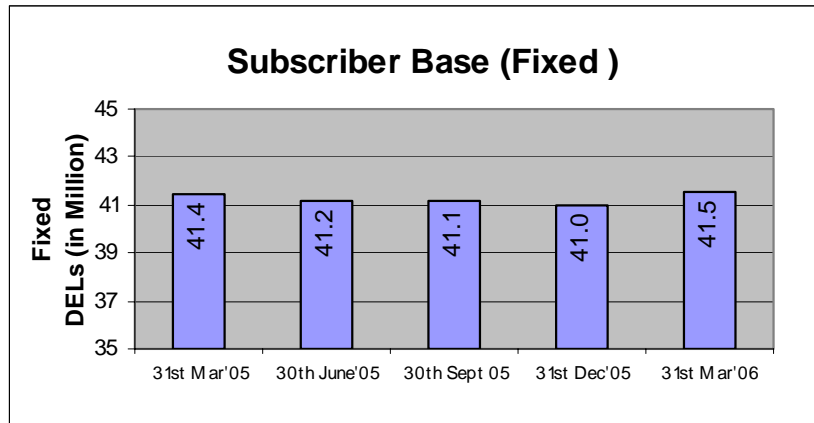


The market share of Fixed Service Providers in Urban DELs and Rural DELs is depicted in the charts below:



1.1.3 Subscriber Base of Fixed & WLL(F) for last five quarters

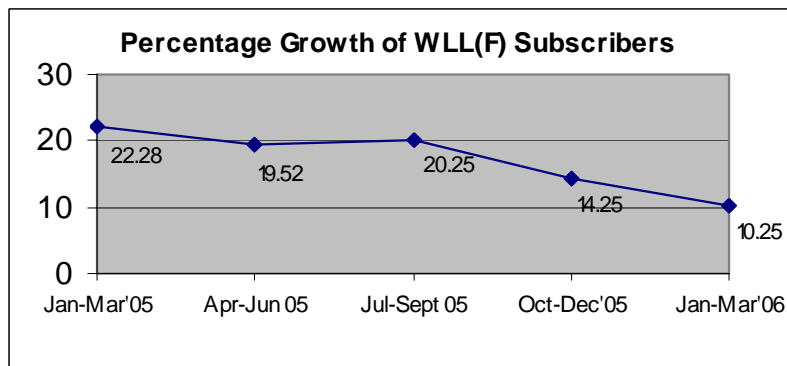
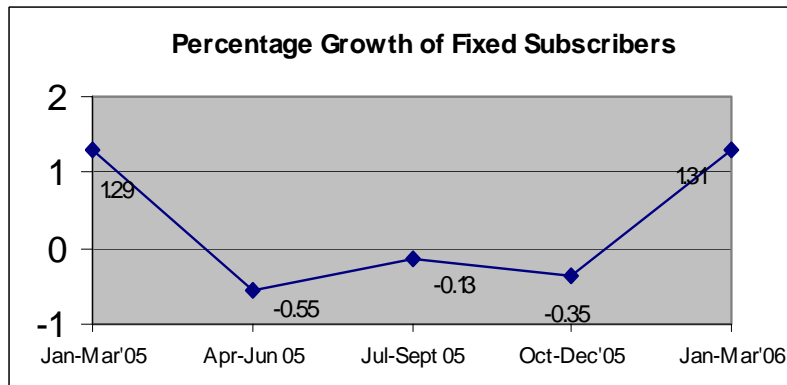
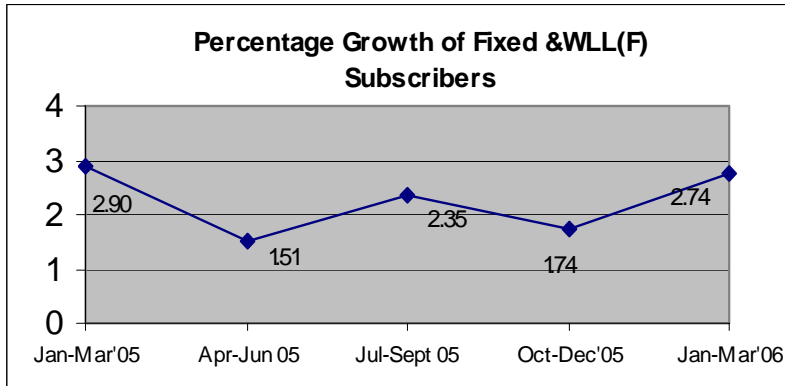
The subscriber base of the Fixed service sector for last five quarters is depicted in the bar chart below:



1.1.4 Growth of DELs

The Fixed Service sector has registered a growth of 13,40,436 lines during the quarter from 1st January 2006 to 31st March 2006. The actual number of DELs has increased from 4,88,36,073 as on 31st December 2005 to 5,01,76,509 as on 31st March 2006. The overall percentage growth in subscriber base during the Quarter is 2.74%.

Average percentage growth rate of Total, Fixed and WLL(F) Subscribers.

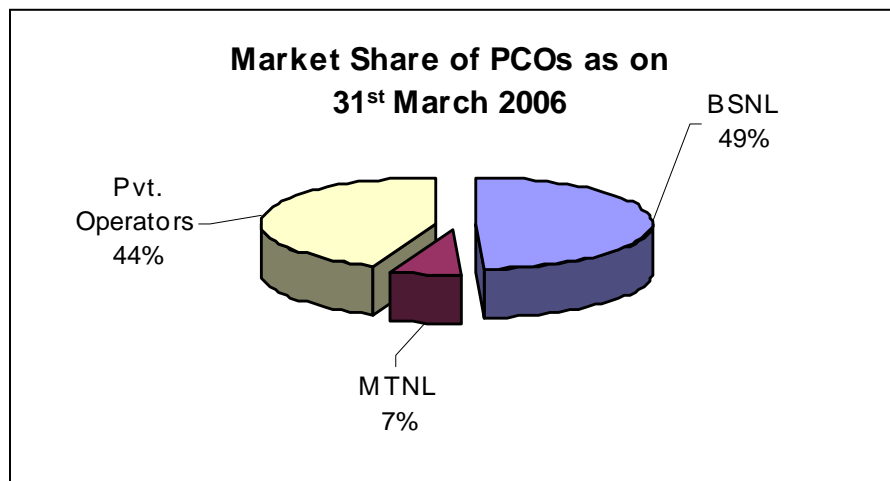


1.2 Other Performance Indicators: -

1.2.1 Public Call Offices:

During the current quarter 4,64,470 new PCOs have been added. Total number of PCOs in the country as on 31st March 2006 is 41,99,157. The contribution of BSNL is 20,64,174 i.e. 49% of the total PCOs. The contribution of MTNL and other private operators combined is 2,79,041(7%) and 18,55,942(44%) respectively.

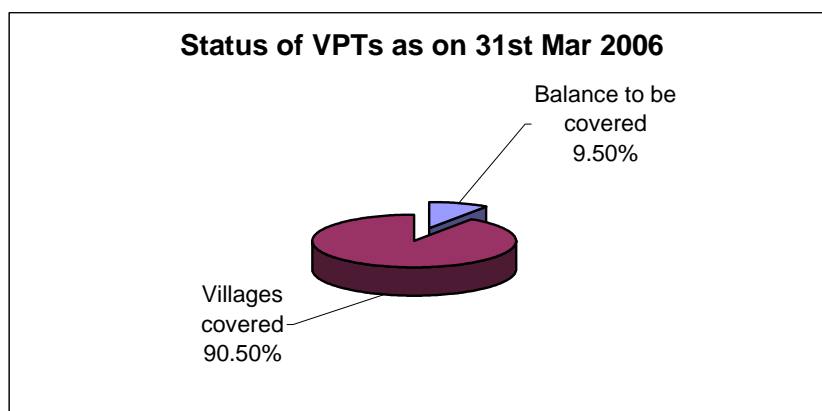
Operator-wise (BSNL/MTNL/Other Private Operators) market share of PCO is depicted in the chart below. Operator-wise details of PCOs is available at Table 1.2.



1.2.2 Village Public Telephones:

There are 6,07,491 villages in India. During the quarter ending 31st Dec 2005 there were 5,39,356 VPTs in the country whereas by the end of March 2006, the total number of VPTs has marginally increased to 5,48,843. Thus 9,487 VPTs have been added during the current quarter. The total number of villages left uncovered, as on 31st March 2006 are 58,648. BSNL has added 9,259 VPTs during the quarter. Among the five private operators, M/s Bharti has added 243 VPTs where as there was a decrease of 15 VPTs in HFCL, during this quarter.

Circle-wise and Operator-wise details of village public telephones as on 31st March 2006 and achievement during the quarter are available at Table 1.3.



Chapter Two

PERFORMANCE OF MOBILE SERVICES

Subscriber Base crosses 90 million mark

PART A

2.0 Details of service providers: - The list of all the mobile service providers along with their licensed service area is following: -

SLNO	Service Provider	Area for which licensed with No.	Area for which not licensed	UASL Service Licensed
1	BSNL/MTNL	All India (23)		
2	Bharti	All India (23)		All India except Raj, NE
3	Reliance Telecom/Infocomm/Reliable Internet Services Ltd	All India (23)		All India except NE & AS
		Reliance Infocomm (21)	Assam & NE	
		Reliance Telecom. (7) MP, WB, HP, Bihar, Orissa, Assam & NE	Delhi, Mumbai, Chennai, Kolkata, MH, Gujarat, AP, KTK, TN, Kerala, PB, Haryana, UP (W), UP (E), Rajasthan & J&K	
		Reliable Internet Services Ltd (1) Kolkata	All India except Kolkata	
4	Tata Teleservices	All India (20) except (AS, NE & J&K)	Assam, NE & J&K	All India except (AS, NE & J&K)
5	Hutch	Delhi, Mumbai, Chennai, Kolkata, MH, Guj, AP, KTK, TN, KR, Punjab, HR, UP-W, UP-E, Raj & WB (16)	MP, HP, BR, Orissa, Assam, NE & J&K	UP-W, WB
6	Aircel	Chennai, TN WB, HP, BR, OR, AS, NE & J&K (9)	Delhi, Mumbai, Kolkata, MH, Guj, AP, KTK, Kerala, Punjab, Haryana, UP (W), UP (E), Raj. & MP (14)	WB, HP, BR, OR, AS, NE & J&K
7	IDEA	Delhi, MH, Guj, AP, KR, HR, UP-W, MP (8)	Mumbai, Chennai, Kolkata, KTK, TN, Punjab, UP-E, Raj, WB, HP, Bihar, Orissa, Assam, NE & J&K	--
8	Escorts Communications	UP-E, Raj, HP (3)	All India except (UP-E, Raj, HP)	---
9	Spice Communications	KTK, Punjab (2)	All India except (KTK, Punjab)	KTK, Punjab
10	BPL	Mumbai (1)	All India except (Mumbai)	--
11	HFCL	Punjab (1)	All India except Punjab	Punjab
12	Shyam Telelink	Rajasthan (1)	All India except Rajasthan	Rajasthan

Note: 1. Reliance Telecom for all its circles has applied for Unified Licence.

Note: 2 M/s Aircel (Dishnet Wireless Ltd) in HP & Bihar is yet to start his services.

Circle-wise details of Cellular, Fixed & Unified Access Service providers at the end of the quarter are given at Annex 2.1. All the service areas of the country have mobile operators ranging from 3 to 7.

2.1 **Growth of Subscribers Base:** -

2.1.1 Subscribers Base

The Mobile (GSM and CDMA) Industry has crossed the 90 million subscribers mark (GSM 69.2 million & CDMA 20.94 million) in the quarter ending 31.03.2006.

2.1.2 Addition in Subscribers Base

The subscriber's base stood at 90.14 million as against 75.95 million for the quarter ending 31.12.2005. Around 14.19 million subscribers were added in this quarter.

2.1.3 Growth Rate

The growth rate for this quarter is 18.68% (18.29% in GSM and 20% in CDMA) as against 16.72% (15.03% in GSM and 22.79% in CDMA) for the quarter ending December 2005. M/s Bharti remains the largest mobile operator followed by M/s BSNL and M/s Reliance. Total number of mobile subscriber additions have been highest in Category 'A' Circle (4.89 million), followed by Category 'B' Circle (4.88 million) & Metro with (2.67 million). Total Mobile subscriber base is highest in Delhi (8.07 million), followed by Mumbai (7.44 million), Andhra Pradesh (6.96 million) & Maharashtra (6.55 million).

2.1.4 Company wise Market Share:

- a) The Subscriber Base of different mobile operators is given in Table 2.1. The top five Mobile operators on the basis of market share are as under: -

Mobile Group	Subscribers as on March-06 (in Millions)	Market Share (in %age)	Technology Used
Bharti	19.58	21.72	GSM
BSNL	17.65	19.58	GSM & CDMA
Reliance	17.31	19.21	GSM & CDMA
Hutchison	15.36	17.04	GSM
IDEA	7.37	8.18	GSM

The details of operator-wise subscribers of GSM and CDMA are given in Table 2.2.

- b) Distribution of Subscriber base and market share of Mobile service as on March 2006 among Metros, Circles A to C is given in Table 2.3.

2.1.5 Change in Market Structure

Bharti & Reliance are providing services all over India i.e. 23 circles. During this year Tata Teleservices had started to provide services in Kerala & now increased its presence to 20 circles. Dishnet wireless Ltd has started providing mobile services with brand name 'Aircel' in 5 service areas. Escorts Telecommunications has started to provide services in all 3 license areas i.e. UP (E), Rajasthan & HP, Reliance Infocomm. has started its services in J & K circle. Spice communications in Karnataka has migrate to UASL from CMTS License. BPL Mobile Cellular Ltd now is a part of Hutch group. Now Hutch Group is providing services in 16 circles.

PART B

2.2 Mobile [GSM & CDMA] Service trends:

2.2.1 Summary findings for GSM Operators:

- Share of prepaid subscribers in total subscriber base is 80.54% at the end of Mar-06, as compared to 78.32% at the end of Dec 2005.
- Postpaid growth rate continue to decline in this quarter as well (from 7% to 4.43%).
- Growth rate of prepaid segment increased from 18% to 22% during the quarter.
- All India ARPU for the quarter ending March 2006 is Rs. 366 showing an increase of 1.2% from Rs.362 (Dec-05).
- ARPU of BSNL/MTNL increased by 10.5%, from Rs. 354 to Rs. 391.
- All India postpaid ARPU at Rs. 628 per month is about 2.1 times that of all India prepaid ARPU of Rs. 298 per month.
- Average MOU per subscriber per month for the quarter has increased from 393 to 395.
- On an average, a GSM subscriber makes 163 minutes of outgoing calls, sends 46 SMS and receives incoming calls for 232 minutes in a month.
- While MOU per Subscriber per month has increased from 155 to 163 incoming MOU has declined from 237 to 232.
- The ratio of incoming – outgoing traffic has shown a shift towards outgoing, from 61:39 to 59:41.
- Overall proportion of roaming revenue to the total revenue for GSM service providers is 14% as against 15% in the previous quarter.
- The all India blended RPM (Revenue per Minute) for the quarter has marginally increased from Rs. 0.92 in Dec-05 to Rs. 0.93 in Mar-06.
- Proportion of the total outgoing GSM traffic (excl. ILD) terminating in Mobile network (CDMA + GSM) has increased from 80% in Dec-05 to 82% in Mar-06.
- On an average 84.99% of the total outgoing MOUs are local calls (terminating within the service area), 14.41% are NLD calls and the rest 0.59% are ILD calls.
- Mobile-to-Mobile Local (Intra-circle) traffic accounts for 84% of the Local (Intra-circle) traffic.
- On an average 48% of the total Intra-circle traffic terminates on network (Mobile).
- The trend indicates that the proportion of local calls (MOU) to total outgoing MOU is increasing and that of long distance is falling (See Table 10).

2.2.2 Summary findings for CDMA Operators:

- Share of prepaid subscribers in total subscriber base is 79% at the end of March 2006, as compared to 82% at the end of December 2005.
- All India ARPU for the quarter ending March 2006 is Rs. 256 i.e. same as in the quarter ending (December 2005).
- All India postpaid ARPU, which is at Rs. 547 per month is about 2.9 times that of all India prepaid ARPU of Rs. 184 per month.

- Average MOU per subscriber per month for the quarter is 550, showing an increase of 19% from 462 per month during the quarter ending Dec-2005.
- The ratio of incoming – outgoing traffic is reversed and is 48:52 in the quarter ending March 2006 as against 56:44 in December quarter.
- The All India blended RPM (Revenue per Minute) is estimated to be Rs.0.47 in March 2006 as against Rs.0.55 in the previous quarter implying a reduction of 14.5%.
- Mobile-to-Mobile Local (Intra-circle) traffic accounts for 81% of the Local (Intra-circle) traffic.
- On an average 53% of the Intra-circle traffic terminates within own network (Mobile).

2.2.3 ARPU

2.2.3.1 For GSM:

According to the revenue reports submitted by the service providers, revenue, net of “pass through” and service tax, is about Rs. 69.6 Billion in the quarter ending Mar-06 as against Rs. 58.71 Billion in the Dec-05 quarter. The growth in revenue is 9.62% and the corresponding growth in average subscriber base is 18.3%.

- The all India blended ARPU per month has increased by about 1.2% from Rs. 362 in the quarter ending Dec-05 to Rs. 366 in the quarter ending Mar-06 (Annex 2.2 Table (b)).
- The lowest blended ARPU per month is in Circle B (Rs. 338), which is higher than the previous quarter’s corresponding figure (Rs. 323). The highest blended ARPU is in Metro (Rs. 420).
- There has been an increase in Monthly ARPU for GSM services as a whole. Postpaid ARPU has increased from Rs. 621 in Dec-05 to Rs. 628 in March-06. Prepaid ARPU increased from Rs.286 to Rs.298 during the same period.
- Blended ARPU of BSNL/MTNL increased from Rs. 354 to Rs. 391. BSNL/MTNL recorded impressive growth in ARPU of prepaid segment, from Rs. 308 to Rs.364 (18.2%). Whereas postpaid segment has recorded decline in ARPU from Rs. 520 to Rs. 479.
- ARPU of private GSM service providers has declined from Rs. 365 to Rs.357.
- There has been a decline of about 7.1% in ARPU since last year i.e. between March-05 to March-06. Revival in ARPU growth has been noticed for the first time in the quarter ending Mar-06.

2.2.3.2 For CDMA:

- The All India blended ARPU in the quarter ending March 2006 remains same as in Dec-05 i.e. Rs.256.
- Monthly ARPU in postpaid segment has increased from Rs. 511 in the quarter ending Dec-05 to Rs. 547 in March-05.
- ARPU in, prepaid segment has declined from Rs. 207 in Dec-05 to Rs. 184 in March-06.

- There is a huge difference between postpaid and prepaid ARPU. Postpaid ARPU has been 2.97 times that of prepaid ARPU.
- Blended Revenue from Usage (Call Revenue adjusted for interconnect Payments) accounts for 54.6% showing a decline of 1.5% from 56.1% (Dec-2005).

2.2.4 Usage Pattern

2.2.4.1 For GSM

- MOU per subscriber increased marginally from 393 in quarter ending Dec-05 to 395 in quarter ending Mar-06. While outgoing MOUs increased from 155 to 163, incoming MOUs declined from 237 to 232 (Annex 2.4).
- In Postpaid, total MOUs increased by 4.38% from 679 in Dec-05 to 709 in Mar-06. Corresponding increase in prepaid has been 1.78%, from 392 to 312.
- The incoming-outgoing minutes ratio is 59:41 as against 61:39 in the previous quarter. For postpaid, ratio of incoming-outgoing minutes is 54:46 and for prepaid segment, it is 70:30.
- The outgoing MOU per subscriber has been highest in Circle C at 179 per month and highest incoming MOU per subscriber has been in Metros at 251 per month. Lowest per subscriber usage for both outgoing and incoming has been in Circle B, for outgoing (152 per month) and incoming (203 per month).
- The number of SMS per subscriber has been highest in Circle A (61), and lowest in Circle C (22).

2.2.4.2 For CDMA

- Average MOU per subscriber per month for the quarter is 550, showing an increase of 19% from 462 per month during the quarter ending Dec-05.
- On an average a CDMA subscriber makes 284 minutes of outgoing calls, sends 11 SMS and receives incoming calls for 266 minutes in a month.
- The ratio of incoming – outgoing traffic is 56:44 as compared to 48:52 in Dec-05.
- Circle C at 518 per month has recorded Lowest Blended per subscriber usage for both outgoing and incoming calls followed by Circle A at 428 per month.
- Circle A at 265 per month has recorded the Lowest per subscriber usage for Outgoing calls followed by Metro at 280 per month (Annex 2.5).
- Circle A at 253 per month has recorded the Lowest per subscriber usage for Incoming calls followed by Circle B at 258 per month (Annex 2.5.)
- The number of SMS has been highest in Metro (12 per subscriber month), and lowest in Circle C (6).

2.2.5 Revenue Per Minute (RPM)

2.2.5.1 For GSM

- The all India blended RPM for the quarter has marginally gone up, from Rs.0.92 to Rs. 0.93 (Annex 2.6).

2.2.5.2 For CDMA

- The all India blended RPM for the quarter is Re 0.47. For postpaid alone, RPM is Re. 0.65 as against Re. 0.38 for prepaid service (Annex 2.6).
- The all India blended RPM (Revenue per Minute) for the quarter has declined by 14.54% from Re. 0.55 in Dec-2005 to Re. 0.47 in March-06 (Annex 2.6).

2.2.6 Tariff Trends

2.2.6.1 For GSM

- Lowest Tariffs available in the market (for local outgoing usage) as of March-06 for GSM services

Effective charge represents the actual payout by a user with a defined traffic pattern. Total outgoing traffic have been distributed between fixed and mobile with further break up into on-net and off-net, based on the information furnished by the GSM Service providers in the quarterly report.

- Postpaid Service

Effective charge has been calculated for a monthly local usage of 250 outgoing minutes. Around 600 postpaid tariff plans in the country were analyzed to arrive at the lowest effective charge per minute. The lowest available effective charge per minute is Rs. 1.01

- Prepaid Service

Majority of the prepaid subscribers are using the Rs.300 or lower recharge coupon and hence the tariffs applicable for these recharge coupons (or its minor variants) have been taken as the representative tariffs for the pre-paid service. On analysis of about 200 prepaid tariff plans, it is found that the lowest effective charge per minute is Rs. 1.21.

2.2.6.2 For CDMA

- Lowest Tariffs available in the market (for local outgoing usage) as of March-06 for Basic services

Effective charge represents the actual payout by a user with a defined traffic pattern. Total outgoing traffic have been distributed between fixed and mobile with further break up into on-net and off-net, based on the information furnished by the CDMA Mobile in the quarterly report.

- Fixed (Wireline + Wireless)

Effective charge has been calculated for a monthly local usage of 250 outgoing minutes. All the Postpaid tariff plans in the country were analyzed to arrive at the lowest effective charge per minute. The lowest available effective charge per minute is Re. 0.71

- CDMA Mobile Postpaid

Effective charge has been calculated for a monthly local usage of 250 outgoing minutes. All the Postpaid tariff plans in the country were analyzed to arrive at the lowest effective charge per minute. The lowest available effective charge per minute is Rs. 1.09

Chapter Three

PERFORMANCE OF INTERNET SERVICES

Subscribers base nears 7 million

3.1 Service Providers & Subscribers Base: -

For the quarter ending March 2006, 153 Internet Service Providers were operational. At the end of quarter ending 31st March 2006 the reported subscriber base has touched 69.35 lakhs as compared to 67.03 lakhs in the preceding quarter registering an increase of 3.45% during the quarter. The annual growth rate w.r.t 31st March 2005 is 24.85%. In terms of subscribers, 13.81 lakh subscribers were added during the year to the base of 55.54 lakhs reported at the end of 31st March 2005.

Bharat Sanchar Nigam Ltd (BSNL) has retained its top position and reported a subscriber base of 29.29 Lakhs against 25.97 Lakhs during the last quarter. Mahanagar Telephone Nigam Limited (MTNL) has retained second position with a subscriber's base of 9.84 Lakhs against 13.14 Lakhs subscribers during the last quarter. M/s Sify Limited is at third position with subscriber base of 8.99 lakhs. M/s Videsh Sanchar Nigam Limited is on the fourth position with a subscriber base of 5.56 lakhs as against 4.67 lakhs. M/s Bharti Televentures reported a subscriber base of 3.92 Lakhs and is at fifth place during the quarter ending 31st March 2006 (Ref Table 3.1).

3.2 Internet Telephony: -

The Internet Telephony was permitted to Internet service providers w.e.f 1st April'02. DOT has given permission to 121 ISPs to offer Internet Telephony services as on March 2006, and as per the report submitted to TRAI, 32 ISPs have started Internet Telephony services, the list of which is enclosed at Annex 3.2. Total minutes of the use for Internet Telephony during the quarter were 996.09 million, as compared to 58.66 million for the last quarter. The sharp increase is due to the very high MOUs reported by M/s VSNL.

3.3 Market Share: -

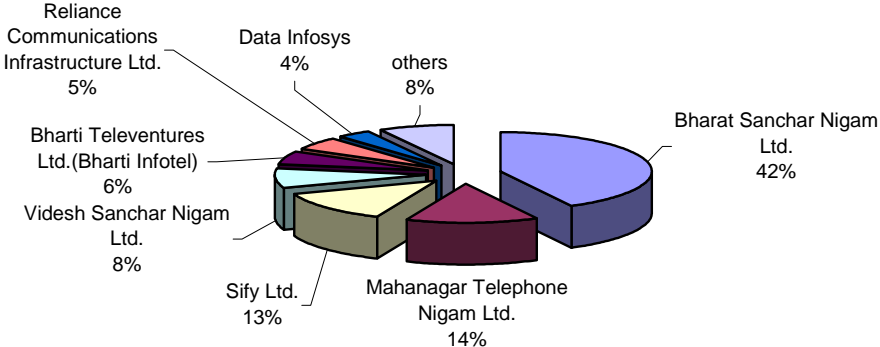
The growth trend indicates a considerable growth in market share of PSU owned ISPs. During the quarter PSU owned ISPs have captured 56.43% market share.

The market share of top 5 ISPs is as under:

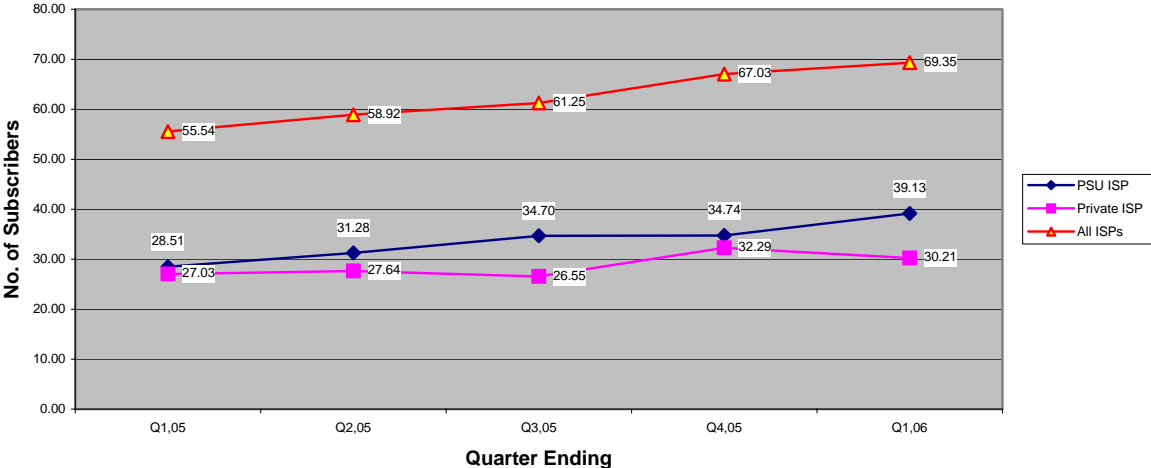
ISP	Share in %
Bharat Sanchar Nigam Ltd.	42.24
Mahanagar Telephone Nigam Ltd.	14.19
Sify Ltd.	12.96
Videsh Sanchar Nigam Ltd.	8.02
Bharti Televentures Ltd.(Bharti Infotel)	5.66

Among PSU owned ISPs; M/s BSNL has reported a subscriber's base of 29.29 Lakhs during the quarter ending 31st March 2006 as against 25.97 Lakhs during the previous quarter registering an increase of 12.79%. M/s MTNL has reported a subscriber base of 9.84 Lakhs against the subscriber base of 13.14 Lakhs reported during the previous quarter, registering a decrease of 25.09%.

Subscriber Base



Growth Trends



3.4 Leased Lines Connectivity: -

The number of Leased Line Internet connections remained at 15,596 during the quarter ending March 2006. It increased by 27.79 % as compared with 12204 at the end of March 2005.

3.5 Broadband Connectivity (>=256 Kbps): -

The number of Broadband subscribers as reported by ISPs was 13.48 Lakhs at the end 31st March 2006 as compared to 9.05 Lakhs of 31st December 2005, thus registering a growth of 49% over the previous quarter. The growth during the year was of the order of 636%

3.6 Minutes Of Use (MOU) per subscriber for Dialup Internet access: -

As reported by 34 ISPs the average minutes of use per subscriber/ month was approximately 175 minutes, in comparison to 189 minutes/ subscriber during the previous quarter.

3.7 Average Revenue Per User (ARPU) for ISPs: -

A total of approx. Rs 492 crores revenue has been reported during the quarter. The average revenue per user (ARPU) per month for dialup Internet usage was of the order of Rs 210, similar to that of previous quarter.

3.8 International connectivity: -

The bandwidth owned by various IGSP for their ISP operations and Internet Leased lines is reported to be 12.7 GB for downlinking and 12.5 GB for uplinking. There has been an increase of the order of 95% as compared to 6.5 GB for downlinking and 6.4 GB for uplinking at the end of previous year.

Chapter Four

PERFORMANCE OF OTHER VALUE ADDED SERVICES

VSAT base crosses 50,000

4.1 Public Mobile Radio Trunked Service (PMRTS): -

12 service providers of Public Mobile Radio Trunked Services have submitted their reports in this quarter.

4.1.1 Performance during the Quarter Ending 31st March 2006:

- The subscriber base of PMRTS increased from 28025 in December 2005 to 29950 in March 2006 registering a growth rate of 6.87%.
- Delhi, Mumbai, Bangalore and Chennai together account for 71.68% of market share of the total subscribers. Delhi leads the tally with the market share of 9160 subscribers followed by Bangalore, Mumbai and Chennai with the market share of 5278, 4076 and 2953 subscribers respectively.
- M/s. Procall Private Limited leads the tally of subscribers with a subscriber base of 8525 followed by The Arvind Mills Ltd. and M/s. QuickCalls India Pvt. Ltd. with a subscriber base of 7797 and 4509 respectively. M/s United Liner Agencies of India (Pvt) Ltd. has increased their subscriber base with the highest growth rate of 14.70% followed by M/s. The Arvind Mills with 11.18% growth rate in the quarter ending March 2006. Only one service provider viz. M/s German Express Shipping Agency (India) Pvt. Ltd. has registered a negative growth of -1.14% in this quarter.

The subscriber base of service providers of PMRTS is given in Table 4.1.

4.2 VSAT services: -

VSAT services are being provided by 9 VSAT service providers.

4.2.1 Performance during the quarter ending 31st March 2006:

- In the current quarter, there was an addition of 3497 new subscribers. The total number of subscribers increased from 46577 in December, 2005 to 50074 in March, 2006, registering a growth of 7.51% as against the growth rate of 8.11% in the previous quarter. HCL Comnet remained the market leader with 17110 VSAT subscribers followed by Hughes Escorts Communications Ltd. (HECL) with 15669, Bharti Infotel (erstwhile Bharti BT) with 7265 and Bharti Broadband Ltd. (erstwhile Comsat Max) with 4740 VSAT subscribers.
- M/s Hughes added the maximum number of new connections i.e. 1402 with a percentage growth rate of 9.82%.
- M/s Telstra Vishesh has not submitted their report for the last quarter.

The number of subscribers of each service providers along with the Market Share in terms of Percentage of Subscribers as on 31st March 2006 is given in Table 4.2.

Chapter Five

QUALITY OF SERVICE (QOS) PERFORMANCE

5.1 Quality of Service performance of Basic Service Operators for the quarter ending 31st March 2006: -

Based on Quality of Service Parameters reported by all the Basic Service Operators for the quarter ending March 2006, the information on QoS performance is attached to this report as Annex 5.1.

From perusal of the report (Annex 5.1) following points emerge: -

(1) **Provision of telephone within 7 days for exchange areas declared “On Demand” (100% in <7days).**

66 out of 73 Licensees have not met the QoS benchmark for this parameter. The performance of M/s BSNL (Bihar, Assam, J & K, NE-I, UP-W & WB), Reliance (BR, Delhi, TN, KTK, HP, Kolkata, Orissa) and Bharti Tele-ventures (AP, MH, & UP-W) is (37.63%, 32.30%, 15.93%, 38.00%, 37.56% & 34.85%), (48.10%, 41.10%, 48.45%, 44.57%, 50.00%, 49.27%, 38.40%) and (34.27%, 49.02%, & 35.31%) respectively, which is way below the TRAI stipulated benchmark of 100%.

(2) **Fault incidences per month per 100 telephones (should be less than 5 Faults per 100 phones per month)**

Bharat Sanchar Nigam Limited has not submitted their performance and MTNL (Mumbai & Delhi) have not met the stipulated QoS benchmark for this parameter.

Among the Private Operators only Bharti Tele-ventures (AP, GJ, MH, KR, Kolkata, UP – E, UP(W), Mumbai) Reliance Infocom (GJ, UP-E) and HFCL, Punjab have not met the TRAI stipulated benchmark of <5 for this parameter.

(3) **Percentage of faults repaired by next working day (should be >90%)**

M/s Bharat Sanchar Nigam Limited has not submitted their performance for this parameter whereas M/s MTNL have not met this benchmark in their Delhi circle and data not reported for Mumbai circle.

Among the private operators M/s Tata Tele-services (AP), Reliance Infocom (KR,) and Bharti Tele-ventures Limited (GJ, MH, Chennai, Mumbai) have not met the benchmark for this parameter whereas, Bharti Tele-ventures (GJ, MH, Chennai, Mumbai) have submitted their performance in this quarter as (53.00%, 16.00%, 0.00%, 46.00% respectively, which is the worst performance against the TRAI stipulated QoS benchmark of >90%

(4) **Mean Time to repair (MTTR) (should be <8hrs.)**

M/s BSNL, in only 05 out of 26 circles have met the benchmark whereas MTNL (Delhi & Mumbai) have not met this benchmark. The performance of M/s BSNL (AP, Chhattisgarh, Chennai, Jharkhand, KR, NE-I), MTNL (Mumbai), and Bharti Tele-ventures (UP-E) is (16.00 hrs, 15.00 hrs, 17.00 hrs, 15.00 hrs, 15.00 hrs, 34.00 hrs), (23.02 hrs), and (14.7 hrs) respectively, which is way below the TRAI benchmark of <8 hrs.

(5) **Grade of Service (calls per thousands) Junction between local exchanges <0.002.**

M/s BSNL has not reported their performance and MTNL has achieved the TRAI benchmark for this parameter Whereas, among the private operators M/s Reliance (AP, BR, GJ, MP, MH, PB, Raj, TN, HR, KTK, Chennai, KR, OR, UP-E, UP-W, WB), Tata (AP) and Bharti (PB, KR) have not achieve the TRAI stipulated benchmark of 0.002. The performance of M/s Reliance Infocom Limited (AP, BR, GJ, MH, TN, KTK, Chennai, OR, UP-W, WB) and Bharti Tele-ventures (PB, KR) is (4.880, 0.160, 0.270, 1.490, 1.970, 0.920, 1.250, 12.380, 7.27, 3.180) and (8.800, 3.00) respectively, which is the worst performance onward.

(6) **Call Completion Rate in local network (should be >55%)**

M/s BSNL in 06 out of 26 circles has not met the QoS benchmark and MTNL Delhi and Mumbai have not achieved the benchmark.

Among the private Operators only Tata (AP, Delhi) and Bharti Tele-ventures (AP, DL, GJ, MH, PB, KR, Kolkata, Mumbai, UP –E, UP-W) have not achieved the desired QoS benchmark of TRAI. Reliance Infocom has not reported the data for this parameter.

(7) **Metering and Billing credibility (Not more than 0.1% of bills should be disputed over a billing cycle**

Only 01 (NE-II) out of 26 service areas of BSNL have not met the benchmark for this parameter and M/s MTNL has achieved the QoS benchmark for their both circles Delhi and Mumbai.

Among the Private Operators M/s Tata Teleservices (AP, DL, GJ, MH, KTK, Mumbai), Bharti (AP, GJ, PB, KTK, KR, Kolkatta, Mumbai, UP-E, UP-W) and M/s Reliance (DL, GJ, TN, Mumbai) have not achieved the TRAI's QoS benchmark. The performance of M/s Bharti (GJ, KR, Mumbai, UP – E, UP –W) is (1.98%, 1.82%, 2.11%, 1.80%, 6.60%) respectively which is way below of TRAI benchmark 0.10%.

(8) **Customer Care: Promptness in attending 95% of customers requests (Benchmarks for Shifts, Closures and providing additional facilities are <3 days, <24 hours and <24hours respectively)**

(i) Shifts:-

Only 11 out of 26 circles of M/s BSNL have met the QoS benchmark for this parameter Whereas, MTNL (Delhi, Mumbai) have failed to meet the requirement on “Customer care – Shifts”.

Among the private operators only Tata (AP, KTK, Mumbai), Reliance (AP, DL, GJ, MP, PB, TN, HR, KR, Kolkata, Mumbai, UP-E) and Bharti (AP, DL, GJ, MP, MH, TN, HR, KTK, Chennai, KR, Kolkata, Mumbai, UP-E, UP-W) have not met the QOS benchmark.

(ii) Closures:-

Only 16 out of 26 service areas of M/s BSNL have not met the TRAI QoS Benchmarks whereas M/s MTNL (Delhi and Mumbai) have also failed to meet the benchmarks.

Among the private operators only Tata (DL & KTK), Bharti (AP, DL, PB, HR, KR, Mumbai, UP-E, UP-W) and Reliance Infocom (Chennai, KR, Kolkata, Mumbai, UP-E, AP, DL, GJ, MH, PB, RAJ, TN, HR, KTK) have not met the stipulated benchmark of TRAI.

(iii) Additional facilities

M/s BSNL only 10 out of 26 and MTNL (Delhi & Mumbai) have not achieved the benchmark for this parameter.

Among the Private operators Reliance Infocom (WB), Tata (KTK), HFCL (Punjab) and Bharti Tele-ventures Limited (AP, DL, GJ, PB, HR, Chennai, Mumbai, UP-E, UP-W) have not met the benchmark.

5.2 Quality of Service performance of Cellular Mobile Service Providers for quarter ending 31st December 2005: -

- a) This report covers performance of 88 GSM Cellular Mobile operators and 41 CDMA service operators vis-à-vis the QoS benchmarks prescribed by TRAI.
- b) M/s Dishnet Wireless Limited (J & K) have submitted their first performance monitoring reports in this quarter. Thus, the number of service providers who have reported their QOS performance has increased from 128 to 129 in this quarter.

The summary of status of the service providers who have met the benchmarks in this quarter as compared to previous quarter is given in the following table:

Sr. No.	Parameters	Bench- marks	No. of operators Meeting the benchmarks			
			Quarter ending Dec, 2005		Quarter ending March, 2006	
			Out of 128 (Nos.)	Out of 128 (%)	Out of 129 (Nos.)	Out of 129 (%)
1	Accumulated down time of community isolation	<24 hrs	123	96.09%	125	96.90%
2	Call Set-up Rate (within licensee's own network)	>95%	127	99.22%	127	98.45%
3	Service Access Delay	Between 9 to 20 Sec	128	100.00%	125	96.90%
4	Blocked Call Rate (i) SDDCH/Paging Channel Congestion	<1%	117	91.41%	119	92.25%
	(II) TCH Congestion	<2%	109	85.16%	116	89.92%
5	Call Drop Rate	<3.0%	126	98.44%	129	100.00%
6	% of connection with good voice quality	>95%	126	98.44%	129	100.00%
7	Response Time to the customer for assistance (i) %age of calls answered (electronically) within 20 seconds = 80%	80%	125	97.66%	105	81.41%
	%age of calls answered (electronically) within 40 seconds = 95%	95%	125	97.66%	102	79.07%
	%age of calls answered by operator (voice to voice); within 60 seconds = 80%	80%	99	77.34%	97	75.19%
	%age of calls answered by operator (voice to voice); within 90 seconds = 95%	95%	89	69.53%	79	61.24%
8	Complaints per 100 bills issued	<0.1%	107	83.59%	113	87.60%
9	% of complaints resolved with 4 weeks	100%	128	100.00%	129	100.00%
10	Period of all refunds/payment due to customers from the date of resolution of complaints as in (9) above	<4 weeks	126	98.44%	128	99.22%

5.2.1 The analysis of PMR of 129 Cellular licensees in 23 service areas is as under: -

(A) Network Performance

- i. **Accumulated down time of community isolation:-** M/s BSNL (KR & Raj), Bharti (AP) and Reliance-GSM (Assam) are not meeting the benchmark of <24 hrs. for this parameter. However, the performance of M/s Bharti Tele-ventures, in respect of this parameter is 158.93 hrs which is way beyond the benchmark of <24 hrs.
- ii. **Call Set-up Success Rate –** Only M/s Bharti Tele-ventures (WB) and Reliance GSM (BR) have not met the TRAI stipulated benchmark of >95%.
- iii. **Service access delay –** All the operators (except Tata, KR, UP-W & UP-E and Bharti, Kolkata) have met this benchmark of <15 seconds.
- iv. **Blocked Call Rate**
 1. **SDCCH/Paging Channel Congestion –** Only 10 service providers namely, M/s BSNL (BR), Reliance GSM (MP, WB, BR, NE), Hutch-BPL (MH), Spice (KTK), Dishnet Wireless (J&K, NE) and Aircel (TN) have not met the benchmark of <1%.
 2. **TCH Congestion –** M/s BSNL (except AP, KTK, Raj) and MTNL have met the benchmark of <2.00% for this parameter and among the private players M/s Reliance GSM (MP, WB, BR, AS, NE), Spice (KTK, PB), Aircel (Chennai & TN) and Hutch-BPL, KR have not met this benchmark.
The worst performance of M/s Reliance Telecom – GSM (MP, WB & BR) is 14.01%, 12.29% & 11.68% respectively.
- v. **Call Drop Rate & (vi) %age of good voice quality - All the service providers have met the benchmark of this parameter.**

(B) Customer Help Line - Response time to the customer for assistance

- (i) **%age of call answered (electronically) within 20 sec:-** The performance of M/s Idea Cellular (HR), Tata CDMA (Maharashtra) and BPL (Mumbai) is 74.00%, 0.00% and 69.73% respectively. M/s Reliance CDMA have submitted their performance 42.30% for all circles against the TRAI benchmark of 80.00%.
- (ii) **%age of call answered (electronically) within 40 sec:-** M/s Tata-CDMA (Mumbai) is having the worst performance as **0.00%** for this parameter against the TRAI benchmark of 95%. M/s Reliance – CDMA have reported their performance of 49.10% for all circles for this parameter.
- (iii) **%age of call answered by operator (voice to voice) within 60 sec:-** M/s BSNL (except Haryana) and MTNL have met this benchmark for this parameter. Among the private operators Idea (MH, GJ, DL), Tata (MH, PB, HR, UP-W, MP, HP), Hutch (GJ) and HFCL, Punjab have not met the benchmark of TRAI >80%. The performance of M/s Tata (MH) and Idea (Gujarat) is 0.00% and 53.00% respectively for this parameter which is way below the TRAI benchmark of 80%.
- (iv) **%age of call answered by operator (voice to voice) within 90 sec:-** M/s BSNL (AP, KTK, HR, Raj, Chennai) and MTNL (Delhi) have not met the benchmark. Among the Private players M/s Reliance CDMA (all circles),

Idea Cellular (MH, GJ, AP, Delhi), Tata (MH, AP, KTK, TN, PB, HR, UP-W, UP-E, Raj, MP, HP, DL, Mumbai, Chennai) and Bharti (GJ, KTK, Raj, J & K, Kolkata) have not met the benchmark of >95.00%. M/s Tata, Maharashtra have reported their performance for this parameter is 0.00% which is worst one.

(C) Billing Complaints

- (i) **No. of Complaints per 100 bills issued:-** The performance of M/s Dishnet Wireless – Orissa and Reliance –GSM, NE is 1.00% and 1.001% respectively against the TRAI benchmark <0.1%.

5.2.2 Details of Quality of service:

Detail of performance related to Network Performance, Customer help line and billing complaints are available at Annex 5.2.

Comparative POI Congestion level of Cellular Service Providers

Operators	Dec, 2005				March, 2006			
	>0.50%	>5.00%	>10.00%	>40.00%	>0.50%	>5.00%	>10.00%	>40.00%
Bharti Tele-ventures	140	95	75	30	194	146	118	51
Tata Teleservices	115	69	52	27	93	64	53	22
RIL	46	21	14	1	49	25	18	2
RTL	32	20	18	4	32	19	16	6
Idea	25	15	12	2	22	14	14	4
Hutch	19	16	12	4	39	25	20	11
Aircel Cellular	4	4	3	0	5	3	1	0
Spice Communication	2	2	1	0	2	1	1	0
Dishnet Wireless	6	3	0	0	19	12	5	0
MTNL	1	1	1	0	1	0	0	0
BPL	8	2	1	0	Take over by M/s Hutch therefore the congestion figure included in Hutch			
Total	398	248	189	68	456	309	246	96

5.3 Quality of Service Performance of Internet Service Providers for quarter ending 31st March 2006: -

5.3.1 The annex 5.3 indicates the Quality of Service achieved by Top 20 ISPs during the quarter: It is observed that most of the ISPs are able to meet the benchmarks, barring one or two cases.

5.3.2 The observations on QOS Benchmarks are as follows:

5.3.2.1 Service Activation Time:

All the ISPs have met the benchmark of 6 hrs. ISPs Hathway Cable & Datacom Pvt. Ltd., Tata Teleservices Maharashtra Ltd., HFCL Infotel Ltd., Fascel, Hughes, Broadband Pacenet (I) Pvt. Ltd. and Primus Telecommunications Ltd. have not provided the data.

5.3.2.2 Time to Access:

ISPs are required to achieve the benchmark of 30 sec. The ISPs Hathway Cable & Datacom Pvt. Ltd., Fascel, Hughes, Broadband Pacenet (I) Pvt. Ltd. and Primus Telecommunications Ltd. have not provided the data, rest others have met this benchmark.

5.3.2.3 Probability of Accessing the ISP Node:

ISPs are required to maintain the parameter of 80% for the first attempt, 90% for the second attempt and 99% for the third attempt. All the ISPs are able to meet this benchmark.

Hathway Cable & Datacom Pvt. Ltd., Fascel Ltd., Hughes, Broadband Pacenet (I) Pvt. Ltd. and Primus Telecommunications Ltd. have not provided us the data.

5.3.2.4 ISP Node Unavailability:

ISP Node Unavailability should not exceed 30 minutes in a month. Except Asianet Sattelite Communication Ltd. and WWW communications Ltd., other ISPs are able to achieve this benchmark. WWW communications Ltd. has informed that the benchmark was not met due to breakage in the circuit.

MTNL, Hathway Cable & Datacom Pvt. Ltd., Tata Teleservices (Maharashtra) Ltd., Fascel Ltd., Hughes, Broadband Pacenet (I) Pvt. Ltd. and Primus Telecommunications Ltd. have not provided us the data.

5.3.2.5 Grade of Service:

ISPs are required to maintain the Grade of Service on the link connecting PSTN node to the ISP node as 1 in 100. Two ISPs (VSNL and Iqara Telecom India Pvt. Ltd.) have informed that the information regarding the above mentioned benchmark cannot be provided, as the BSO has not given the information to them.

Reliance Communications Infrastructure, Hathway Cable & Datacom Pvt. Ltd., Fascel, WWW Communications, Hughes, Broadband Pacenet (I) Pvt. Ltd. and Primus Telecommunications Ltd. have not provided us the data.

5.3.2.6 Mean Time to Restore (MTTR):

As per clause 1.9 Schedule 'C' of ISP license, ISPs are required to rectify 90% of faults resulting due to subscriber complaints within 24 hours and 99% within three days.

All the ISPs have been rectifying the fault within stipulated period of three days. Hathway Cable & Datacom Pvt. Ltd., Fascel and Primus Telecommunications Ltd. have not provided the data..

Chapter Six

PERFORMANCE OF CABLE TV, DTH AND RADIO BROADCASTING SERVICES

- 6.1 This chapter is in respect of Broadcasting and Cable Service and this contains:
- a) Relative % share of viewing pattern of channels (Pay Vs FTA Vs Local) in four Metros during 2005 and 2006 (**Table 6.1**)
 - b) Range of number of channels carried regularly across cable Network(s) and cities where digital services are offered. The data is in respect to the quarter ending Dec 2005 and March 2006. [**6.2 (a) & 6.2(b)**]
 - c) Details of new pay channels / FTA Channels converted to Pay after 26.12.2003 on the basis of reports received from broadcasters / distributors of TV Channels under clause 4 of the Tariff Order of 1.10.2004. (**Table 6.3**)
 - d) Details of no of applications, received, no of licenses issues for DTH services. (**Table 6.4**)
 - e) Status of Community Radio Stations in the country as on 31.03.2006 (**table 6.5**)
 - f) Information on total advertisement revenue of FM Radio Stations who have given their reports. (**Table 6.6**)

6.2 This above information has been given in 7 tables appended to this report. The Highlight are indicated in the following paragraphs.

Highlights

A. Cable Television

- a) Table 6.1 indicates that the viewing pattern of FTA Vs Pay channel (in % term) (+4 cable and Satellite viewers) in four metros during the period ending March' 2006. There is no perceptible change in relating % ages of share between pay, FTA and local channels in all 4 metros in the two quarters.
- b) Table 6.2 (a) & (b) gives an indication of maximum and minimum range for number of FTA, pay and local channels, in Analogue and/or Digital mode, regularly carried during the quarter ending March' 2006 on cable TV networks which have been reported. Figures for the previous quarter as available have also been given in the table. The gap between the ranges of maximum and minimum in a particular quarter may be due to different sizes of reporting network operating in different areas and in different economic clusters and variation between the quarter may be partly due to different networks reporting and the number of agencies reporting for the quarter. The maximum and minimum figures may not be of the same network or area reporting as the range indicated in bases on overall figures reported across different networks operating in different area of different service providers.

c) Table 6.3 giving information on New Pay Channels and Free to Air (FTA) channels converted into Pay Channels after 26.12.2003 indicates that there have been 36 new pay channels/ converted FTA Channels to pay that have been launched since 26.12.2003. This is based on information reported by broadcasters in terms of clause of 4 of the TRAI's Tariff Order of 1.10.2004 on broadcasting and cable services.

B. DTH Services

6.3 It can be seen from table 6.4 that besides the existing DTH player there could be four more players who may come into the market in the future. The entry of more number of DTH operators may signify effective competition to Cable TV.

C Radio

6.4 Table 6.5 gives the status on Community Radio Stations in country.

6.5 The total Advertisement Revenue up to the quarter ending with December' 2005 and March' 2006 of 5 FM Radio Service Providers who have given their reports are given in table 6.6.

Chapter Seven

Financial Details of Telecom Service Sector

7.1 Revenue of Telecom Service Sector

- The total revenue of telecom service sector increased by over 21% during the financial year 2005-06. The total revenue, which was Rs 71673.7 crores in 2004-05, increased to Rs 86719.55 crores in 2005-06. The revenue contribution from the public sector telecom companies was 52% and that from private sector companies was 40% the in 2005-06.
- The total revenue of the public sector for 2005-06 was Rs 45232.98 against Rs 42174.20 crs for 2004-05. The revenues for the public sector companies increased by over 7%.
- The total revenue contribution from the private sector for 2005-06 was Rs 41486.57 crores against Rs 29499.53 for 2004-05. A very healthy growth of over 41% was registered.

Total Revenue of Telecom Service Providers (Rs Crs)		
Particulars	2004-05	2005-06
Total Revenue	71673.73	86719.55
Contribution of Govt Companies	42174.20 (59%)	45232.98 (52%)
Contribution of Pvt. Companies	29499.53(41%)	41486.57(48%)
Source: Operators Data		

7.2 EBITDA of Telecom Industry

- The EBITDA represents the profit before interest, tax, depreciation & amortization.
- EBITDA per subscriber is coming down but increasing in the absolute term.
- The EBITDA for 2005-06 was Rs 30137.92 Crores against Rs 26785.70 Crores for 2004-05 i.e an increase of 12.5%.
- The annual growth of EBITDA for PSUs for 2005-06 was only 0.5% against 39.8% for Private telecom service providers.

EBITDA Margin of Indian telecom Industry		
(Rs Crores)		
Particulars	2004-05	2005-06
Total EBITDA	26785.70	30137.92
Govt. Companies EBITDA	18613.20	18709.12
Pvt. Companies EBITDA	8172.49	11428.80
Source: Operators Data		

7.3 Capital Employed and Return on Capital Employed (RoCE)

- The Capital Employed is the fund deployed to operate the business.
- The capital employed at the end of 2005-06 was Rs 170087 crores against Rs 153864 crores for 2004-05 i.e capital employed has increased by over 10%.
- The capital employed by private sector at the end of 2005-06 was Rs 65856.55 crores against Rs 59925 crores at the end of 2004-05 i.e private sector capital employed has increased by about 10%.
- The Return on the average Capital Employed for 2005-06 for the telecom service industry was 7.82%. Return on capital employed for PSUs for this period was 8.5% against 6.7% for the private sector.

7.4 Gross Capital investment of Telecom Services Sector

- The capital investment of the telecom services sector has reached Rs. 200666 crores at the end of financial year 2005-06 from Rs.178831 crores at the end of financial year 2004-05 i.e. capital investment has increased by over 12%.
- The additional capital investment made by the telecom service industry during 2005-06 was around Rs 21835 Crore.
- The capital investment made by the private sector during 2005-06 was 12663 crs. The capital investment of the PSUs during the period was 9172 crore.

Capital Investment (Gross Block) of Telecom Services			
(Rs crores)			
Particulars	2004-05	2005-06	Increase in 2005-06
Total	178831	200666	21835
Govt.companies	66%	64%	42%
Pvt.Companies	34%	36%	58%
Source: operators data			

7.5 Telecom sector share in GDP (%)

1. The Indian Telecom Service industry is contributing 2.71% to the total GDP. The year-wise telecom service sector share in GDP is given below

Telecom sector Share in GDP		
Particulars	2004-05	2005-06
	(Rs in thousand Crore)	
Gross Domestic Product (at factor cost)		
At Current prices	2843.9	3200.6
Total Telecom Revenue	71.67	86.72
	(In Percentage)	
Share of Telecom sector to GDP	2.52%	2.71%
Source: Economic Survey 2005-06 Table 1.1		

7.6 Foreign Direct Investment (FDI) in Telecom

Foreign Investment in telecom industry is a major source of funding the Indian Telecom Industry. Attracting the Foreign Direct Investment is the top priority of the Indian government in the recent years. The year-wise statistic of Foreign Direct Investment in Telecom Industry and its share in total FDI Inflow of India is given in the below table.

Foreign Direct Investment Inflow						
(Rs Crs)						
Year	Year-wise FDI Inflow			Cumulative FDI Inflow		
	Total FDI Inflow	FDI Inflow in Telecom Sector	% Of Telecom FDI to Total FDI	Cumulative FDI	Cumulative FDI for Telecom Sector	% of FDI in the Telecom Sector
2003-04	12117	532	4.39%	119660	10725	9.0%
2004-05	17138	588	3.43%	136798	11313	8.3%
2005-06 (Up to Jan 2006)	19356	905	4.68%	156154	12218	7.8%
Source: DIPP						

7.7 Employment in telecom sector and subscribers per employee

- The direct employment generated by the telecom service sector is about 429400.
- The government companies have employed about 90% of the total direct employment.
- At the year ending 2005-06, one employee of PSU has been employed for every 158 subscribers as against 1678 for the private sector.

Employment Scenario in Telecom services sector		
Particulars	2004-05	2005-06
Govt.companies	52080000	60450000
Pvt.companies	46330000	79370000
Total Subscriber	98410000	139820000
Govt. companies	394334	382105
Pvt.Companies	42557	47295
Total Employees of Telecom companies	436891	429400
Subscribers per Employee at year end		
Govt. Companies	132	158
Pvt.Companies	1089	1678
Source: Operator data, TRAI		
