



Annual Report

2013-14

Telecom Regulatory Authority of India

Telecom Regulatory Authority of India

(IS/ISO 9001:2008 Certified Organisation)



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ANNUAL REPORT 2013-14



Letter of Transmittal

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

It is my privilege to forward the 17th Annual Report for the year 2013-14 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.

(DR. RAHUL KHULLAR) CHAIRPERSON

Dated: December, 2014



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OVERVIEW OF TELECOM & BROADCASTING SECTOR

ANNUAL REPORT 2013-14 📕 1



OVERVIEW

- 1. The year 2013-14 has been an eventful year for the telecommunications and broadcasting sectors. In the telecom sector, TRAI addressed the issue of spectrum pricing; and made recommendations to the Government on suitable reserve prices for the auction of spectrum in different bands that would restore growth and vitality to the sector. TRAI gave its recommendations on availability of spectrum, liberalization of usage, spectrum usage charges and spectrum trading etc. In the broadcasting sector, TRAI made several recommendations to the Government. These recommendations pertain to guidelines for Television Rating Agencies, Monopoly/Market dominance in cable TV services, Migration of FM Radio Broadcasters from Phase-II to Phase-III and Foreign Direct Investments (FDI) in Broadcasting Sector in India. Implementation of these recommendations is expected to have far reaching impact on the sector in terms of orderly growth, better investment opportunities as well as bringing in competition and hygiene in the sector. The digitisation of the cable TV sector, which aims at empowering the consumer and providing him better quality of service & increased choice, was continuously pursued and monitored against various odds and challenges. However, with vigorous pursuance, the seeding of set top boxes and operationalization of the subscriber management systems could be completed in most of major cities and towns across the country covered under the first and second phases of digitisation.
- 2. The significant events relating to Telecom and Broadcasting sectors during the year 2013-14 were as follows:

I. TELECOM SECTOR

(i) The Telecom Sector witnessed substantial growth in the number of subscribers during the year 2013-14. At the end of the financial year, the subscriber base was 933.00 million, out of which 904.51 million were wireless subscribers. During the year, wireless subscriber base recorded an increase of 36.71 million, while the overall teledensity increased from 73.32 to 75.23. The year also saw increase in rural teledensity from 41.02 to 43.96 while the urban teledensity decreased to 145.78 from 146.96. As per the data reported by the service providers, by the end of March, 2014 about 117.01 million mobile subscribers have submitted their requests to different service providers for porting their mobile number. The Internet subscriber base in the country as on 31st March 2014 stood at 251.59 million as compared to 164.81 million as on 31st March 2013. As regards Broadband, the Central Government had revised the definition of Broadband as follows vide notification dated 18th July 2013:

"Broadband is a data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 512 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband service"

The minimum download speed for the broadband services was increased from 256 kbps to 512 kbps and the wireless data services were also included in the revised definition of Broadband service notified by the Government. The total broadband subscriber base of the country as on 31st March 2014 (as per the revised definition) is 60.87 million as per information available with TRAI, vis-a-vis 15.05 million as on 31st March 2013 (as per pre-revised definition).

- An important aspect of TRAI's functions as (ii) 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 'Valuation and Reserve Price of Spectrum for Auction in different bands of spectrum', 'Full Mobile Number Portability' 'Availability of Spectrum', 'Liberalization of Usage', 'Spectrum Usage Charges', 'Spectrum Trading' etc.
- In its recommendations dated 9th Sept. 2013 (iii) on "Valuation and Reserve Price of Spectrum" while recommending the reserve price for 1800 Mhz spectrum for 22 license service areas and 900 Mhz spectrum for Delhi, Mumbai and Kolkata LSAs, the Authority also recommended that before the auction, DoT should come out with a clear road map indicating the quantum of spectrum which will be available in future along with timelines so that licensees whose licenses are due for renewal in 2015/2016 can take an informed decision about bidding for spectrum in 1800 MHz bands. In addition, to ensure faster coverage of rural areas, the Authority also recommended for certain rollout obligations to be incorporated for

licenses having access spectrum (spectrum in 800/900/1800 Mhz bands).

- (iv) 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 Sept. 2013.
- (v) DoT had requested TRAI to deliberate on the issue of 'Augmentation/revamping of telecom services in North Eastern states (NER) including the state of Sikkim – study regarding gap and investment required for formulation of a telecom plan'. After carrying out detailed consultations with various stakeholders, TRAI forwarded its recommendations on "Improving Telecom Services in the North Eastern States: an investment plan" on 26th Sept. 2013. The Authority recommended for an approximate amount of Rs.2918 crores as an overall investment requirement for covering the telecom infrastructure gap in the NER states. The Authority recommended that the government should mandate all agencies including State Government, WPC, Highway Authorities, PSUs to cooperate to make the success of investment plans for providing universal and state of the art facilities in the NER.
- (vi) Telecom Traffic increases substantially during disasters/emergencies which results in network congestion. Such congestions seriously hamper the emergency responders'

ability to communicate and coordinate. To devise a system that can facilitate communication amongst those responsible for the priority to such emergencies during network congestion by giving priority to their calls, the Authority *suo moto* issued its recommendations on "Telecom Network failures during Emergencies/Disasters -Priority routing of calls of persons engaged in response and recovery "on 26th November, 2013.

- (vii) The Authority in its recommendations on 'Valuation and Reserve Price of Spectrum' dated 9th Sept. 2013 had recommended that Spectrum Trading should be permitted in the country. On receiving in 'principle acceptance' from the DoT, the Authority finalised and forwarded its recommendations on 'Working Guidelines on Spectrum Trading' on 28th January, 2014. In its recommendations, the Authority has recommended for only outright transfer of spectrum i.e. the transfer of ownership of the usage to the buyer. The Authority did not recommend spectrum leasing.
- (viii) On request from the DoT on the reserve price for 800 MHz band in all service areas, the Authority after going through the consultation process and internal analysis formulated and forwarded its recommendations on "Reserve Price for Auction of Spectrum in 800 MHz band" on 22nd Feb. 2014.
- (ix) During the year, besides the above recommendations, the Authority initiated consultation process on (a) Revenue sharing

arrangements for calling card services (b) Review of Tariff for domestic leased circuits and (c) Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers.

- (x) In order to ensure strict compliance to the MNP regulations by Access Providers, the Authority amended the MNP regulations by incorporating provisions for levy of financial disincentives where contravention is established in rejection of porting requests and also in the timelines specified in the regulations.
- (xi) Department of Telecommunications had sought recommendations of the Authority regarding continuation of support to Bharat Sanchar Nigam Limited (BSNL) from the USO Fund for its rural wireline connections installed prior to 1.4.2002. After careful consideration of inputs received from BSNL and consultation with stakeholders, the Authority recommended on 5.3.2012 that support to BSNL from the USO Fund for sustenance of rural wire-line connections installed before 01.04.2002, could continue for a further period of two years from July 2011, at the rate of Rs.1500 crore for the first year and Rs.1250 crore for the second year.
- (xii) 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.

- (xiii) The Telecom Consumers Complaint Redressal Regulations, 2012 was issued on 5th January, 2012 to improve the effectiveness of complaints redressal for the telecom consumer by the service provider. To further strengthen the framework, The Telecom Consumers Complaint Redressal (Second Amendment) Regulations, 2013 were issued on 11th September 2013. These regulations provide that the Complaint Centre shall also be accessible to consumers through e-mail, post and in person. The accessibility of the complaint centre in person could be facilitated by service providers through customer service centres, sales outlets, brand shops, relationship centres, touch points etc and these access points should be able to acknowledge the complaint and issue the docket number as per the regulations. Further, to bring the accessibility of Appellate Authority, the registration of appeals through the Complaint Center has been facilitated.
- (xiv) To gauge the effectiveness of its quality enforcement mechanism, TRAI undertakes periodic assessments of the quality of service, as well as customer perceptions of the quality of service. TRAI's regional offices conduct periodic field checks of the implementation of standards laid down through regulations and orders. They also analyse and monitor the reports of the audit and survey. In this connection, a direction was issued on 18th October 2013 to all

Telecom Service Providers (TSPs) to provide quality of service performance data of every month to the regional offices of the Authority and to the audit agencies appointed by the Authority, by the 5th of each succeeding month.

- (xv) The mobile phone is rapidly emerging as a useful instrument for customers to conduct financial transactions. TRAI has assumed a facilitative role in the endeavour to leverage the mobile phone for financial inclusion of India's vast population. TRAI has, over the past year, arranged for banks and TSPs to have detailed consultations for working together on this important national project. Recognising the need for regulatory intervention to set the process in motion, the Mobile Banking (Quality of Service) Regulation has been amended to direct all TSPs to facilitate Integrated Voice Response (IVR), Short Message Service (SMS) and Unstructured Supplementary Services Data (USSD) based connectivity to banks and their authorised agents for mobile banking services.
- (xvi) Regulatory enforcement is an integral aspect of the functioning of TRAI. To ensure better enforcement, various regulations and orders has 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.

II. BROADCASTING SECTOR

- The broadcasting sector consists of (i) Television and Radio Services. India has the world's third largest TV market after China and USA. As per industry estimates, as on March 2014, of the 270¹ million households, around 169¹ 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 99¹ million Cable TV subscribers, 64.82² million registered DTH subscribers (including 37.19² million active subscribers) and around half a million IPTV subscribers. The terrestrial TV network of Doordarshan covers about 92 per cent of population of the country through a vast network of terrestrial transmitters.
- (ii) The broadcasting and cable television services sector comprises 55² pay broadcasters, an estimated 60,000 cable operators, 6000 Multi System Operators (MSOs) (including 144 MSOs registered in DAS), six pay DTH operators, apart from a

¹ Based on MPA Reports 2013

² As per TRAI Records as on March 2014

public service broadcaster-Doordarshan, having free-to-air DTH service. There were 793 TV channels registered with the Ministry of Information and Broadcasting at the end of financial year 2013-14 out of which 187² were SD pay TV channels, 34 HD Pay TV channels and 4 advertisement free pay channels.

- (iii) India's television industry grew from Rs 37010³ Crores in the year 2012 to Rs 41720³ Crores in the year 2013, thereby registering a growth of around 12.7%. The subscription revenue accounts for the major share of the overall revenue of the TV industry. The subscription revenue grew from Rs. 24500³ Crores in the year 2012 to Rs. 28100³ crores in the year 2013. The advertisement revenue in the TV sector in India grew up from Rs. 12500³ Crores in the year 2013.
- (iv) The FM radio sector has also shown an impressive growth. There were 242 private FM (Frequency Modulation) radio stations operational by March 2014, besides the public service broadcaster- All India Radio (AIR) having a network of 413 stations and 584 broadcast transmitters [148 MW (Medium Wave), 236 FM and 48 SW (Short Wave)]⁴.The coverage of AIR service is around 92% of the geographical area of the country, serving 99.18% of the population. Further, as on March 2014, out of the 194 licenses issued for the setup of community radio stations, 161 community radio stations

³ Based on FICCI-KPMG Report 2014 ⁴ Source: AIR Website-www.air.org.in were operational. The radio industry, which is entirely dependent on advertisement revenues, registered a growth of around 15 percent during the year 2013. The industry earned advertisement revenue of Rs. 1460³ Crores n the year 2013 compared to Rs. 1270³ Crores in year 2012.

- (v) 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 March 2014, more than 22 million Set Top Boxes were deployed. Implementation of digitization with addressability is going to be a game changer and would drive the growth of the broadcasting and cable TV services in the country in a structured manner. At the same time, in the DTH sector, the subscriber base is registering a growth of around one million subscribers per. This clearly indicates the growing popularity and acceptability of digital addressable platforms which have a lot more to offer to all the stakeholders.
- (vi) The Ministry of Information and Broadcasting (MIB) had sought recommendations of TRAI for the FDI limits in the broadcasting sector in India. For the much needed infusion of funds/investments in the broadcasting sector, TRAI, in its recommendations dated 22nd August 2013, recommended for enhancement of FDI limit

for the broadcast carriage services, unlinking of 'News and Current Affairs' TV channels and that for FM radio services. To attract FDI, TRAI also recommended that the approval process be streamlined and made timebound.

- (vii) In order to ensure that the shortcomings of the present television rating system are addressed and credible television ratings are generated by rating agencies, MIB had requested TRAI to offer its recommendations on the subject. TRAI made its recommendations on 11th September 2013 to the Government for the formulation of guidelines for Television Rating Agencies. Based on the recommendations of TRAI, the Government has issued the guidelines. These guidelines cover eligibility norms, registration procedure, cross-holding restrictions, rating methodology, complaint redressal mechanism, provisions regarding sale & use of ratings, and provisions for audit, disclosure, reporting requirements and penalties. TRAI also recommended that the television ratings should be self-regulated through an industry led body.
- (viii) In response to the MIB reference regarding the issues related to monopoly/market dominance in cable TV services, TRAI made its recommendations to the Government on 26th November 2013. TRAI recommended determination of market dominance to be based on market share of an MSO in a relevant market and, using a new definition of control, prescribed rules for M&A and acquisition of control among MSO(s) or

between an MSO and LCO in the relevant market.

- Responding to another MIB reference, TRAI, (ix) on 20th February 2014, made its recommendations for the migration of FM Radio Broadcasters from Phase-II to Phase-III. Apart from prescribing the formulae for calculating migration fee for different category of cities, TRAI also made its recommendations on the license period for the existing FM channels on migration from Phase-II to Phase-III. TRAI also reiterated implementation of its early recommendations on minimum channel spacing of 400 KHz for FM Radio broadcast, issued on 19th April 2012, which, in effect, is expected to increase the availability of number of frequencies in each city for auction.
- TRAI notified two tariff orders on 27th May (x) 2013 namely the Telecommunication (Broadcasting and Cable) Services (Fifth) (Digital Addressable Cable TV Systems) Tariff Order and the Telecommunication (Broadcasting and Cable) Services (Sixth) (The Direct to Home Services) Tariff Order. These orders provided for standard tariff packages for supply and installation of Set Top Box (STB) / Customer Premises Equipment (CPE). These tariff orders are aimed at facilitating commercial interoperability at clear, easy to understand, terms and conditions, to a subscriber who intends to migrate to a different service provider, due to any reason.

- (xi) One of the important features of any digital addressable system is to offer effective choice to the consumers. For ensuring the same as well as to protect the interests of the service providers, TRAI issued an amendment to the tariff order, applicable for addressable platforms, on 20th September 2013. The amendment prescribes a linkage between pricing of the a-la-carte of channels and bouquets wherein such channels form a part. While allowing flexibility to the service providers to price their offerings, the said linkage ensures that the a-la-carte prices of the channels are not rendered illusionary.
- (xii) In view of the Telecom Disputes and Settlement Appellate Tribunal (TDSAT) judgment dated 19th October 2012 and in order to bring finality on the issues related to minimum mandated channels carrying capacity of the head ends in DAS, charging of carriage fee and placement fee in DAS, TRAI, on 20th September 2013, notified amendment to the interconnection regulations applicable to DAS.
- (xiii) In order to streamline the distribution of TV channels from broadcasters to Distribution

Platform Operators (DPOs) and to ensure overall development of the television sector, TRAI notified amendments to the existing regulatory framework on 10th February 2014. This was done to address the market distortions caused because of the role assumed by the authorised agents (aggregators) of the broadcasters.

- (xiv) TRAI has prescribed ceilings on the charges for the broadcasting and cable TV services. In order to make adjustments on account of inflation, the Authority has been allowing inflation linked hike over the existing ceilings, from time to time. In this regard, an amendment namely the Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Eleventh Amendment) Order, 2014 was issued on 31st March 2014.
- (xv) To ensure effective implementation of DAS and to ensure compliance to the regulatory frame laid down by TRAI, several Directions were issued to the service providers, from time to time. In some cases, show-cause notices were issued and, in certain cases, complaints were also filed in the Courts as per the provisions of 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 2013-14. At the end of financial year 2013-14, the overall telecom subscriber base has increased to 933.00 million as compared to 898.02 Million at the end of financial year 2013-14 an increase of 34.94 million. The overall subscriber base and teledensity is depicted in **Table-1**.

Particulars	Wireless	Wireline	Total
			Wireless +
			Wireline
Total Subscribers (Million)	904.51	28.49	933.00
Urban Subscribers (Million)	532.73	22.53	555.26
Rural Subscribers (Million)	371.78	5.96	377.73
Overall Teledensity	72.94	2.30	75.23
Urban Teledensity	139.86	5.91	145.78
Rural Teledensity	43.27	0.69	43.96
Share of Urban Subscribers	58.90%	79.09%	59.51%
Share of Rural Subscribers	41.10%	20.91%	40.49%
No. of Broadband Subscribers (Million)	46.01	14.86	60.87

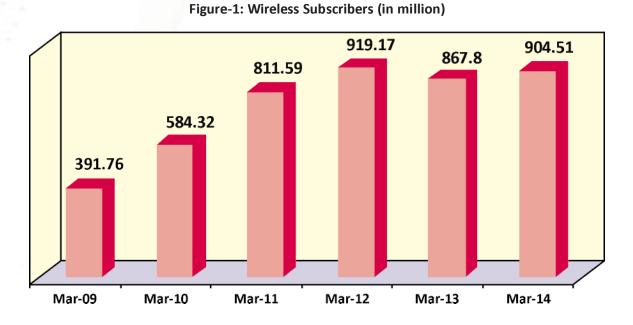
Table-1 : Overall Subscriber base and Teledensity

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 904.51 million as on 31st March 2014 in comparison to the subscriber base 867.80

million as on 31st March 2013 registering a growth of 4.23% during the financial year 2013-14. The status of wireless subscriber base during the last 6 years is depicted in **Figure-1**.



(b) Mobile Number Portability

1.1.2 During the year 2013-14, 27.32 million subscribers have submitted their porting requests to different service providers for availing MNP facility. With this the Mobile Number Portability requests increased from 89.70 Million subscribers at the end of March 2013 to 117.01 Million at the end of March 2014. The service area wise porting request during the year 2013-14 is depicted in **Table-2**.

Table-2: Service Area wise porting requests during the year 2013-14

Licence Service Area	Porting request received during the period 2013-1 (Figures in Million)			
Andhra Pradesh	2.66			
Assam	0.06			
Bihar	0.84			
Delhi	1.43			

Licence Service Area	Porting request received during the period 2013-14 (Figures in Million)
Gujarat	2.32
Haryana	1.16
Himachal Pradesh	0.07
Jammu & Kashmir	0.01
Karnataka	2.65
Kerala	0.82
Kolkata	0.59
Madhya Pradesh	1.35
Maharashtra	1.87
Mumbai	1.66
North East	0.05
Orissa	0.53
Punjab	1.10
Rajasthan	3.24
Tamil nadu	1.64
UP - East	1.03
UP - West	1.07
West Bengal	1.17
Total	27.32

(c) Wireline

1.1.3 The wireline subscriber base as on 31st March, 2014 was 28.50 million as compared to 30.21 million subscribers on 31st March, 2013, registering a decrease of 1.71 million subscribers during the year 2013-14. Out of the 28.50 million wireline subscribers, 22.54 million are urban wireline subscribers and the remaining 5.96 million are rural wireline subscribers. The status of the wireline subscribers during the last five years is depicted in **Figure-2**.

(d) Teledensity

1.1.4 The tele-density at the end of March, 2014 reached the mark of 75.23 as compared to 73.32 at the end of previous year recording a increase of 1.91. The trend of teledensity since March 2010 is depicted in **Figure-3**.

Figure-2: Wireline Subscribers (in million)

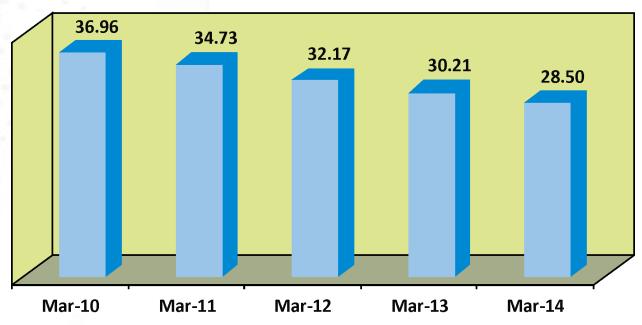
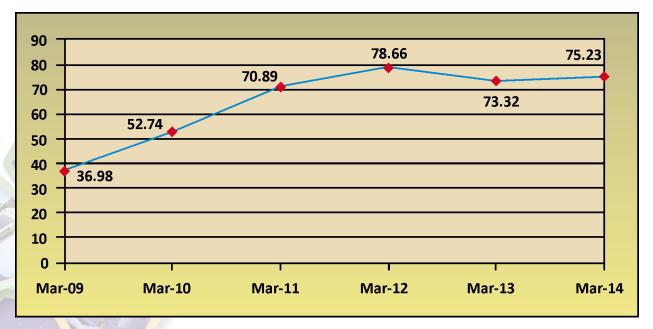


Figure-3 Growth of Teledensity



(e) Internet and Broadband Subscribers

1.1.5 The Internet subscriber base in the country as on 31st March 2014 stood at 251.59 million as compared to 164.81 million¹ as on 31st March 2013. As regards Broadband services, the department of telecommunications had revised the definition of Broadband as follows *vide* a notification dated 18th July 2013:

"Broadband is a data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 512 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband service."

The minimum download speed for the broadband services was increased from 256 kbps to 512 kbps and the wireless data services were also included in the revised definition of Broadband service notified by the Government. The total broadband subscriber base in the country as on 31st March 2014 (as per the revised definition) was 60.87 million vis-a-vis 15.05 million as on 31st March 2013 (as per pre-revised definition).

(f) The Indian Telecom Services Performance Indicator

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 2013-14, the said report for the quarter ending December, 2013 has been released; summary of the same is given in **Table-3**.

Telecom Subscribers (Wireless +Wireline)	
Total Subscribers	933.01 Million
% change over the previous quarter	1.95%
Urban Subscribers	555.28 Million
Rural Subscribers	377.73 Million
Market share of Private Operators	87.13%
Market share of PSU Operators	12.87%
Teledensity	75.23
Urban Teledensity	145.78
Rural Teledensity	43.96
Wireless Subscribers	
Total Wireless Subscribers	904.51 Million
% change over the previous quarter	2.05%
Urban Subscribers	532.73 Million
Rural Subscribers	371.78 Million
GSM Subscribers	847.41 Million

Table-3 : Performance Indicator (Data as on 31st March, 2014)

CDMA Subscribers	57.10 Million
Market share of Private Operators	89.16%
Market share of PSU Operators	10.84%
Teledensity	72.94
Urban Teledensity	139.86
Rural Teledensity	43.27
Wireline Subscribers	
Total Wireline Subscribers	28.50Million
% change over the previous quarter	-1.37%
Urban Subscribers	22.54 Million
Rural Subscribers	5.96 Million
Market share of Private Operators	22.70%
Market share of PSU Operators	77.30%
Teledensity	2.30
Urban Teledensity	5.92
Rural Teledensity	0.69
Village Public Telephones (VPT)	588.912
Public Call Office (PCO)	9,56,988
Internet / Broadband Subscribers	
Total Internet Subscribers	251.59Million
Narrowband subscribers	190.72 Million
Broadband subscribers	60.87 million
Wired Internet Subscribers	18.50 Million
Wireless Internet Subscribers	233.09 Million
Broadcasting & Cable Services	
No. of private satellite TV channels registered with Ministry of I&B	793
Number of private FM Radio Stations	242
Registered DTH Subscribers	64.82 Million
Active DTH Subscribers	37.19 Million

Telecom Financial Data	Es
Gross Revenue(GR) during the year	Rs.233815 Crore
% change in GR over the previous year	9.98 %
Adjusted Gross Revenue (AGR) during the year	Rs.158042 Crore
% change in AGR over the previous year	12.26%
Share of Public sector undertaking's in Access AGR	12.75%
Monthly Average Revenue Per User (ARPU) for Access Services	Rs.115
Revenue & Usage Parameters (for the quarter ending March 20	014)
Monthly ARPU GSM Full Mobility Service	Rs.113
Monthly ARPU CDMA Full Mobility Service	Rs.105
Minutes of Usage (MOU) per subscriber per month GSM Full Mobility Service	389 Minutes
Minutes of Usage (MOU) per subscriber per month CDMA Full Mobility Service	275 Minutes
Minutes of Usage for Internet Telephony	251 Million
Data Usage of Mobile Users (for the quarter ending March 201	14)
Data Usage per subscriber per month - GSM	53.94 MB
Data Usage per subscriber per month - CDMA	176.24 MB
Data Usage per subscriber per month – Total(GSM+CDMA)	61.66 MB

g) Financial Performance of the Telecom Sector.

The financial information covers 53 telecom service sector companies. The information is based on audited/ unaudited financial information submitted by these service providers to TRAI. The financial information mainly comprises of revenue, EBITDA, capital investment and other profitability margins of the Indian telecom service sector.

Revenue

The Total Revenue of Telecom Service Sector went up from Rs. 2,12,592 crore in 2012-13 to Rs. 2,33,815 crore in 2013-14 indicating a growth of 9.98%. The corresponding figure of revenue after adjustment of intra operator interconnection charges, come to Rs. 2,07,498 crore in 2012-13 and Rs. 2,19,357 crore in 2013-14, showing a growth of 5.72% over the previous year. This is indicated in **Table-4** and the Revenue of Major Access Telecom Service Providers is indicated in **Figure-4**.

EBITDA

EBITDA represents the Earnings before Interest, Tax and Depreciation & Amortization. The EBITDA of Telecom

Particulars		2013-14			2012-13 ²	
	Public	Private	Total	Public	Private	Total
Revenue from Telecom Service	30,282	1,79,991	2,10,273	29,677	1,66,262	1,95,939
Total Revenue	32,606	1,86,751	2,19,357	31,509	1,75,988	2,07,498

Note: The figures for the year 2012-13 have been updated to include information of newly added companies, who started reporting to TRAI from 2013-14 onwards to make analysis comparable.]

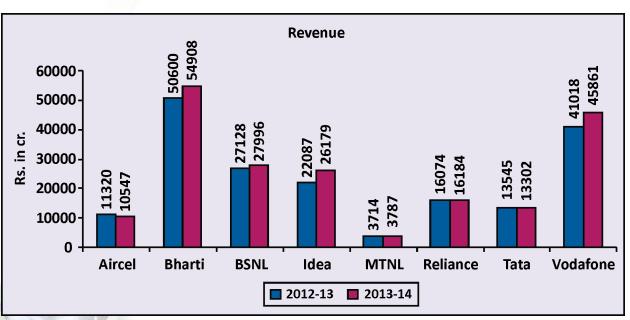


Figure 4: Revenue of Major Access Telecom Service Providers

Service Sector for the year 2013-14 is Rs. 43,723 crore as against Rs. 30,358 crore for the year 2012-13 showing an increase of 44.02% over the previous year.

Increase in EBITDA for public sector in 2013-14 is 41.65% as against growth of 40.32% for private telecom service providers. EBITDA margin of telecom service sector for 2013-14 stood at 19.93% as against 14.63% in previous year. EBITDA of Public & Private Sector is indicated in **Table-5** and EBITDA Margin of Telecom Service Sector is indicated in **Figure-5**.

Operating Expenses Ratio of telecom service sector

Overall Operating expenditure ratio of telecom service sector has decreased by 5.30%. This is indicated in **Table-6** and **Figure-6**.

Capital Employed

The Capital Employed represents the funds necessary for a business to function

(Rs. in Crore)

Particulars	2013-14				2012-13	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Public	Private	Total	Public	Private	Total
EBITDA	-799	44,522	43,723	-1,370	31,728	30,358

Figure 5: EBITDA Margin of Telecom Service Sector

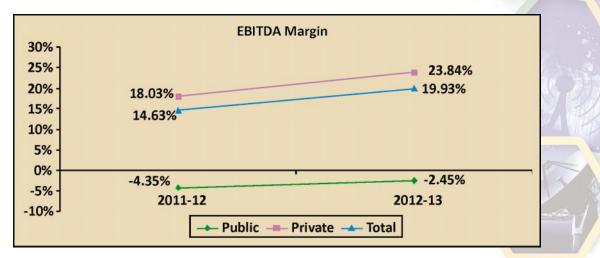
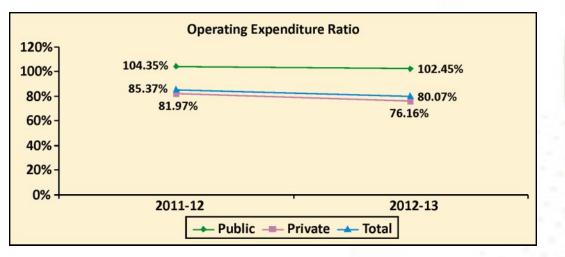


Table 6: Sector-wise Operating Expenditure and its Ratio

Particulars	2013-14		2012-13			
	Public	Private	Total	Public	Private	Total
Operating Expenditure (Rs. in crore)	33,406	1,42,229	1,75,635	32,879	1,44,260	1,77,140
Operating Expenditure Ratio	102.45%	76.16%	80.07%	104.35%	81.97%	85.37%

Figure 6: Operating Expenditure Ratio



or the funds deployed to operate the business.

The capital employed has shown growth of 16.65% over the previous year. The public sector has shown a slight increase of 1.93% and private sector has shown increase of 21.36%. This is indicated in **Table-7** and **Figure-7**.

Capital Investment (Gross Block)

There is slight decrease of 0.36% in Gross Block in telecom service sector. Public sector has shown decline of 6.03% whereas private sector has shown growth of 2.98% This is indicated in **Table-8** and **Figure-8**. The Capital Employeed turnover ratio is indicated in **Table-9** and **Figure-9**.

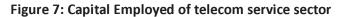
Net Fixed Asset (Net Block) Turnover Ratio

Fixed Asset (Net) Turnover Ratio: Revenue from telecom services/Net Block. This is indicated in **Table-10** and **Figure-10**.

Table 7: Capital Employed

(Rs. in Crore)

Particulars	2013-14				2012-13	
	Public	Private	Overall	Public	Private	Overall
Capital Employed	75,048	2,79,006	3,54,054	73,629	2,29,896	3,03,525



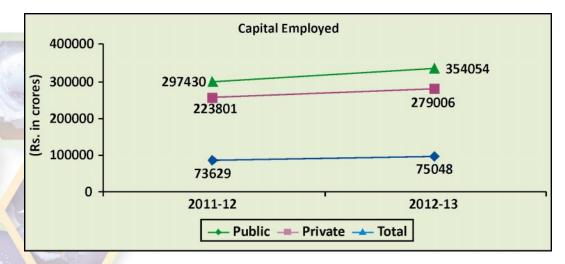


Table 8: Sector-wise Investment in Gross Block (Fixed Assets)

(Rs. in Crore)

Particulars		2013-14		2012-13		
	Public	Private	Overall	Public	Private	Overall
Gross Block	1,96,860	3,65,665	5,62,524	2,09,482	3,55,076	5,64,558

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

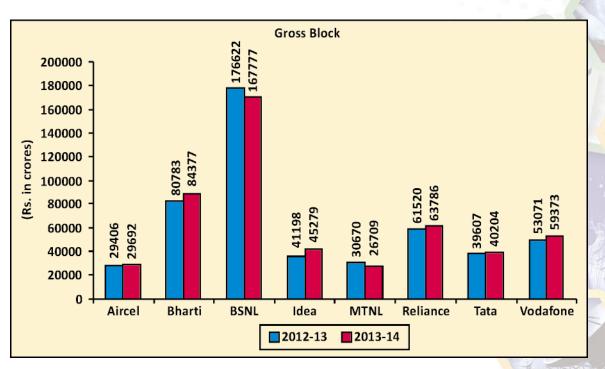


Table 9: Capital Employed Turnover Ratio

Particulars	2013-14			2012-13		
	Public	Private	Overall	Public	Private	Overall
Capital employed turnover ratio (in %)	40.35%	64.51%	59.39%	40.31%	72.32%	64.55%

Figure 9: Capital Employed Turnover Ratio

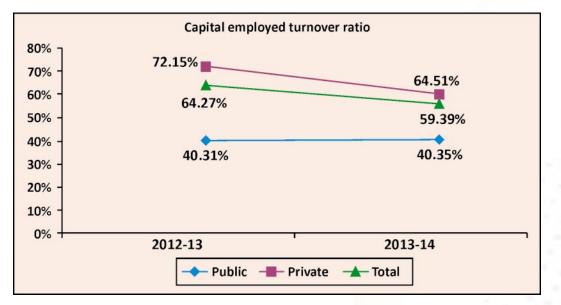


Table 10: Fixed Asset (Net) Turnover Ratio

Particulars	2013-14			2012-13		
1.1 M	Public	Private	Overall	Public	Private	Overall
Fixed Asset(Net) Turnover ratio (in %)	47.94%	88.12%	78.63%	36.75%	77.28%	66.22%

Fixed Asset (Net) Turnover Ratio **90%** 88.12% 77.28% 80% 78.63% 70% 66.22% 60% 50% 40% 47.94% 30% 36.75% 20% 10% 0% -2012-13 2013-14 Public – Private

Figure10: Fixed Assets (Net) Turnover Ratio

Debt Equity Ratio

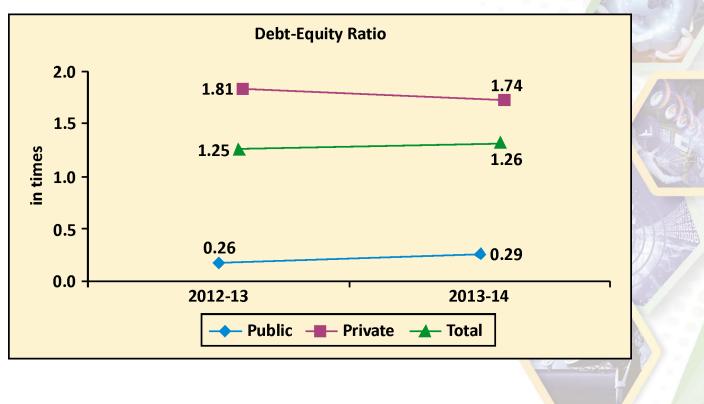
In 2013-14, the Debt Equity ratio of telecom service sector has slightly increased to 1.26. Debt Equity ratio of

private sector is quite higher in comparison to public sector. This is indicated in **Table-11** and **Figure-11**.

Table 11: Sector-wise Debt Equity Ratio

Particulars	2013-14			2012-13		
A Same	Public	Private	Overall	Public	Private	Overall
Debt Equity ratio (in times)	0.29	1.74	1.26	0.26	1.81	1.25

Figure 11: Debt Equity Ratio



(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 2014, the Wireless rural [Mobile and WLL(F)] market has reached 371.78 million mark as against 342.50 million as on 31st March 2013. As per the Performance Indicator Report, 41.10% of total wireless subscribers are now in rural areas. The rural subscriber base since March 2009 is indicated in **Figure-12**. The service provider wise rural wireless subscriber base & their market shares are shown in **Table-12 and Figure-13** respectively.

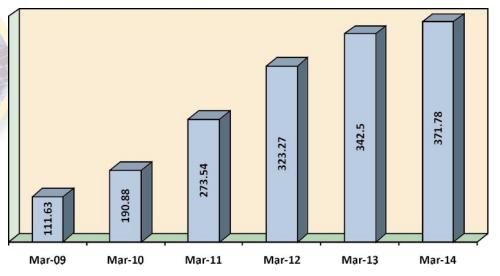
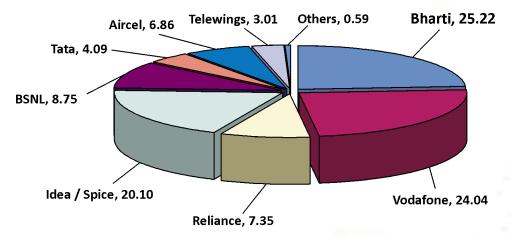


Figure - 12 : Rural Wireless Subscriber base (in million)

SI. No.	Wireless Group	Subscribers as on March-14 (in millions)	Subscribers as on March-13 (in millions)	Rural Subscribers as on Mar-14 (in millions)	Rural Subscribers as on Mar-13 (in millions)	Market Share of Rural Subscribers (as on Mar-14)	Market Share of Rural Subscribers (as on Mar-13)
1.	Bharti	205.39	188.20	93.76	82.16	25.22	23.99
2.	Vodafone	166.56	152.35	89.39	82.29	24.04	24.02
3.	Idea/Spice	135.79	121.61	74.72	65.78	20.10	19.21
4.	Reliance	110.89	122.97	27.32	29.34	7.35	8.57
5.	BSNL	94.65	101.21	32.53	34.84	8.75	10.17
6.	Aircel	70.15	60.07	25.51	22.33	6.86	6.52
7.	Tata	63.00	66.42	15.19	13.78	4.09	4.02
8.	Telewings (formerly Unitech)	35.61	31.68	11.20	10.04	3.01	2.93
9.	Sistema	9.04	11.91	2.11	1.93	0.57	0.56
10.	Videocon	4.99	2.01	0.00	0.00	0.00	0.00
11.	MTNL	3.37	5.00	0.00	0.00	0.00	0.00
12.	Loop	2.90	3.01	0.00	0.00	0.00	0.00
13.	Quadrant	2.17	1.37	0.05	0.04	0.02	0.01
	Total	904.51	867.80	371.78	342.50	100.00	100.00

Table-12: Service Provider-wise Rural Wireless Subscribers and Market Share

Figure-13: Market Share of Service providers of Rural Wireless Subscriber base



Note: Others include Sistema and Quadrant

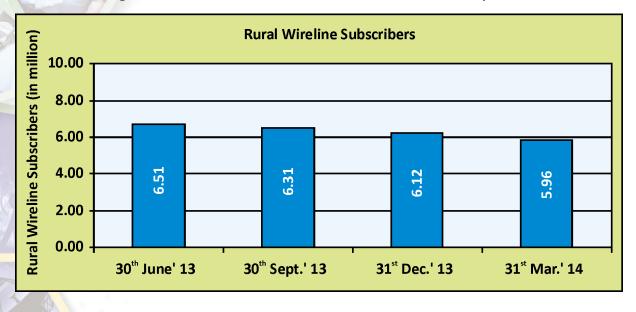
1.2.1.2 Wireline

The rural wireline subscriber base is decreasing. As on 31st March, 2014, the rural wireline subscriber base stood at 5.96 million as compared to 6.71 million at the end of 31st March, 2013. The service provider-wise wireline rural subscriber base & their market share and Rural Wireline subscribers at the end of last four quarters are shown in **Table-13** and Figure-14.

SI. No.	Wireline Group	Total Wireline Subscribers (in million)		Rural Wireline Subscribers (in million)		Market Share of Wireline Rural Subscribers (in %)	
		March'13 March'14		March'13	March'14	March'13	March'14
1	BSNL	20.45	18.49	6.65	5.89	99.13%	98.98%
2	MTNL	3.46	3.54	0.00	0.00	0.00%	0.00%
3	Bharti	3.28	3.36	0.00	0.00	0.00%	0.00%
4	Reliance	1.24	0.21	0.002	0.000	0.03%	0.00%
5	Tata	1.51	0.06	0.048	0.01	0.71%	0.16%
6	Quadrant (HFCL)	0.19	1.55	0.00	0.05	0.00%	0.83%
7	Sistema Shyam	0.05	1.24	0.009	0.00	0.13%	0.03%
8	Vodafone	0.04	0.06	0.00	0.00	0.00%	0.00%
	Total	30.21	28.50	6.71	5.96	100.00%	100.00%

Table-13 : Service Provider-wise Rural Wireline Subscriber Base and Market Share

Figure-14 : Rural Wireline subscribers at the end of last four quarters



1.2.2. Expansion of Telephone Network

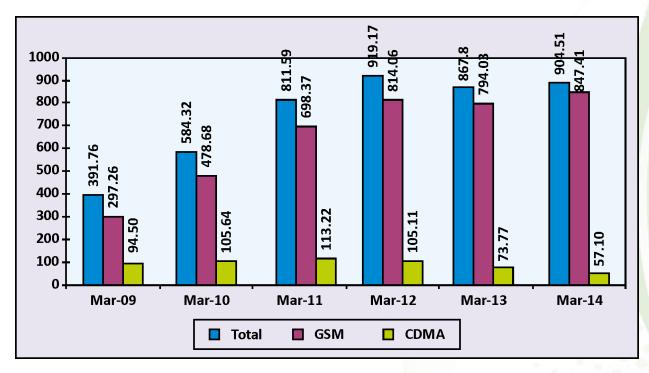
1.2.2.1 Wireless Services

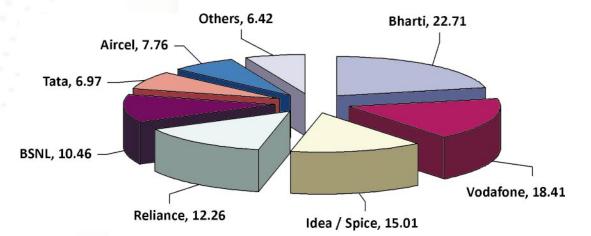
The Wireless Subscriber base was 904.51 million as on 31st March 2014 in comparison to the subscriber base of 867.80 million as on 31st March 2013. The subscriber base increased by 36.71 million subscribers in the financial year 2013-14. The total subscriber base of wireless services has grown from 391.76 million in March 2009 to 904.51 million in March 2014. Out of 904.51 million subscribers at the end of financial year 2013-14, 847.41 million (93.69%) were GSM Subscribers and 57.10 million (6.31%) were CDMA Subscribers. The trend of subscriber base from March 2009 to March 2014 is depicted in Figure-15.

The subscriber base of individual wireless service providers (both GSM & CDMA) from 2008-09 to 2013-14 along with their percentage growth over the financial year 2013-14 is given in **Annexure I** at the end of this part of the report. The market share of different mobile operators as on 31st March 2014 is displayed in **Figure-16.** The list of licensed wireless service providers in various service areas is given in **Annexure II** at the end of this part of the report.

In the wireless segment subscriber base of GSM was 847.41 million subscribers at the end of March 2014, as compared to 794.03 million as at the end of March 2013. GSM subscriber base has increased by around 53.38 million during the year.







In terms of subscriber base and market share of GSM services, M/s Bharti with 205.39 million subscriber base remains the largest GSM Service providers followed by M/s Vodafone, M/s Idea/ Spice, and M/s BSNL with subscriber base of 166.56 million, 135.79 million and 92.40 million respectively. The Market Share of various GSM operators as on 31st March 2014 is displayed in **Figure-17**.

In Cellular CDMA Services, in terms of subscriber base and market share, M/s

Reliance with 28.95 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 16.74 million, and 9.04 million respectively. The market share of different CDMA operators as on 31st March 2014 is shown in **Figure-18**.

The subscriber base for Cellular Wireless services in different categories of service areas for the period March, 2009 to March, 2014 is indicated graphically in **Figure-19.**

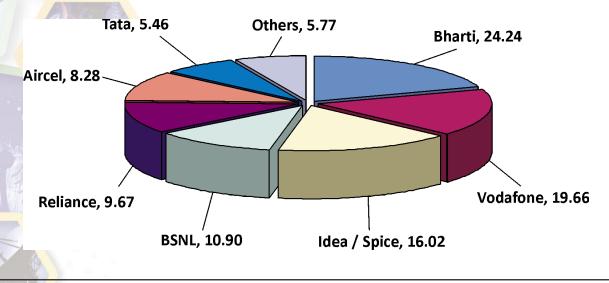
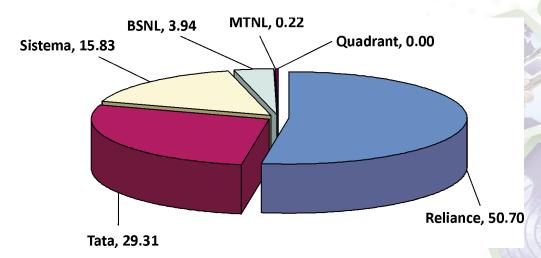
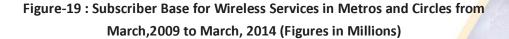
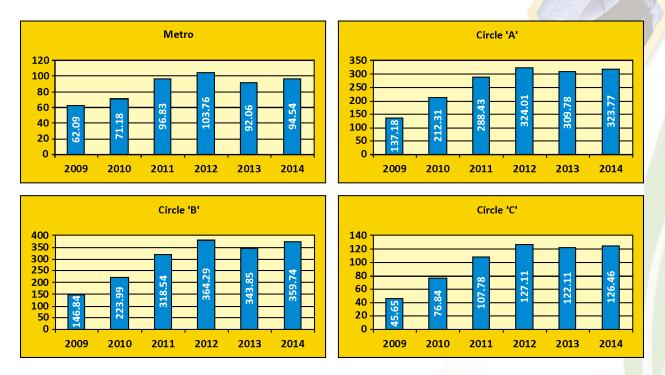


Figure-17: Market Share (%) of GSM Operators (as on 31st March 2014)







The addition of Wireless subscribers and annual growth rates for different circles during the financial years 2011-12, 2012-13 and 2013-14 is indicated in the **Annexure-III** at the end of this part of the report. The total subscriber base for wireless services has increased by 4.23%. The maximum growth of 4.62% was observed in category 'B' Circles during 2013-14.

1.2.2.2 Wireline Services

As on 31st March, 2014, the total wireline subscriber base stood at 28.50 million. The Service Provider wise status of wireline subscribers is shown in **Table 14**. The incumbents BSNL and MTNL have 64.87% and 12.43% market share respectively in the subscriber base, while all the six private operators together have 22.70% share. The share of private operators has increased from 20.88% as on 31st March, 2013 to 22.70% as on 31st March, 2014.

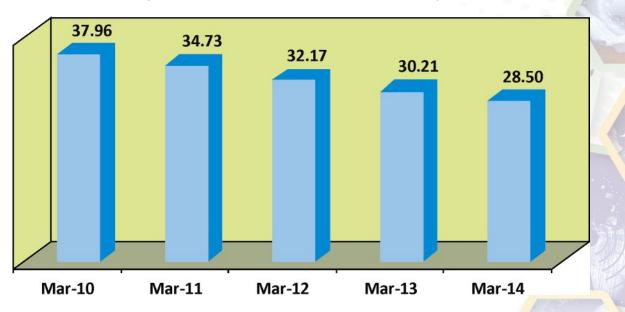
The Wireline Subscriber base for last five years is depicted in **Figure-20**.

SI. No.	Name of the Service Provider	Area of Operation	Subscriber base (Wireline)
1	Bharat Sanchar Nigam Ltd. (BSNL)	All India except Delhi & Mumbai	1,84,88,147
2	Mahanagar Telephone Nigam Ltd. (MTNL)	Delhi & Mumbai	35,42,075
3	Bharti Airtel Ltd & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamilnadu (included Chennai), UP-East and UP-West.	33,56,141
4	Quadrant Televentures Ltd. (formerly HFCL)	Punjab	2,12,549
5	Sistema Shyam Teleservices Ltd.	Rajasthan	55,213
6	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Maharashtra, Mumbai, Madhya Pradesh, North East, Orissa, Punjab, Rajasthan, Tamil Nadu (incl. Chennai), UP (East), UP (West) and West Bengal	19,49,648
7	Reliance Communications Ltd.	Andhra Pradesh, Bihar, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP (East), UP (West) and West Bengal	12,39,722
8	Vodafone Group	Andhra Pradesh, Assam, Bihar, Chennai, Delhi, Gujarat, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP (East), UP(West), West Bengal, Haryana and North East	55,350

Table 14: Service Provider wise details of Wireline Subscriber base as on 31st March, 2014

Source: As per report furnished by the Service Providers.

Figure -20 : Wireline Subscriber base for last five years



The market share of service provider wise in total wireline subscribers is depicted in Figure-21.

As on 31st March, 2014 the total Urban wireline subscribers were 22.54 million. The market share of wireline service providers in urban areas is depicted in **Figure-22**.

As on 31st March, 2014 the total Rural wireline subscribers were 5.96 million. The market share of wireline service providers in Rural areas is depicted in Figure-23.

The Rural Wireline subscriber base at the end of last five financial years is depicted at **Figure-24**.

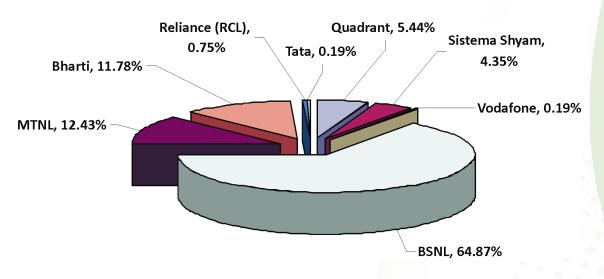


Figure-21: Market Share of Wireline Service Providers as on 31st March 2014 (in %)

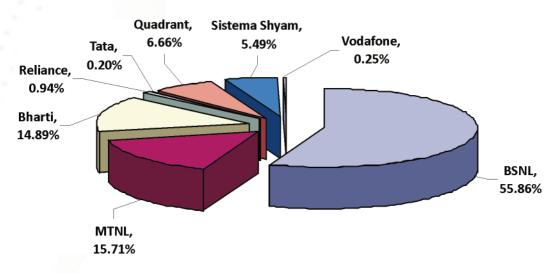


Figure-23: Market Share of Service Providers in Rural areas as on 31st March 2014

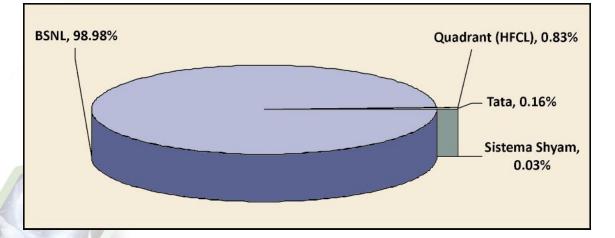
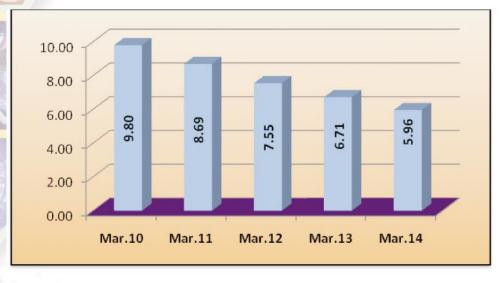


Figure-24: Rural Wireline subscribers at the end of last five financial years



1.2.2.3 Public Call Offices (PCOs):

As on 31st March, 2014 the total number of Public Call Offices (PCOs) were 0.96 million, as compared to 1.26 million on 31st March, 2013. The number of PCOs provided by BSNL, MTNL and Private Operators is indicated in **Table-15**.

1.2.2.4 Village Public Telephones (VPTs):

As on 31st March, 2014, the total number of Village Public Telephones (VPTs) provided by the service providers were 5.89 lakh as against 5.90 lakh as on 31st March, 2013. **Table-16** depicts the number of VPTs provided by service providers.

SI.No.	Name of the Service Provider	As on 31st March, 2013	As on 3 <mark>1</mark> st March, 2014
1	BSNL	7,96,171	6, <mark>15</mark> ,124
2	MTNL	1,50,295	1,4 <mark>3,</mark> 396
3	Private Operators	3,15,480	1,9 <mark>8,</mark> 468
	Total	12,61,946	<mark>9,5</mark> 6,988

Table-15: Public Call Offices in the Country

Table 16: Village Public Telephones in India

SI.No.	Name of the Service Provider	As on 31st March, 2013	As on 31st March, 2014
1	BSNL	5,82,969	5,81,924
2	MTNL	0	0
3	Private Operators	6,662	6,988
	Total	5,89,631	5,88,912

1.2.2.4 Equipped Switching Capacity:

As on 31st March, 2014, the service provider wise total equipped switching capacity and working connections are shown in **Table-17**.

1.2.2.5 Internet and Broadband Subscribers

The Internet subscriber base in the country as on 31^{st} March 2014 stood at 251.59 million as compared to 164.81 million³ as on 31^{st} March 2013. As regards Broadband service, department of

telecommunications had revised the definition of Broadband as follows *vide* a notification dated 18th July 2013:

"Broadband is a data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 512 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband service."

SI. No.	Name of the Service Provider	Service Area	Equipped Switching Capacity	Working Connections
1	Bharat Sanchar Nigam Ltd.	All India except Delhi & Mumbai	3,83,99,163	1,84,88,147
2	Mahanagar Telephone Nigam Ltd.	Delhi and Mumbai	54,46,305	35,42,075
3	Bharti Airtel Ltd. & Bharti Hexacom Ltd.	Andhra Pradesh, Delhi, Gujarat, Haryana, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Punjab, Rajasthan, Tamil Nadu including Chennai, UP (East) and UP (West) including Uttaranchal.	1,08,74,000	33,56,141
4	Quadrant Televentures Ltd.	Punjab	5,48,835	2,12,549
5	Reliance Communications Ltd.	Andhra Pradesh, Bihar, Chennai, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamilnadu, UP (East), UP (West) and West Bengal.	27,24,000	12,39,722
6	Sistema Shyam Teleservices Ltd.	Rajasthan	64,000	55,213
7	Tata Teleservices Ltd. & Tata Teleservices (Maharashtra) Ltd.	Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamilnadu including Chennai, UP (East), UP (West) including Uttaranchal and West Bengal.	28,96,207	15,49,648
8	Vodafone	Andhra Pradesh, Assam, Bihar, Chennai, Delhi, Gujarat, Haryana, Karnataka, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamilnadu, UP (East), UP (West) and West Bengal	2,25,000	55,350

Source: As per report furnished by the Service Providers.

The minimum download speed for the broadband services was increased from 256 kbps to 512 kbps and the wireless data services were also included in the revised definition of Broadband service notified by the Government. The total broadband subscriber base of the country as on 31st March 2014 (as per the revised definition) was 60.87 million vis-a-vis 15.05 million as on 31st March 2013 (as per pre-revised definition). The details of internet/Broadband subscription in the country as on 31st March 2014 is indicated at **Table-18**.

The Quarter-wise internet/broadband subscription for 2013-14 is depicted in Table-19.

				[SUBSCRIBERS IN MILLIONS]
		SEGMENT	CATEGORY	INTERNET SUBSCRIBERS
	0		BROADBAND	14 <mark>.86</mark>
Α.	WIRED		NARROWBAND	3.64
	5		TOTAL	18.50
		FIXED WIRELESS (WI-FI, WI-MAX, RADIO & VSAT)	BROADBAND NARROWBAND	0.40 0.04
В.	.ESS		TOTAL	0.44
	WIRELESS	MOBILE WIRELESS (PHONE + DONGLE)	BROADBAND	45.61
	>		NARROWBAND	187.04
			TOTAL	232.65
		TOTAL INTERNET SUBSCRIBERS	BROADBAND	60.87
			NARROWBAND	190.72
			TOTAL	251.59

TABLE-18 : THE DETAILS OF INTERNET/BROADBAND SUBSCRIBERS AS ON 31ST MARCH'14

Table-19: Broadband Subscription for the four quarters of 2013-14

[Subscribers in Millions]

Service	Jun-13	Sep-13	Dec-13	Mar-14
Broadband	15.20	15.35	55.20	60.87
Narrowband	183.19	195.03	183.51	190.72
Total Internet Subscribers	198.39	210.38	238.71	251.59

Note:

1. June & September 2013 data as per pre-revised definition of Broadband.

2. June & September 2013 data exclude BSNL Mobile devices subscribers, due to non reporting.

1.3 REVIEW OF GENERAL ENVIRONMENT IN THE BROADCASTING AND CABLE SECTOR



- ² The figures of annual report of 2012-13 do not match with the previous year's figures mentioned in this report.
- ⁴ Based on MPA Reports 2013
- ⁵ Based on FICCI-KPMG Report 2014

growth. There were 242 private FM radio stations operational by March 2014, besides the public service broadcaster- All India Radio (AIR) having a network of 413 stations and 584 broadcast transmitters [148 are MW (Medium Wave), 236 FM and 48 SW (Short Wave)]⁶.The coverage of AIR service is around 92% of the geographical area of the country, serving 99.18% of the population. The radio industry, which is entirely dependent on advertisement revenues, registering a growth of around 15⁴ percent during the year 2013. The industry showed advertisement revenue of Rs. 1460⁴ cr. in the year 2013 compared to Rs. 1270 cr. in year 2012. Further, as on March 2014, out of the 194 licenses issued for the setup of community radio stations, 161 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 DTH subscribers are growing with around 1 million per month subscribers per month registering for subscribing DTH services. 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 5th Aug. 2010. These were accepted by the Government, and suitable amendments were incorporated in the Cable 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 metros was 31st Oct, 2012 and the second phase, covering 38 cities of population more than one million, was 31st March, 2013. The cut-off date for third phase is Sept, 2014 and final phase is December, 2014. More than 22 million STBs have been deployed by March, 2014, in the first two phases of DAS. Implementation of digitization with addressability is going to be a game changer and would drive the growth of the broadcasting and cable TV services in the country in a structured manner.

BROADCASTING AND CABLE TV SECTOR

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

⁶ Source: AIR Website-www.air.org.in

1.4.1 Satellite TV Channels

The number of satellite channels permitted by Ministry of Information and Broadcasting have grown from 449 in the year 2009 to 793 in the year 2014. Figure-25, depicts the year-wise number of satellite television channels in the Country during this period. The number of Standard Definition (SD) pay TV channels have grown from 130 in the year 2009 to 187 in the year 2014. Figure-26 depicts the year-wise number of Standard Definition (SD) Pay TV channels in the 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 five years. Figure-27 shows yearwise number of HD pay TV channels

during this period as reported to TRAI. There are total 33 operational HD channels in India till 2013. The list of HD pay TV channels is placed at **Annexure-IV** at the end of this part of the Report.

1.4.2 DTH services

Since its inception in the year 2003 in India, DTH services have had phenomenal growth, adding new subscribers at a rate of around 1 million per month, attaining a registered subscriber base of around 64.82 million subscribers of pay DTH services catered to by 6 pay DTH operators by March 2014. This is besides the viewership of the free DTH services of Doordarshan. The growth of the sector in terms of its subscriber base has been depicted in **Figure-28**.

Figure-25: Year-wise number of satellite television channels in India

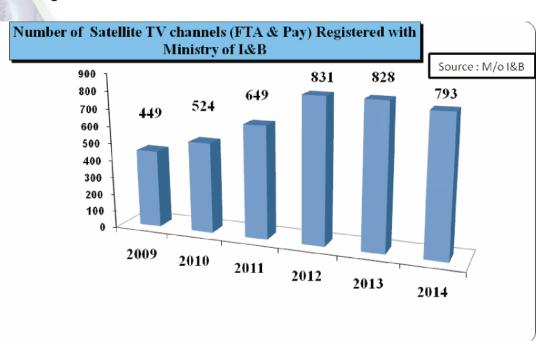


Figure-26: Year wise Growth in number of SD satellite pay TV channels in India

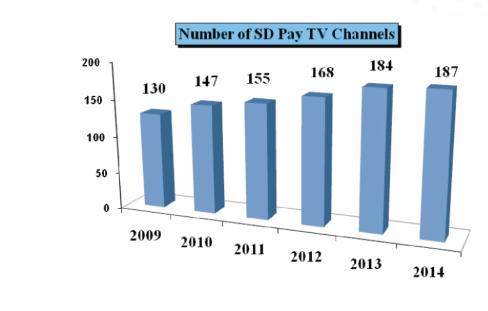
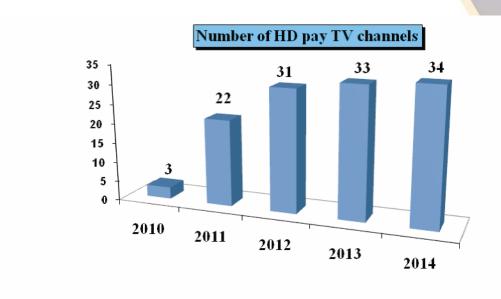


Figure-27: Year wise Growth in number of HD pay TV channels in India



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

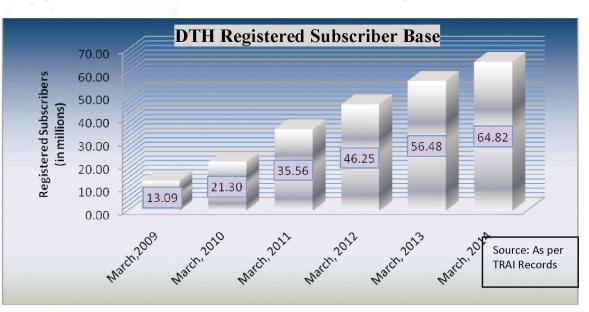


Figure-28: Year wise Growth of DTH sector in terms of the registered subscriber base

1.4.3 Cable TV services

The cable TV services sector is the largest pay television service sector with an estimated subscriber base of around 99 million subscribers. **Figure-29** depicts the growth of the cable TV sector in terms of number of subscribers, over the last decade.

1.4.4 Digital Addressable Cable TV Systems (DAS)

In the last few years, the exponential growth in the number of TV channels

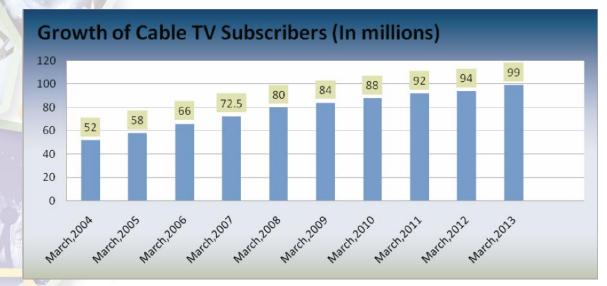


Figure-29: Growth in number of Cable TV subscribers

Source: As per MPA Report 2013

combined with the inherent limitations of the analogue cable TV systems, has posed several challenges in the cable TV sector, mainly due to capacity constraints and non-addressable nature of the network. The evolution of technology also paved way for bringing about digitization with addressability in the cable TV sector. Accordingly, after studying the subject at length and undertaking a public consultation process, the Authority, on 5th August 2010, gave its recommendations on implementation of Digital Addressable Cable TV Systems (DAS) across the country along with a roadmap to achieve the same.

The Government, on 25th October, 2011, issued an Ordinance amending the Cable Television Networks (Regulation) Act, 1995, paving way for the implementation of digital addressable cable TV systems in India. Thereafter, the Government also issued a notification dated 11th November, 2011, which laid down the roadmap for implementation, in a phased manner, in four phases, from October⁷ 2012 to December, 2014. The Ordinance dated 25th October, 2011, subsequently, in December, 2011, became an Act.

Considering the amended provisions of the Cable Television Networks (Regulation) Act, 1995, and the notification dated 11.11.2011 mentioned above, the Authority initiated a consultation process on the issues relating to implementation of digital addressable cable TV systems. Subsequently, TRAI notified the tariff order & interconnection regulations on 30th April, 2012 and QoS regulations & Consumer Complaint Redressal regulations on 14th May, 2012 for Digital Addressable Cable TV Systems.

The implementation of DAS is in progress in phased manner in the country. The cutoff date for 1st phase covering metros was 31st Oct, 2012 and the second phase, covering 38 cities of population more than one million, was 31st March, 2013. The cut-off date for third phase is Sept, 2014 and final phase is December, 2014. As per data provided by various MSOs, there were around 85 Lakhs STBs deployed in 1st phase areas of DAS implementation covering four metros namely Delhi, Mumbai, Kolkata and Chennai. In 2nd phase of DAS implementation, covering 38 cities, approximately 142 Lakhs STBs were deployed as on March, 2014.

1.4.5 Radio

Radio is one of the most popular and affordable means for mass communication, largely owing to its wide coverage, terminal portability, low set up costs and affordability. In India, Radio coverage is available in Short-wave (SW), Medium-wave (MW) and Frequency Modulation (FM) mode. FM Radio broadcasting, due to its versatility, is considered as the main medium to provide entertainment, information and education within the radio sector. There were 242 private FM radio stations

operational by March 2014, besides the public service broadcaster- All India Radio (AIR) having a network of 277 stations and 432 broadcast transmitters (148 are MW, 236 FM and 48 SW).

With a view to further expand the spread 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 of expansion of FM radio broadcasting through private agencies. The Phase-III is intended to extend FM radio's reach to 294 cities with additional 839 FM radio stations, thereby, boosting the regional growth of FM radio stations. It is expected that post Phase III, the FM radio will cover around 85% of the territory of the country. The scheme to rope in private broadcasters for FM radio has significantly contributed to enhance the coverage and provide good quality of reception to radio listeners. This has also encouraged local talent and generated employment opportunities in various cities. The year-wise growth of private FM radio stations is depicted in **Figure-30** and the annual growth in Advertisement Revenue of private FM Radio stations (As per TRAI records of 239 stations) has been depicted in **Figure-31**.

The radio sector in the country witnessed another expansion with the opening up of Community Radio Stations (CRS). There is huge potential in India for establishment of CRS given the vast landscape of this country, numerous languages, various cultures and diverse social stratification. Community Radio

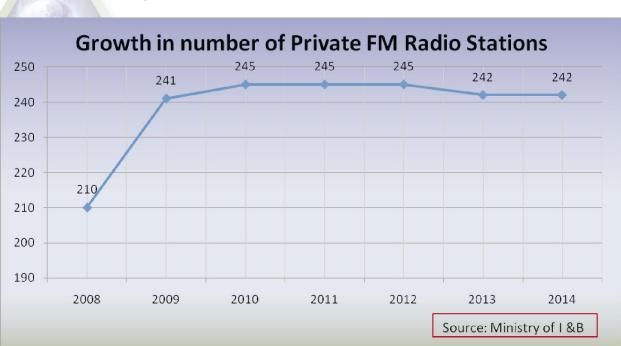
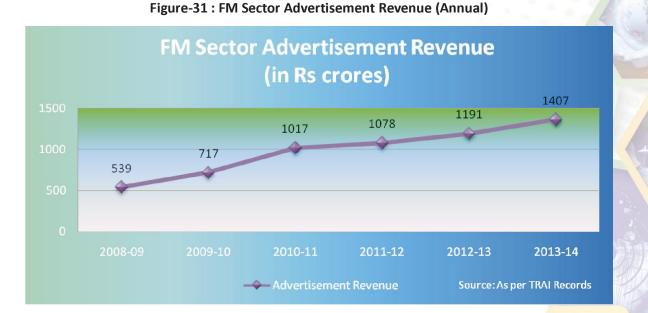


Figure-30 : Growth in number of Private FM Radio Stations



broadcasting serves the purpose of networking of small communities with an objective to focus on the common man's day-to-day concerns and help them realize local aspirations. CRS are set up with the involvement of various educational institutions and civil society

organizations. As on March 2014, out of the 194 licenses issued for the setting up of community radio stations, 161 community radio stations have become operational. The year wise growth of community radio stations is depicted in **Figure-32**.

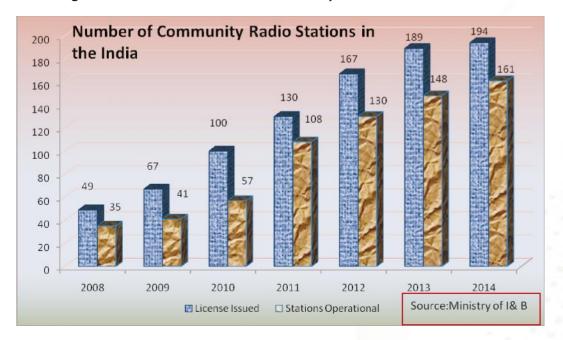


Figure-32 : Growth in number of Community Radio Stations in the India

1.4.6 Teleports

Globally, teleports have evolved as provider of complex solutions ranging from TV programme production and postproduction to content hosting and distribution & systems integration to network management. With the liberal up-linking guidelines in India, there has been a major shift of channels getting uplinked from abroad to India in view of lower operating costs and availability of skilled manpower. If India is developed as a "Teleport hub" then even those channels which are not meant for downlinking in India will be shifted to India for uplinking. This will lead to generation of employment and earning of revenue as well as foreign exchange. In view of its technical capabilities and geographical location, India can provide up-linking facilities for TV channels to be viewed in other parts of the world. 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 into a teleport hub.

The growth in the number of permitted teleports in India, over the last six years, is depicted in **Figure-33** and the list of teleports, permitted by Ministry of Information and Broadcasting, is placed at **Annexure- V** at the end of this part of the Report.

1.4.7 Trends in the Tariff in the broadcasting sector

In order to provide cost effective Broadcasting services to the consumer, TRAI has laid down regulatory framework, from time to time, in the form of tariff orders. The tariffs for areas served through non-addressable systems,

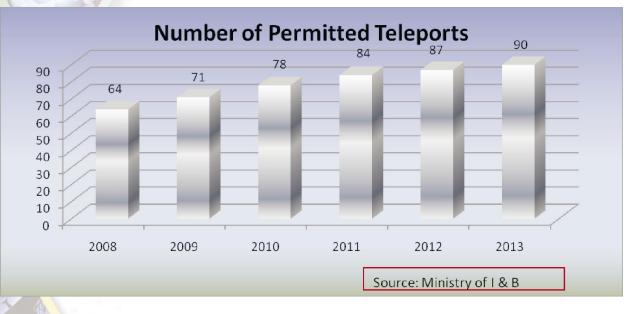


Figure-33 : Growth in number of permitted teleports in the country

notified DAS areas and that for the addressable systems such DTH, HITS, IPTV etc. are governed by the respective tariff orders issued by TRAI. Further, with addressable digitization making inroads in this sector 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 the operators to offer all the channels, available on their platforms, on a-la-carte basis at the retail levels. Further, the wholesale pricing has been prescribed with a certain cap, linked to nonaddressable platforms tariff ceilings. With these provisions at the wholesale and retail levels, a trend is likely to emerge where the subscription pattern is consumer specific rather than defined by the service providers.

1.4.8 Stakeholders in Cable and satellite TV Service Sector

As of March 2014, the total number of TV channels registered with the Ministry of Information and Broadcasting was 793 which include 187 SD pay channels, 34 HD pay channels and 4 advertisement free pay channels. These channels are owned by around 350 broadcasters (content owners) out of which 55 are the pay TV broadcasters. List of Standard Definition pay TV channels, pay broadcasters and list of pay DTH operators are placed at **Annexure -VI** to **Annexure VIII** respectively at the end of this part of the Report.

1.4.9 Broadcasting & Cable services performance indicators

The overall status of the broadcasting and Cable TV services sector is given in the **Table-20**.

Number of households in the country (estimated)	270 Million
Number of TV households (estimated)	169 Million
Number of Cable TV subscribers (estimated)	99 Million
Number of pay DTH Subscribers registered with private service providers as on 31 st March 2014	64.82 Million
Number of pay DTH Subscribers active with private service providers as on 31 st March 2014	37.19 Million
Number of Cable operators (estimated)	60,000
Number of Multi System Operators (estimated)	6000
Number of MSOs registered in DAS	144

Table-20: Overall status of Broadcasting and Cable TV Services

Number of pay DTH Operators	6
Number of Channels as on 31 st March 2014	793
Number of SD Pay TV Channels as on 31 st March 2014	187
Number of HD TV Channels as on 31 st March 2014	34
Number of FM Radio Stations (excluding All India Radio) as on 31 st March 2014	242
Number of Licensed Community Radio Stations as on 31 st March 2014	194
Number of Operational Community Radio Stations as on 31 st March 2014	161
Number of permitted Teleports in the country as on 31 st March 2013	90

The performance indicator of the Broadcasting sector over the last four quarters is tabulated in **Table-21**.

Broadcasting & Cable Services		Quarter ending				
	June 2013	Sept. 2013	Dec. 2013	March 2014		
Total Number of Registered Channels with I&B Ministry	828	795	786	793		
Number of SD Pay Channels (Operational)	184	187	187	187		
Number of HD Pay Channels (Operational)	31	33	33	34		
DTH registered Subscribers base (in millions)	58.89	60.71	62.97	64.82		
DTH registered Subscribers base (in millions)	33.90	34.26	35.80	37.19		
Number of Private FM Radio Stations	242	242	242	242		

Table-21 : Performance Indicator of Broadcasting Sector

ANNEXURES TO PART-I



Annexure-I

SUBSCRIBER BASE OF WIRELESS [GSM AND CDMA] SERVICES FROM 2009-10 TO 2013-14

Service Providers	2009-10	2010-11	2011-12	2012-13	2013-14	%age growth/ reduction over FY 2013
Bharti	127.62	162.20	181.28	188.20	205.39	9.13
Vodafone	100.86	134.57	150.47	152.35	166.56	9.33
Idea / Spice	63.82	89.50	112.72	121.61	135.79	11.66
Reliance	102.42	135.72	153.05	122.97	110.89	-9.82
BSNL	69.45	91.83	98.51	101.21	94.65	-6.48
Aircel	36.86	54.84	62.57	60.07	70.15	16.78
Tata	65.94	89.14	81.75	66.42	63.00	-5.15
Unitech / Telewings	4.26	22.79	42.43	31.68	35.61	12.41
Sistema	3.78	10.06	15.68	11.91	9.04	-24.10
Videocon	0.03	7.11	5.95	2.01	4.99	148.26
MTNL	5.09	5.47	5.83	5.00	3.37	-32.60
Loop	2.84	3.09	3.27	3.01	2.90	-3.65
Quadrant	0.33	1.47	1.33	1.37	2.17	58.39
S Tel	1.01	2.82	3.43	0	0	0
Etisalat	0.0004	0.97	0.78	0	0	0
Total	584.32	811.59	919.17	867.8	904.51	4.23

(Subscriber base in millions)

Source: Service Providers

LIST OF WIRELESS SERVICE PROVIDERS SERVICE AREA WISE AS ON 31ST MARCH 2014

SI. Category		Service Area	Mobile	e Operator
No.		11	GSM	CDMA
1	Metro	Delhi	Bharti Airtel Ltd	
2			Vodafone	
			MTNL	
			Idea Cellular Ltd	
			Aircel	
		1	Reliance Communications Ltd	
				MTNL
				Reliance Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
2	2	Mumbai	Loop	
			Vodafone	
			MTNL	
			Bharti Airtel Ltd	
1			Idea	
1			Reliance Communications Ltd	
			Aircel	
10			Tata Teleservices Ltd	
				MTNL
	05			Reliance Communications Ltd
		- 55		Tata Teleservices Ltd
3		Kolkata	Bharti Airtel Ltd	
	128		Vodafone	
			BSNL	
100	1002		RTL	
3	115		Dishnet Wireless Ltd	
THE			Tata Teleservices Ltd	
			Idea Cellular Ltd.	

SI.	Category	Service Area	Mobile	e Operator
No.			GSM	CDMA
				BSNL
				Relianc <mark>e</mark> Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
4	Circle 'A'	Maharashtra	Vodafone	
			ldea Cellular Ltd.	50
			BSNL	67/2
			Bharti Airtel Ltd	
			Reliance Communications Ltd	
			Aircel	1.2.4
			Tata Teleservices Ltd	
			Telewings	
				BSNL
				Reliance Communications Ltd
				Tata Teleservices Ltd
5		Gujarat	Vodafone	
			Idea Cellular Ltd.	
			BSNL	/
			Bharti Airtel Ltd	
			Reliance Communications Ltd	
			Tata Teleservices Ltd	
			Videocon	
			Telewings	
			Aircel	
				BSNL
				Reliance Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
6		Andhra Pradesh	Idea Cellular Ltd.	
			Bharti Airtel Ltd	
			BSNL	

SI.	Category	Service Area	Mobile Operator		
No.	×		GSM	CDMA	
			Vodafone		
	× .		Aircel		
			Reliance Communications Ltd		
			Tata Teleservices Ltd		
			Telewings		
				BSNL	
				Reliance Communications Ltd	
		1		Tata Teleservices Ltd	
7		Karnataka	Bharti Airtel Ltd		
			Idea Cellular Ltd.		
			BSNL		
			Vodafone		
			Aircel		
			Reliance Communications Ltd		
			Tata Teleservices Ltd		
				BSNL	
				Reliance Communications Ltd	
1	NA			Sistema Shyam Ltd	
	"An h			Tata Teleservices Ltd	
8	-	TN including Chennai	Vodafone		
	2		Aircel		
	AMA	13	BSNL		
	Por	- 10	Bharti Airtel Ltd		
	-	100 March	Reliance Communications Ltd		
	NY AN		Idea Cellular Ltd.		
			Tata Teleservices Ltd		
				BSNL	
	9000G			Reliance Communications Ltd	
E.	2.5			Sistema Shyam Ltd	
				Tata Teleservices Ltd	
9	Circle 'B'	Kerala	Idea Cellular Ltd.		

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SI.	Category	egory Service Area	Mobile	e Operator
No.			GSM	CDMA
			Vodafone	
			BSNL	
			Bharti Airtel Ltd	
			Dishnet Wireless Ltd	
			Reliance Communications Ltd	
			Tata Teleservices Ltd	50
				BSNL
				Reliance Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
10		Punjab	Idea Cellular Ltd.	
			Bharti Airtel Ltd	
			BSNL	a more
			Vodafone	
			Reliance Communications Ltd	
			Tata Teleservices Ltd	
			Quadrant	
			Dishnet Wireless Ltd	
				BSNL
				Reliance Communications Ltd
				Quadrant
				Tata Teleservices Ltd
11		Haryana	Idea Cellular Ltd.	
			Vodafone	
			BSNL	
			Bharti Airtel Ltd	
			Reliance Communications Ltd	1.1
			Tata Teleservices Ltd	
			Videocon	
			Dishnet Wireless Ltd	
				BSNL

SI.	Category	Service Area	Mobile	Operator
No.	×		GSM	CDMA
2				Reliance Communications Ltd
				Tata Teleservices Ltd
12		Uttar Pradesh (West)	Idea Cellular Ltd.	
1			Bharti Airtel Ltd	
		1	BSNL	
			Vodafone	
			Dishnet Wireless Ltd	
			Reliance Communications Ltd	
		1	Tata Teleservices Ltd	
			Telewings	
				BSNL
				Reliance Communications Ltd
1				Sistema Shyam Ltd
				Tata Teleservices Ltd
13		Uttar Pradesh (East)	Vodafone	
			BSNL	
			Bharti Airtel Ltd	
10			Idea Cellular Ltd.	
	22		Dishnet Wireless Ltd	
			Reliance Communication Ltd	
	3		Tata Teleservices Ltd	
	ANG		Telewings	
	Por			BSNL
				Reliance Communications Ltd
	Test.			Tata Teleservices Ltd
14		Rajasthan	Vodafone	
1.5			Bharti Airtel Ltd	
3			BSNL	
FR	257		ldea Cellular Ltd.	
			Reliance Communications Ltd	
-			Tata Teleservices Ltd	

SI.	Category	y Service Area	Mo	bile Operator
No.			GSM	CDMA
			Aircel	
				BSNL
				Reliance Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
15		Madhya Pradesh	Idea Cellular Ltd.	50.
			Reliance Telecom Ltd	07/60
			BSNL	
			Bharti Airtel Ltd	
			Vodafone	24
			Tata Teleservices Ltd	
			Dishnet Wireless Ltd	
			Videocon	
				BSNL
				Reliance Communications Ltd
				Tata Teleservices Ltd
16		West Bengal	Reliance Telecom Ltd	
			BSNL	
			Bharti Airtel Ltd	
			Vodafone	
			Dishnet Wireless Ltd	
			Tata Teleservices Ltd	
			Idea Cellular Ltd.	
				BSNL
				Reliance Communications Ltd
				Sistema Shyam Ltd
				Tata Teleservices Ltd
17	Circle 'C'	Himachal Pradesh	Bharti Airtel Ltd	
			Reliance Telecom Ltd	
			BSNL	
			Idea Cellular Ltd.	

SI.	Category	ory Service Area	Mobile Operator		
No.	×		GSM	CDMA	
1			Dishnet Wireless Ltd		
			Vodafone		
			Tata Teleservices Ltd		
				BSNL	
				Reliance Communications Ltd	
				Tata Teleservices Ltd	
18		Bihar	Reliance Telecom Ltd		
			BSNL		
		1	Bharti Airtel Ltd		
			Dishnet Wireless Ltd		
			Idea Cellular Ltd.		
			Vodafone		
			Tata Teleservices Ltd		
			Telewings		
				BSNL	
				Reliance Communications Ltd	
				Tata Teleservices Ltd	
19	No.	Orissa	Reliance Telecom Ltd		
			BSNL		
6	200		Bharti Airtel Ltd		
			Dishnet Wireless Ltd		
	AND		Vodafone		
	0		Idea Cellular Ltd.		
		ASS .	Tata Teleservices Ltd		
	(CA)			BSNL	
				Reliance Communications Ltd	
1.3	A A			Tata Teleservices Ltd	
20	Contraction of the second	Assam	Reliance Telecom Ltd		
THE	2.57		BSNL		
	3		Bharti Airtel Ltd		
-		-	Dishnet Wireless Ltd		

SI.	Category	Service Area	Mobile	Operator
No.			GSM	CDMA
			Vodafone	
			Idea Cellular Ltd.	
				BSNL
21		North-East	Reliance Telecom Ltd	
			Bharti Airtel Ltd	
			BSNL	
			Dishnet Wireless Ltd	17/80
			Vodafone	The Si
			Idea Cellular Ltd.	
				BSNL
22		Jammu & Kashmir	BSNL	
			Bharti Airtel Ltd	
			Dishnet Wireless Ltd	9
			Vodafone	
			Reliance Communications Ltd	
			Idea Cellular Ltd.	
				BSNL
				Reliance Communications Ltd

Source: DoT/Service Providers.

WIRELESS SUBSCRIBERS ADDED AND ANNUAL GROWTH RATE IN DIFFERENT CIRCLES DURING FINANCIAL YEARS 2011-12, 2012-13 AND 2013-14

Circles	No. of	% Growth	No. of	% Growth	No. of	% Growth
	Subscribers	during year	Subscribers	during year	Subscribers	during year
	added during	2011-12	added during	2012-13	added during	2013-14
	April, 11 to		April, 12 to		April, 13 to	
	March, 12		March, 13		March, 14	
	(in million)		(in million)		(in million)	
Metro	6.93	7.16%	(-)11.70	(-)11.28%	2.48	2.69
Circle 'A'	35.58	12.34%	(-)14.23	(-)4.39%	13.99	4.52
Circle 'B'	45.75	14.36%	(-)20.44	(-)5.61%	15.89	4.62
Circle 'C'	19.33	17.93%	(-)5.00	(-)3.93%	4.35	3.56
All India	107.58	13.26%	(-)51.37	(-)5.59%	36.71	4.23

Source: Quarterly Reports of Service Providers.

Annexure-IV

SI.No.	Name of Broadcaster	Name of Channel	
1.	Star India Pvt Ltd	Star Plus HD	
2.	Star India Pvt Ltd	Star World HD	
3.	Sun TV Network Ltd	SUN TV HD	
4.	Sun TV Network Ltd	Gemini TV HD	
5.	Fox Channels India Pvt Ltd	Fox Traveller HD	
6.	Viacom 18	Colors HD	
7.	ZEEL	Zee TV HD	
8.	Star India Pvt Ltd	Star Gold HD	
9.	Star India Pvt Ltd	Star Movies HD	
10.	Zoom Entertainment Pvt Ltd	Movies Now HD	
11.	Sun TV Network Ltd	KTV HD	
12.	ZEEL	Zee Cinema HD	
13.	ZEEL	Zee Studio HD	
14.	Fox Channels India Pvt Ltd	National Geographic channel HD (NGC HD)	
15.	Discovery Communication (I) Pvt Ltd	Discovery HD World	
16.	AETN 18 Network Pvt Ltd	History TV 18 HD	
17.	ESPN Software Pvt Ltd	ESPN HD	
18.	ESPN Software Pvt Ltd	Star Cricket HD	
19.	Taj Television India Pvt Ltd	TEN HD	
20.	Celebrities Management Pvt Ltd	Travel XP HD	
21.	TV 18 Broadcast Ltd	CNBC TV 18 Prime HD	
22.	Sun TV Network Ltd	Sun Music HD	
23.	Multi Screen Media Pvt Ltd	Six HD	
24.	Multi Screen Media Pvt Ltd	SET HD	
25.	Star India Pvt Ltd	Life Ok HD	
26.	NGC Network India Pvt Ltd	Nat Geo Adventure HD	

SI.No.	Name of Broadcaster	Name of Channel
27.	NGC Network India Pvt Ltd	Nat Geo Wild HD
28.	NGC Network India Pvt Ltd	Baby TV HD
29.	NGC Network India Pvt Ltd	Nat Geo Music HD.
30.	Turner International Pvt Ltd	HBO Hits HD
31.	Turner International Pvt Ltd	HBO Defined HD
32.	Star India Pvt Ltd	Star World Premiere HD
33.	Bennet, Colemon & Co Ltd	Romedy Now +
34.	Viacom 18 Media Services Pvt Ltd	MTV Indies

LIST OF PERMITTED TELEPORT

SI. No.	PARTICULARS	
1	TV Today Network Ltd., New Delhi	
2	Sun TV Ltd. Chennai	
3	Entertainment TV Network Ltd. Mumbai	
4	Ushodaya Enterprises Ltd. Hyderabad	
5	Essel Syam Communication Ltd. Noida	67/196
6	Asianet Infrastructure Pvt. Ltd. Thiruvananthapuram	
7	Essel Syam Communication Ltd. Noida	
8	Sahara Sanchar Limited, Noida	LICE TO
9	Television Eighteen India Ltd. New Delhi	and the second
10	New Delhi Television Ltd. New Delhi	
11	Indiavision Satellite CommunicationsItd. Kochi(Kerala)	
12	Noida Software Technology Park Ltd. Greater Noida	
13	Dish Tv India Ltd. (Formerly Ascenterprises Ltd.)Noida	
14	Positiv Television Pvt. Ltdguwahati	
15	Channel Guide India Ltd. Mumbai	
16	Indiasign Pvt. Ltd. Gurgaon	
17	Associated Broadcasting Company Pvt.Ltd.Hyderabad	
18	Av Entertainment Pvt. Ltd. Bhopal	
19	Television Eighteen India Ltd. Mumbai	
20	Amrita Enterprises Pvt. Ltd. Thiruvananthapuram	
21	Mavis Satcom Limited Chennai	
22	Vsnl, New Delhi	
23	Vsnl, Mumbai	1.00
24	Vsnl, Chennai	
25	Vsnl, Kolkata	
26	Vsnl, Cochin	

SI. No.	PARTICULARS
27	Lamhas Satellite Services Ltd. Mumbai
28	Malayalam Communications Ltd. Thiruvananthapuram
29	Sanskar Info Tv Pvt. Ltd. Mumbai
30	Bennet Colman & Co. Ltd. Mumbai
31	Senior Media Ltd.
32	Lok Prakashan Ltd. Ahmedabad
33	Calcutta Relevision Network Pvt. Ltd. Kolkata
34	Kohinoor Broadcast Corporation Ltd. Rajpura (Punjab)
35	Television Eighteen India Ltd. Noida
36	Kamyab Tv Pvt. Ltd. (Formerly Known As Md Tv Pvt. Ltd.) Bhubaneshwar
37	Kasturi Media Pvt. Ltd. Bangalore
38	Sst Media Pvt. Ltd. Kolkata
39	Essel Syam Communication Ltd. Mumbai
40	Mm Tv Ltd. Alapuzza
41	In Cablenet (Andhra) Ltd. Hyderabad
42	Indira Television Ltd. Hyderabad
43	Sun Tv Ltd. Chennai
44	Tata Sky New Delhi
45	Media Cintent & Communications Services (India) Pvt. Ltd.Noida
46	Satish Sugars Ltd. Bangalore
47	Shital Fibre Ltd. Jalandhar
48	Mh One Tv Network Ltd. Delhi
49	Stv Enterprises Ltd. Delhi
50	Airr X Media Ltd. Surat
51	Broadcast Equipment (India) Pvt. Ltd. New Delhi
52	Winning Edge Communications Ltd. Hyderabad
53	Indiasign Pvt. Ltd. Chennai
54	Indiasign Pvt. Ltd. Kolkata

SI. No.	PARTICULARS	EN
55	Rachna Television Pvt. Ltd. Hyderabad	11 AC
56	Ortel Communications Ltd. Bhubanehwer	
57	Essel Syam Communication Ltd. Hyderabad	
58	Sowbhagaya Exports Ltd, Aroor(Kerala)	
59	Pragaya Vision Pvt. Ltd. Noida	
60	Brahmaputra Tele-Productions Pvt. Ltd. Guawahati	the second
61	G. Next Media Pvt. Ltd. New Delhi	17/2
62	Indiasign Pvt. Ltd. Hyderabad	
63	Tata Communication Ltd. (Vsnl) Chennai	
64	Positive Television Pvt. Ltd. Noida	
65	Eastern Media Ltd., Bhubaneshwar	
66	Rajasthan Patrika Pvt. Ltd., Jaipur	65 1
67	Pride East Entertainment Pvt. Ltd. ,Guwahati	
68	Indiasign Pvt. Ltd., Noida	
69	Vintage Studio Pvtt. Ltd. New Delhi	
70	Skyline Media Teleservices Pvt. Ltd. ,Noida	
71	Information Tv Pvt. Ltd., New Delhi	/
72	Unilazer Exports & Menegement Consultants Ltd. ,Mumbai	
73	Cosmat System Pvt. Ltd. Hyderabad	
74	Bharti Teleports Limited, Noida	
75	Sri Venkareshwara Bhakti Tirupati	
76	Tata Communication Ltd., Chennai	
77	Roy's Institute Of Competitive Examination Pt. Ltd., Kolkata	
78	Independent News Services Ltd., Noida	
79	Raj Television Network Ltd., Chennai	
80	Essel Syam Communication Ltd. Noida	
81	Kansan News Pvt. Ltd. ,Chandigarh	
82	Tata Communication Ltd., Chennai	

SI. No.	PARTICULARS
83	Dish Tv India Ltd. Noida
84	Aastha Broadcasting Network Limited, Noida
85	Mahuaa Media Private Limited, Noida
86	Rtr Broadcast Pvt. Ltd., Ghaziabad
87	Silver Star Communication Ltd., Chennai
88	Lamhas Satellite Services Ltd.
89	Skyline Tele Media Services Ltd.
90	Bharti Teleports Limited.

Annexure-VI

SI.No.	Name of the Channel
1	Zee TV
2	Zee Cinema
3	Cartoon Network
4	Zee Marathi
5	Zee News
6	CNN
7	Zee Café
8	Zee Studios
9	Zee Bangla
10	Zee Punjabi
11	Zee Trendz
12	НВО
13	POGO
14	Zee Business
15	Zee Classic
16	Zee Action
17	Zee Premier
18	Zee Telugu
19	Zee Kannada
20	ETC Punjabi
21	ETC
22	Zing
23	Zee Jagran
24	Zee Smile
25	24 Ghante
26	24 Taas

LIST OF STANDARD DEFINITION PAY TV CHANNELS

SI.No.	Name of the Channel
27	Zee Talkies
28	WB
29	Zee 24 Ghantalu
30	Zee Salaam
31	9Х
32	Star Plus
33	Star Gold
34	Star Movies
35	Star World
36	Vijay TV
37	NGC
38	Fox Traveller channel
39	Channel (V)
40	Life Ok
41	The MGM
42	Star Jalsha
43	ABP Ananda
44	FX
45	FOX CRIME
46	BABY TV
47	Nat Geo Wild
48	Nat Geo Adventure
49	Nat GEO Music
50	Asianet
51	Star Pravah
52	Fox Action Movies

SI.No.	Name of the Channel
53	Movies OK
54	NDTV 24X7
55	NDTV Profit
56	NDTV Good Times
57	Suvarna
58	Asianet Plus
59	NDTV India
60	SET
61	MAX
62	Discovery
63	Animal Planet
64	AXN
65	Animax
66	TLC
67	SAB TV
68	SET PIX
69	Aaj Tak
70	Headlines Today
71	Tez
72	Channel 8 (Sony AATH)
73	Discovery Science
74	Discovery Turbo
75	Neo Sports
76	NEO Prime
77	Discovery Channel – Tamil
78	МІХ
79	Discovery Kids
80	SIX
81	SUN TV

SI.No.	Name of the Channel
82	Gemini TV
83	Udaya TV
84	КTV
85	Gemini Comedy
86	Udaya Movies
87	Sun Music
88	Gemini Music
89	Sun News
90	Gemini News
91	Udaya Varthegalu
92	Gemini Movies
93	Chintu TV
94	Udaya Comedy
95	Kushi TV
96	Chutti TV
97	Udaya II
98	Adithya TV
99	Surya TV
100	Kiran TV
101	The Disney Channel
102	Disney XD
103	Hangama TV
104	IBN 7
105	IBN Lokmat
106	Colors
107	MTV
108	NICK
109	VH 1
110	Sun News English

SI.No.	Name of the Channel
111	Comedy Central
112	SONIC
113	CNBC TV 18
114	CNN-IBN
115	CNBC Awaaz
116	Gemini Life
117	ETV
118	ETV 2
119	ETV Bangla
120	ETV Marathi
121	ETV Kannada
122	ETV Gujarathi
123	ETV Oriya
124	ETV UP
125	ETV Bihar
126	ETV Urdu
127	ETV Rajasthan
128	ETV MP
129	Bindass
130	UTV Action
131	World Movies
132	UTV Movies
133	UTV Action – Telugu
134	BBC World
135	BBC Entertainment
136	Cbeebies
137	ESPN
138	Star Sports
139	Star Cricket

SI.No.	Name of the Channel
140	ESPNEWS
141	Raj TV
142	Raj Digital Plus
143	Vissa TV
144	Raj Musix
145	Raj News(24X7)
146	9XM
147	9X Jhakaas
148	9XO
149	9X Jalwa
150	Sahara One
151	Filmy
152	B4U Movies
153	MAA TV
154	MAA Music
155	MAA Movies
156	MAA Junior
157	Dilli Aaj Tak
158	E-24
159	Boomerang
160	TCM Turner Classic Movies
161	Tarang
162	Tarang Music
163	Prarthana
164	ET NOW
165	Times Now
166	Zoom
167	Ten Sports
168	Ten Cricket

SI.No.	Name of the Channel
169	Ten Action
170	BIG CBS PRIME
171	BIG CBS LOVE
172	BIG CBS SPARK
173	BIG CBS Spark Punjabi
174	BIG MAGIC
175	Bloomberg UTV
176	9X Tashan
177	Sarthak TV
178	Jaya TV

SI.No.	Name of the Channel
179	Jaya Plus
180	Jaya Max
181	J Movies
182	Mega TV
183	Mega Musiq
184	Mega 24
185	Zee Bangla Cinema
186	ABP Majha
187	Star Sports 2

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LIST OF PAY BROADCASTERS

SI.No.	Name of Broadcaster
1	9X Media Private Limited
2	AETN 18 Media Pvt Ltd
3	Allied Infotainment Pvt Ltd(E24 Glamour Ltd.)
4	Asianet Communications Ltd
5	B4U Broadband (India) Pvt. Ltd.
6	Bangla Entertainment Private Limited
7	BBC Global News India Pvt Ltd
8	Bennet, coleman & Company Ltd
9	Big RTL Broadcasting Pvt Ltd
10	Business Broadcast News Pvt. Ltd.
11	Celebrities Management Pvt. Ltd.
12	Dakshin Gaming Media Solution Pvt Ltd
13	Discovery Communications India
14	Eenadu Television Pvt. Ltd.
15	Fox Channels (India) Private Limited
16	Genx Entertainment Ltd
17	IBN 18 Broadcast Ltd
18	IBN Lokmat News Pvt Ltd
19	Maa Television Network Limited
20	Mavis Satcom Limited
21	Media Content & Communications Services (India) Pvt Ltd
22	MGM Networks Inc
23	Multi Screen Media Private Limited
24	NDTV Lifestyle Limited
25	Neo Sports Broadcast Pvt Ltd
26	New Delhi Television Limited
27	NGC Network (India) Private Limited

SI.No.	Name of Broadcaster
28	Odisha Television Ltd
29	Panorama Television Pvt. Ltd.
30	Paul Entertainment Private Limited
SI.	Name of Broadcaster
31	Prism TV Pvt. Ltd.
32	Raj Television Limited
33	Reliance Big Broadcasting Pvt Ltd
34	Sahara India Commercial Corporation Limited
35	Sarthak entertainment Pvt Ltd.
36	Silverstar Communications Ltd
37	Star Entertainment Media Pvt Ltd
38	Star India Pvt Ltd
39	Star Sports India Pvt Ltd
40	SUN TV Network Ltd
41	Taj Television (India) Pvt Ltd
42	The Walt Disney Company (India) Pvt Ltd
43	Times Global Broadcasting Company Ltd
44	Turmeric Vision Pvt Ltd
45	Turner International India Pvt Ltd
46	TV Today Network Limited
47	TV18 Broadcast Pvt Ltd
48	United Home Entertainment Pvt Ltd
49	UTV Entertainment Television Ltd
50	Viacom 18 Media Pvt Ltd
51	Vijay Television Private Limited
52	Zee Akash News Pvt Ltd
53	Zee Entertainment Enterprises Ltd
54	Zee Media Corporation Ltd
55	Zoom Entertainment Network Ltd

Annexure-VIII

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.

S.No	DTH Operator		
4.	M/s Bharti Telemedia Ltd.		
5.	M/s Reliance Big TV Pvt. Ltd.		
6.	M/s Bharat Business Channel Ltd.		



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 2013-14. 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.

To formulate recommendations and 2.3 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 reference 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 2013-14 are given below.

TELECOM SECTOR

LIST OF RECOMMENDATIONS

Recommendations dated 9th September 2013 on "Valuation and Reserve Price of Spectrum".

- Recommendations dated 25th September
 2013 on "Full mobile number portability" (Pan-India number portability).
- Recommendations dated 26th September 2013 on "Improving Telecom Services in the North Eastern States: An Investment Plan".
- TRAI's response dated 23rd October 2013 on DoT's reference back on Recommendations on "Valuation and Reserve Price of Spectrum" dated 9th September 2013.
- Recommendations dated 26th November 2013 on "Telecom Network failures during emergencies/disasters – Priority routing of calls of persons engaged in response and recovery".
- Recommendations dated 28th January 2014 on "Working guidelines for Spectrum Trading".
- Recommendations dated 22nd February 2014 on "Reserve Price for Auction of Spectrum in the 800 MHz band".

Recommendations dated 9th September 2013 on Valuation and Reserve Price of Spectrum.

2.5.1 The Department of Telecommunications (DoT) vide its letter dated 10th July 2013 had sought TRAI's recommendations on applicable reserve price for auction of spectrum in 1800 MHz, 800 MHz and 900 MHz bands. Further, DoT vide its letter dated 22nd August 2013, sought TRAI's recommendations on trading of spectrum which *inter-alia* may include conditions and timing for permitting trading of spectrum obtained through auction, quantity of spectrum for trading by an operator, revenue payable apart from legal, regulatory and technical framework.

- After going through the Consultation process and analysing the issue in detail, the Authority forwarded its recommendations on **"Valuation and Reserve Price of Spectrum"** to the Government on 9th September 2013. The Salient features of the recommendations are given below:
- Before the upcoming auction, the DoT should come out with a clear roadmap indicating the quantum of spectrum which will be available in future along with timelines so that licensees whose licences are due for renewal in 2015/16 can take an informed decision about bidding for spectrum in the 1800 MHz band.
- Eligibility conditions prescribed in the recently held auctions (November 2012 and March 2013) should be retained for the upcoming auction.
- There should be no reservation of spectrum for the Renewal Licensees in 900 or 1800 MHz bands.
- In addition to the roll-out obligations already prescribed in the CMTS/UASL/UL (AS)/UL, the following roll-out obligations should also be incorporated for licensees having access spectrum (spectrum in 800/ 900/1800 MHz band).
- All villages having population of more than
 5000 to be covered within 5 years of

effective date of allocation of spectrum for access services and all villages having population of more than 2000 to be covered within 7 years of effective date of allocation of spectrum.

- These amendments should be made effective from 1st April 2014. However, in case of TSPs holding CMTS/UAS licences prior to the year 2008, the time period for completing these additional roll-out obligations shall be two years/four years from the effective date, while for TSPs acquiring licence post-2008 the time period shall be five years/seven years.
- The reserve prices for 1800 MHz spectrum for 22 LSAs should be as in the table below:

LSA	Reserve Price per MHz
	(Rs. in crore)
Delhi	175
Mumbai	165
Kolkata	59
Andhra Pradesh	130
Gujarat	115
Karnataka	124
Maharashtra 🛛	138
Tamil Nadu	166
Haryana	27
Kerala	52
Madhya Pradesh	43
Punjab	54
Rajasthan	26
U. P. (East)	61

LSA	Reserve Price per MHz (Rs. in crore)
U.P. (West)	62
West Bengal	21
Assam	7
Bihar	37
Himachal Pradesh	6
Jammu & Kashmir	5
North East	7
Orissa	16
Pan India	1496

The reserve prices for 900 MHz spectrum for Delhi, Mumbai and Kolkata LSAs should be as in the table below:

LSA	Reserve Price per MHz	
	(Rs. in crore)	
Delhi	288	
Mumbai	262	
Kolkata	100	

- The feasibility of adoption of E-GSM should be explored in a time-bound manner. The auction in the 800 MHz band should not be carried out now. Therefore, there is no need for determining a valuation or corresponding reserve price for 800 MHz spectrum at present.
 - The SUC for all spectrum allocated through auction should henceforth be charged at a flat rate. The Authority also recommends that spectrum acquired on through auction or trading or on which TSP has paid the prescribed market value to the Government should not be added to any existing

spectrum holdings for determining the applicable slab rate. This will also apply to spectrum allocated in the auctions held in November 2012 and March 2013.

- A flat rate of 3% of AGR of wireless services should be the uniform rate of SUC for all auctioned spectrum. This will come into effect from 1st April, 2014.
- The SUC rate for BWA spectrum should also be fixed at 3% where services are provided under CMTS/UASL/UL (AS)/UL.
- The highest slab rate of SUC may be brought down to 5% of AGR with effect from 1st April, 2014.
- Spectrum trading should be permitted in the country. Initially, only outright transfer of spectrum should be permitted.
- Only that spectrum should be allowed to be traded which has either been obtained through auction or on which the TSP has paid the prescribed market value to the Government.
- A transfer fee of one percent (1%) of the transactional amount or the prescribed market price, whichever is higher should be imposed on all spectrum trade transactions. The transfer fee should be paid by the transferee to the Government.
- After the Government accepts TRAI's recommendations on spectrum trading, the Authority shall constitute a Steering Committee consisting of TSPs and Industry Associations to work out the details of the implementation issues.

Recommendations dated 25th September 2013 on Full Mobile Number Portability (Pan-India Number Portability).

2.5.2. Department of Telecommunication vide its letter dated 27th Dec 2012, sought the recommendations of the Authority regarding implementation of full Mobile Number Portability i.e. MNP across licensed service areas, in accordance with the provisions contained in the National Telecom Policy-2012 regarding "One Nation- Full Mobile Number Portability". The Authority after going through the detailed consultation process and analysis of all the issues involved, forwarded its recommendations on 'Full Mobile Number Portability (Pan-India Number Portability)' in the country, to Government on 25th September 2013.

The salient features of the recommendations are following:

- a) After the Full Mobile Number Portability (inter-service area portability) is implemented the Recipient Operator will forward the porting request to the MNPSP of the zone to which original number range holder (the Telecom Service Provider to which the number originally belonged before its first porting) belongs.
- b) Telecom Service Providers will be given 6 months time for implementation of Full Mobile Number Portability.
- c) Some modifications have been suggested to the MNP service licence, to facilitate inter-service area porting (Full MNP)

d) Testing Fee for testing the various scenarios in Full MNP may be reduced to 25% of the current prescribed Fee for TSPs and MNPSPs.

Recommendations dated 26th September 2013 on "Improving Telecom Services in the North Eastern States: An Investment Plan".

2.5.3. Department of Telecommunications, vide its communication dated 22nd April, 2013, had requested the Authority to carry out a gap analysis and prepare an investment plan for providing quality telecom services in the North Eastern States. The intention was to formulate a comprehensive telecom plan for revamping and augmentation of telecom services in North Eastern Region.

> The North Eastern Region (NER) comprises the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The region is characterized by extremely tough terrain with relatively poor infrastructure, such as rail, roads, electricity and telecom. Attempts have been made in the past to increase telecom connectivity and teledensity in the region. However, the results so far have not been very encouraging. As on May, 2013, of the eight States in the NER, teledensity in five States is below the national average wireless teledensity of 70%. Similarly, in four States, namely, Arunachal Pradesh, Manipur, Meghalaya and Mizoram, the percentage of villages not having mobile coverage ranges from 55.9% to 24.3%. This is very high when compared with most other States where the

percentage of uncovered villages is less than 10%.

To assess the present status of telecom infrastructure and the gaps in the NER, detailed consultation was held with various stakeholders, namely, Universal Service Obligation Fund Administrator (USOFA), Telecom Service Providers (TSPs) operating in the NER, Public Sector Undertakings entrusted with laying optical fibre cable in the NER viz. BSNL, Railtel and PGCIL. As the State Governments are vitally important stakeholders in this exercise, four teams of senior officers of TRAI met the Chief Ministers and top-level State Government officers of some the NER States to understand their perspective and concerns about the telecom infrastructure in their States.

The Authority's recommendations are grounded in three main constituents:

- (a) The Gap Analysis;
- (b) The State-wise suggested telecom plans;
- (c) The estimation of investment required for implementation of the suggested overall plan.

The gap in telecom infrastructure essentially falls under four categories. These are:

- (a) The desired bandwidth and existing transmission bandwidth at the State Capital and District Head Quarters;
- (b) The minimum required infrastructure and existing infrastructure to support basic 2G mobile coverage;

- (c) The desired infrastructure to have 'state-ofthe-art' connectivity for data and the existing infrastructure, and
- (d) The desired connectivity and existing connectivity across National Highways passing through the States.

The gap analysis for telecom infrastructure and services in the NER has been done in terms of the above four categories and, accordingly, the investment required has been worked out.

The Authority finalised its recommendation and forwarded it to the Government on 26th September 2013. The Authority has, *interalia* recommended that:

- Keeping in view the future bandwidth required for broadband in the NER, the core network has been strengthened to provide connectivity with redundancy/diversity between all State capitals and State capitals and the District Headquarters.
- Investment has been estimated for providing 2G mobile coverage in towns and villages having population of more than 250 persons;
- As the penetration of 3G services is very poor in NER, initially it has been planned to provide 3G services in all urban areas in the NER;
- In addition, the Authority has also recommended investment requirement for providing seamless connectivity along all National Highways in the NER.

The overall investment required for implementing the envisaged plan in the

NER States has been estimated to be approximately Rs.2918 crores. The recommendations also contain certain policy and supporting action that would be necessary for successful implementation of this programme. Some of these are:

- Discount of 2% of AGR of license fee to TSPs who cover at least 80% of the habitations with a population of 250;
- Providing subsidy from USO Fund for bandwidth charges through satellite connectivity;
- (iii) Subsidy for installation of solar power units at telecom towers;
- PGCIL and BSNL to lease their dark fibre to other TSPs and also to reduce their bandwidth leasing charges in the NER to make them comparable to those charged in other parts of the country;
- (v) The TSPs in the NER to enter into inter and intra circle roaming agreements amongst themselves within a period of six months for all the BTS along the National Highways passing through NER States;
- (vi) State Governments to ensure –
- (a) Availability of commercial power for BTSs on priority;
- (b) Provide land and Government buildings for erection of BTS;
- (c) Rescind the levy of taxes/charges on the use of diesel generators (DGs) by TSPs;
- (d) To allow pulling of Optical Fibre Cable on transmission towers/poles of state electricity boards;

- To facilitate availability of sufficient diesel supply to the TSPs particularly during bandhs/strikes;
- (f) Whenever the BTSs are running on DG sets they are able to run round-the-clock so that the people get uninterrupted telecom connectivity;
- (g) Set up a single-window clearance system for all telecom related clearances/NOCs like pollution/noise control certificate, environment clearance, site acquisitions, commercial power supply etc.

TRAI's Response dated 23rd October 2013 on DoT's reference back on recommendations on "Valuation and Reserve Price of Spectrum" dated 9th September 2013.

2.5.4 The Authority had furnished its recommendations on 'Valuation and Reserve Price of Spectrum' on 9th September, 2013 to the Department of Telecommunications (DoT). On 11th October, 2013, 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) The Reserve Prices for 1800 MHz and 900 MHz remain unchanged i.e. at the level already recommended by the Authority. Since the recommendations on the reserve price obtained for different LSAs follow, in logical sequence, from the valuation through adoption of different economic methodologies, the Authority did not find any scope to "reconsider" the reserve price, as suggested by the DoT.

- (ii) In order to have an open, transparent, objective, responsive, unrestricted and successful auction of 900 MHz and 1800 MHz spectrum and to ensure a level playing field amongst bidders, the Authority has reiterated its recommendation regarding no reservation / priority in the 900/1800 MHz band.
- (iii) In order to correct the present urbancentric bias in the roll-out obligations as also to harmonize the roll-out obligations with the objectives of NTP 2012, the Authority has reiterated its recommendations on roll-out obligations to enhance rural coverage.
- (iv) The DoT has conveyed its in-principle acceptance on spectrum trading. Accordingly, the Authority will shortly workout the detailed guidelines on spectrum trading.
- (v) On auction of 800 MHz spectrum, the Authority has again recommended that the Government must first explore the feasibility of adoption of the E-GSM band before reaching any hasty conclusion.

On Spectrum Usage Charges (SUC), the Authority has reiterated its recommendations for a graduated transition from the existing regime with its many limitations, to a more balanced, equitable and rational system.

Recommendations dated 26th November 2013 on Telecom Network Failures during Emergencies / Disasters – Priority Routing of calls of persons engaged in 'Response and Recovery'.

2.5.5 The Telecom Traffic increases significantly during disasters/emergencies which results in network congestion. Such congestion can seriously hamper the emergency responders' ability to communicate and coordinate and thus can seriously impair the official response to the disaster/ emergency. To devise a system that can facilitate communication amongst those responsible for the priority to such emergencies during network congestion by giving priority to their calls, TRAI suo motu initiated the consultation process on the issue. After due consultation and internal analysis, the Authority forwarded its recommendations on 'Telecom network failures during Emergencies/Disasters -Priority routing of calls of persons engaged in 'response and recovery' to Government on 26th November 2013.

The Salient features of the recommendations are given below:

- A Priority Call Routing (PCR) scheme should be instituted to ensure that calls of personnel responsible for 'response and recovery' during disasters are routed on priority.
- Enhanced Multi-Level Precedence & Preemption (eMLPP) based priority call routing (PCR) should be implemented in wireless

networks in India along with the right to pre-empt ongoing calls, if needed. The use of call pre-emption feature of eMLPP may be reviewed subsequently, based on the performance of the PCR scheme during emergencies.

- Government should fund the PCR scheme through budgetary allocation/support and should oversee its implementation. The operational expenses for the PCR scheme should be borne by the National Disaster Relief Funds (NDRF)/SDRF.
- In order to determine the costs involved in implementation of PCR in India, a pilot project has been suggested in the recommendations. A Steering Committee comprising senior officers from TRAI, Telecom Engineering Centre (TEC), Department of Telecommunications (DOT), National Disaster Management Authority (NDMA) and Ministry of Home Affairs (MHA) may steer the pilot. The same committee will also suggest the service delivery model. The issue of charging for PCR services will be decided by TRAI after getting the data on cost incurred for providing the service.
- To ensure that the emergency responders have access to whichever network is available, the Authority has recommended that it should be mandatory for all service providers offering priority services to enter into intra-circle roaming arrangement. The Authority has also recommended that a Standing Committee, under the Union Home Secretary, comprising senior officers from DoT, TRAI, NDMA, TEC, and representatives from industry should be

formed. This Committee will be responsible for overseeing the policy with respect to Emergency Telecommunications in India.

Recommendations dated 28th January 2014 on Working Guidelines for Spectrum Trading.

2.5.6 The Authority in its recommendations on 'Valuation and Reserve price of Spectrum' dated 9th September 2013 had recommended that spectrum trading should be permitted in the country. In its reference dated 11th October 2013, the DoT conveyed its in-principle acceptance of Authority's recommendation to permit spectrum trading in the country.

> Accordingly, the Authority has finalized its recommendations on 'Working Guidelines on Spectrum Trading' on 28th January 2014. The salient features of the recommendations are as under:

- Under spectrum trading, only outright transfer of spectrum is permitted, i.e. the ownership of the usage right is transferred to the buyer. Spectrum leasing is not permitted at this point of time.
 - Spectrum trading will not alter the original validity period of spectrum assignment.
 - For the present, Spectrum Trading shall be permitted only on a pan-LSA (Licensed Service Area) basis i.e. spectrum cannot be traded for a part of the LSA.
 - The seller and the buyer shall be required to inform the Licensor regarding the spectrum trade, 6 weeks prior to the effective date of trade. However, no

permission will be required from the Licensor/Government for Spectrum Trading.

- All spectrum bands earmarked for Access Services by the Licensor will be treated as tradable spectrum bands. Currently spectrum in 800MHz, 900MHz, 1800MHz, 2100MHz, 2300MHz and 2500MHz spectrum bands have been allocated for Access Services.
- Only CMTS/UASL/UL (AS)/UL licensees shall be eligible to participate in the spectrum trading. The entire spectrum held by the licensee in a particular spectrum band within an LSA should be tradable i.e. it has either been assigned through an auction in the year 2010 or afterwards, or on which the TSP has already paid the prescribed market value (as decided by the Government from time to time) to the Government.
- A TSP will not be permitted to trade any spectrum in the spectrum band in which it has acquired any spectrum through trading (or auction) for a period of 2 years from the effective date of transfer of spectrum (or effective date of assignment), i.e. TSP is required to hold spectrum for at least two years from the date it acquires the spectrum.

Recommendation dated 22nd February 2014 on Reserve Price for Auction of Spectrum in the 800 MHz Band.

2.5.7 The Department of Telecommunications (DoT) through its letter dated 12th December 2013 had sought TRAI's recommendations on reserve price for 800 MHz band in all the service areas. After going through consultation process and internal analysis, the Authority forwarded its recommendations on Reserve Price for Auction of Spectrum in the 800 MHz Band, to the Government on 22nd February 2014. The Salient features of the recommendations are given below:

- The entire available spectrum with the DoT in the 800 MHz band should be put to auction.
- At least one chunk of contiguous 5 MHz spectrum (i.e. 4 carriers) should be carved out before the auction. The carrier reassignment, if required, may be carried out amongst the existing TSPs in the 800 MHz band to make at least 4 contiguous carriers available. Alternatively, the NIA for the auction may clearly stipulate that only contiguous blocks of 5 MHz will be sold. However, the reconfiguration of the

frequencies should be worked out while auction is underway so that the reassignment is possible to be effected on completion of the auction.

- Spectrum in the 800 MHz band should be auctioned in a block size of 1.25 MHz.
- A new entrant i.e. a TSP which does not have any spectrum holding in the 800 MHz band must bid for a minimum of 4 carriers. However, an existing TSP i.e. a TSP having some spectrum holding in the 800 MHz band should be permitted to bid for a minimum 1 block of spectrum. New entrants must be assigned the earmarked contiguous carriers only.
- The Authority recommends that the reserve price for the forthcoming auction of 800 MHz spectrum should be fixed at 80% of the average valuation.
- The recommended reserve prices for the forthcoming auction are tabulated below:

TABLE RESERVE PRICE PER MHz IN 800 MHz BAND

(Rs.in crore)

LSA	Category	Reserve Price per MHz (as calculated)	Recommended per MHz (rounded off)
Delhi	Metro	450.22	450
Mumbai	Metro	352.13	352
Kolkata	Metro	101.49	101
Andhra Pradesh	A	192.28	192
Gujarat	A	211.65	212
Karnataka	A	198.68	199
Maharashtra	A	282.05	282

LSA	Category	Reserve Price per MHz (as calculated)	Recommended per MHz (rounded off)
Tamilnadu	А	246.85	247
Haryana	В	30.37	30
Kerala	В	69.41	69
Madhya Pradesh	В	64.37	64
Punjab	В	62.86	63
Rajasthan	В	58.85	59
U.P. (East)	В	83.92	84
U.P. (West)	В	93.17	93
West Bengal	В	46.45	46
Assam	С	26.79	27
Bihar	С	61.12	61
Himachal Pradesh	С	13.20	13
Jammu & Kashmir	С	8.46	8
North East	С	7.55	8
Orissa	С	24.94	25
Pan India		2686.79	2685

BROADCASTING & CABLE TV SECTOR

LIST OF RECOMMENDATIONS

- Recommendations dated 22nd August 2013 on "Foreign Direct Investment (FDI) in Broadcasting Sector in India".
- Recommendations dated 11th September 2013 on "Guidelines for Television Rating Agencies".
- Recommendations dated 26th November 2013 on "Monopoly/Market Dominance in Cable TV Services".
 - Recommendations dated 20th February 2014 on "Migration of FM Radio Broadcasters from Phase II to Phase III".

Recommendations dated 22nd August 2014 on Foreign Direct Investments (FDI) in Broadcasting Sector in India.

2.5.8 Recommendations on "Foreign Direct Investments (FDI) limits in Broadcasting Sector in India" were forwarded to the Government on 22nd August 2013. These recommendations broadly pertain to three segments of the broadcasting sector viz. broadcast carriage services; television content services and FM radio services. The FDI limit for the broadcast carriage services has been recommended for enhancement to 100% and that for uplinking of 'News and Current Affairs' TV channels and FM radio

services to 49%. It has also been recommended that the FIPB approval process be streamlined and made timebound. Summary of the recommended limits vis a vis existing limits/approval route has been tabulated as under:

	Segment	Existing limits/ approval route	Recommended limits/ approval route
Broadcast Carriage Services	 DTH, HITS, IPTV, Mobile TV, Teleports Cable Networks (Multi System Operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability) Cable Networks (Other MSOs not undertaking upgradation of networks towards digitisation with addressability and Local Cable Operators (LCOs)) 	74% Up to 49% - Automatic route Beyond 49% - FIPB route 49% Automatic route	100% Up to 49% - Automatic route Beyond 49% - FIPB route
rvices	Downlinking of TV Channels	100%	100%
SolutionDownlinking of TV ChannelsUplinking of non-'News & Current Affairs'TV ChannelsUplinking of 'News & Current Affairs'		Through FIPB route	Through FIPB route
TV Cont	Uplinking of 'News & Current Affairs' TV Channels		
adio	FM Radio	26%	49%
FM Radio		Through FIPB route	Through FIPB route

Recommendations dated 11th September 2013 on Guidelines for Television Rating Agencies.

- 2.5.9 Recommendations on "Guidelines for Television Rating Agencies" were forwarded to the government on 11th September 2013. The salient features of the recommendations are:
- i. The Authority supports self-regulation of television ratings through an industry-led

body like Broadcast Audience Research Council (BARC).

- To ensure that the shortcomings of the present system are addressed guidelines have been recommended.
- iii. Any agency meeting the eligibility conditions can apply and get registered with MIB for doing the rating work.
- iv. MIB to notify the guidelines for regulating the television rating agencies based on

TRAI's recommendations, within two months.

- v. All rating agencies are required to comply with the guidelines.
- vi. Guidelines to cover registration, eligibility norms, cross-holding, methodology, complaint redressal, sale & use of ratings, audit, disclosure, reporting requirements and penal provisions.
- vii. The number of panel homes for collecting television viewership data will be a minimum of 20,000; to be set up within 6 months of the guidelines coming into force. Thereafter, the number of panel homes shall be increased by 10,000 every year until Panel Size reaches 50,000.
- viii. The panel homes to be selected from a pool of households, selected through an establishment survey which shall be at least 10 times the number of panel homes for audience measurement.
- ix. Voluntary code of conduct by the industry for maintaining secrecy and privacy of the panel homes.
 - Restrictions on 'substantial equity holding of 10% or more' between rating agencies and broadcasters/advertisers/ advertising agencies.
- xi. The rating agency to set up an effective complaint redressal system.
- xii. Data/reports generated by the rating agency to be made available, on paid basis, to all interested stakeholders in a transparent and equitable manner.

- xiii. The rating agency to get its entire methodology/processes audited internally on quarterly basis and through an independent auditor annually. All audit reports to be put on the website of the rating agency.
- xiv. Penal provisions for non-compliance of guidelines including financial penalty from Rs.10 lakh to Rs.1 crore and cancellation of registration.
- xv. Six months time given to the existing rating agency to comply with the guidelines.

Recommendations dated 26th November 2013 on Monopoly / Market dominance in cable TV services.

- 2.5.10 The recommendations on "Monopoly/ Market dominance in Cable TV Services" were forwarded to the Government on 26th November 2013. The salient features of the recommendations are:
- State to be the relevant market for assessing monopoly/ market dominance of Multi System Operators (MSOs) in the TV channel distribution market;
- (ii) Market dominance to be determined on the basis of market share in terms of the number of active subscribers of MSOs in the relevant market;
- (iii) Herfindahl–Hirschman Index (HHI) to be used for measuring the level of competition or market concentration in a relevant market;
- (iv) A new definition of control is prescribed covering both *de jure* and *de facto* control;

- (v) Prior approval of the regulator to be taken for any Merger & Acquisition (M&A) among MSO(s) or between an MSO and Local Cable Operator (LCO) in a relevant market and for any arrangement that results in 'control' of MSO(s)/ LCO(s) in a relevant market by an entity. The decision on the proposals to be conveyed by the regulator within 90 working days.
- (vi) Rules for M&A and acquisition of control among MSO(s) or between an MSO and LCO in the relevant market have been prescribed.

Recommendations dated 20th February 2014 on migration of FM Radio Broadcasters from Phase-II to Phase-III.

- 2.5.11 The recommendations on "Migration of FM Radio Broadcasters from Phase-II to Phase-III" were forwarded to the Government on 20th February 2014. The salient features of the recommendations are:
- (i) TRAI reiterates early implementation of its recommendations on minimum channel spacing of 400 KHz for FM Radio broadcast issued on 19th April 2012, which will in effect increase the number FM channels in each city for auction.
- (ii) The period of Permission to operate the existing FM channels on migration from Phase-II to Phase-III will be fifteen (15) years. The Phase-II permission period was ten (10) years.
- (iii) Cutoff date for migration is to be decided by MIB after the completion of auction process for Phase-III of FM Radio. However,

the cutoff date for migration should not be later than 31st March 2015.

- (iv) For calculating the migration fees, the cities have been categorized into 3 Groups X, Y &
 Z. This classification is based on the numbers of FM channels available in each city for the Phase-III auction. Group X consists of 17 cities where no channels are available for auction in Phase-III. Group Y consists of 26 cities where channels available for auction are 1/3rd or less of the total channels in that city. Finally, Group Z includes 42 cities where more than 1/3rd of the total channels in that city are available for auction.
- (v) Regarding how to calculate the migration fee, the recommendations vary for the three groups.
 - For Group X, since no auction is possible for the cities herein, the migration fee is proposed to be derived from the percentage increase in the Phase-III auction prices obtained in Group Z cities. It is recommended that the migration fee for the operators in the 17 cities in Group X should be higher of –
- Phase-II average bid of the city multiplied by a factor of 1.5; or
- Phase-II highest bid of the city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.
- Group Y cities are those where auction will be held, but for a few channels. Since this is deemed to be a scarce market situation,

the recommendation is that the migration fee for the existing channel operators should be higher of-

- Phase -II average bid of the Y city multiplied by a factor of 1.5; or
- Phase-II highest bid of the city increased by the average increase in auction prices in Group Z cities (vis-à-vis their reserve prices) in the same category in Phase-III.
 - ... but, the lower of-
- The above; and
- Actual Phase-III auction price obtained in the city.
- Group Z cities, have sufficient FM frequencies available for auction and as such the actual auction price obtained in Phase-III will be the migration fee.
- (vi) In all of these cases, the residual value of the Phase-II permission, calculated on a *pro-rata* basis, is to be deducted from the Phase-III migration fee.
- (vii) The methodology to be adopted for determining the reserve price for fresh cities in Phase-III should be reconsidered as the current methodology might jeopardise the auction.
- (viii) The cities in each group are as under:

Group X - Kolkata, Indore, Baroda, Bhopal, Jabalpur, Coimbatore, Visakhapatnam, Ranchi, Raipur, Gwalior, Jalandhar, Trivandrum, Kannur, Trichur, Gangtok, Panaji and Shimla. **Group Y** - Mumbai, Delhi, Chennai, Ahmedabad, Surat, Pune, Nagpur, Jaipur, Bangalore, Jamshedpur, Rajkot, Amritsar, Varanasi, Kochi, Madurai, Bhubaneswar, Siliguri, Guwahati, Jodhpur, Patiala, Udaipur, Kota, Puducherry, Mangalore, Hissar and Karnal.

Group Z - Lucknow, Kanpur, Hyderabad, Asansol, Patna, Agra, Allahabad, Vijayawada, Rourkela, Muzaffarpur, Kolhapur, Nasik, Aurangabad, Sholapur, Sangli, Ahmednagar, Jalagaon, Dhule, Bilaspur, Akola, Nanded, Chandigarh, Ajmer, Bareilly, Jammu, Srinagar, Bikaner, Aligarh, Gorakhpur, Jhansi, Kozhikode, Tiruchi, Tirupati, Mysore, Tuticorin, Tirunelveli, Gulbarga, Rajahmundry, Warangal, Shillong, Agartala and Itanagar.

2.6 During the year 2013-14, 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

- The Telecom Commercial Communication Customer Preference (Eleventh Amendment Regulations 2013) dated 24th May 2013.
- The Telecom Commercial Communication Customer Preference (twelfth Amendment Regulations 2013) dated 24th May 2013.
- The Short Message Services (SMS) Termination Charges Regulations 2013 dated 24th May, 2013.

- Telecommunication Consumers Education and Protection Fund (Second Amendment Regulations 2013) dated 10th July 2013.
- Telecommunication Mobile Number Portability (Fifth Amendment) Regulations, 2013 dated 22nd July, 2013.
- The Telecom Commercial Communication Customer Preference (Thirteenth Amendment) Regulations 2013 dated 22nd August 2013.
- Telecom Consumers Complaint Redressal (Second Amendment) Regulations 2013 dated 11th September 2013.
- The Mobile Banking (Quality of Service) {Amendment) Regulations 2013 dated 26th November 2013.
- Telecom Consumer Protection (Seventh Amendment) Regulations 2013 dated 3rd December 2013.
- The Telecom Commercial Communication Customer Preference (fourteenth Amendment) Regulations 2013 dated 3rd December 2013.

REGULATIONS

The Telecom Commercial Communications Customer Preference (Eleventh Amendment) Regulations, 2013 dated 24th May 2013.

2.6.1 The Telecom Commercial Communications Customer Preference (Eleventh Amendment) Regulations, 2013 were issued on 24th May 2013, prescribing for 5 paise per SMS for transactional SMSs. Further, provision has been made in the regulations to exempt government agencies from the transactional SMS charge. The Telecom Commercial Communications Customer Preference (Twelfth Amendment) Regulation, 2013 dated 24th May 2013.

2.6.2 The Telecom Commercial Communications Preference (Twelfth Customer Amendment) Regulation dated 24th May 2013 mandates that a subscriber, who is not registered with the Authority as a telemarketer, is not allowed to make any commercial communication. In case it is found, based on verification of a complaint, that the UCC was originated from a subscriber who is not registered with TRAI as a telemarketer, the Originating Access Provider shall disconnect all the telecom resources of such subscriber and enter the name and address of such subscriber into a blacklist for a period of two years to be maintained separately for the purpose. Upon entry in the blacklist, all Access Providers shall disconnect the telecom resources provided by it to such subscriber within twenty four hours. No telecom resources will be allotted to such blacklisted subscriber by any Access Provider for 2 years. This provision has come into force from 24th June 2013.

The Short Message Services (SMS) Termination Charges Regulations, 2013 dated 24th May 2013.

2.6.3 SMS termination charges are the charges, which are payable by originating Access Provider to the terminating Access Provider for each SMS, terminated by it on the network of Terminating Access Provider. Before issue of these Regulations the SMS termination charges were under forbearance. On the basis of the consultation process, internal analysis and in view the observation of Hon'ble TDSAT that SMS Termination Charges should be cost based and on work done principle, the Authority reviewed the policy of forbearance on SMS termination charge and prescribed cost based SMS termination charges.

Through this Regulation, the Authority has prescribed cost based SMS termination charge as Rs.0.02 (Paise 2 only) per SMS. The regulation came into effect from 1st June, 2013.

Telecommunication Consumers Education and Protection Fund (Second Amendment) Regulations 2013 dated 10th July 2013.

2.6.4 The Authority issued 'The Telecommunication Consumers Education and Protection Fund Regulations, 2007 on 15th June 2007. As per the regulation any excess amount collected by service provided from the subscribers is to be transferred to the fund in a separate account being maintained in Corporation Bank. Out of this fund a large portion of the amount are kept in Fixed Deposits in the Corporation Bank only.

> It was observed that different banks are offering different rates of interest and there are instances when other banks offered higher rate of interest in comparison to Corporation Bank. Keeping this aspect in view, it was felt that to earn higher rate of

interest, other Scheduled Banks should also included in the regulation and accordingly the relevant provisions have been amended.

Due to restructuring of divisions in TRAI, the members of the CUTCEF representing TRAI have been suitably amended. Further, the current regulation does not stipulate any specific-period for re-appointment of the auditor. The Authority decided to specify the period for re-appointment of the auditor and accordingly, the maximum period for reappointment of the auditor for auditing the TCEPF has been fixed as three years in the amendment.

TelecommunicationMobileNumberPortability(FifthAmendment)Regulations, 2013 dated22nd July, 2013.

2.6.5 After implementation of the Mobile Number Portability, the Authority had been receiving complaints from the subscribers of corporate mobile numbers that their porting requests have been rejected by the donor operators under the category "contractual obligation" for want of permission / authorization from the company / corporate for porting such numbers. After examining the complaints, it was felt to have a porting process for corporate mobile numbers where the users of mobile numbers are from the organization, who is the owner of such mobile numbers. Accordingly, the Authority after due consultation process issued the Telecommunication Mobile Number Portability (Fifth Amendment) Regulations,

2013 on 22nd July 2013. These amended regulations are as under:

- Porting of upto 50 corporate mobile numbers of a service provider to another service provider through letter of authorization from the authorised signatory of the corporate mobile numbers, in a single porting request;
- These amendments to become effective 90 days from that day, as TSPs and MNP Service Providers would require time to carryout required changes in their system; and
- iii) Considering the activities involved and number of mobiles to be processed in single porting request, 48 hours have been allowed for forwarding the porting request by the Recipient Operator, for corporate mobile numbers whereas 24 hours remain unaltered for individual porting requests.

The Telecom Commercial Communications Customer Preference (Thirteenth Amendment) Regulation, 2013 issued on 22nd August 2013.

2.6.6 To make the regulatory framework more stringent, so that not only the unregistered telemarketer, but the TSPs and entities engaging such telemarketers to promote their business are held accountable, TRAI issued 'The Telecom Commercial Communications Customer Preference (Thirteenth Amendment) Regulation, 2013' on 22nd August 2013 with a provision for disconnection of telecom resources of those organizations who were found to be engaged in telemarketing through unregistered telemarketers.

Telecom Consumers Complaint Redressal (Second Amendment) Regulations, 2013 dated 11th September 2013.

2.6.7 The Telecom Consumers Complaint Redressal Regulations, 2012 was issued on 5th January, 2012 to improve the effectiveness of complaints redressal for the telecom consumer by the service provider. To further strengthen the framework, The Telecom Consumers Complaint Redressal (Second Amendment) Regulations, 2013 were issued on 11th September 2013. These regulations provide that the Complaint Centre shall also be accessible to consumers through e-mail, post and in person. The accessibility of the complaint centre in person could be facilitated by service providers through customer service centers, sales outlets, brand shops, relationship centers, touch points etc and these access points should be able to acknowledge the complaint and issue the docket number as per the regulations. Further, to bring the accessibility of Appellate Authority, the registration of appeals through the Complaint Center has been facilitated.

The Mobile Banking (Quality of Service) (Amendment) Regulations 2013 dated 26th November 2013.

2.6.8 The mobile phone is rapidly emerging as a useful instrument for customers to conduct financial transactions. Especially those who do not have easy access to banking service viz. those who are financially excluded. TRAI has assumed a facilitative role in the endeavour to leverage the mobile phone for

financial inclusion of India's vast population. TRAI has, over the past year, arranged for banks and TSPs to have detailed consultations for working together on this important national project. Recognising the need for regulatory intervention to set the process in motion, the Mobile Banking (Quality of Service) Regulation has been amended to direct all Telecom Service Providers to facilitate Integrated Voice Response (IVR), Short Message Service (SMS) and Unstructured Supplementary Services Data (USSD) based connectivity to banks and their authorised agents for mobile banking services.

Telecom Consumer Protection (Seventh Amendment) Regulation 2013 dated 3rd December 2013.

2.6.9 TRAI had been receiving complaints regarding automatic renewal of STVs and Data tariff packs without specific consent of the consumers. Through these regulations, TRAI has mandated that auto renewal of STVs for SMS and Data packs (having validity more than 7 days) by TSPs can only be done after taking a one-time explicit consent of the consumer for such renewals through a prescribed "opt-in" procedure. The regulations also provide for a separate toll-free short code for "opting out" of auto renewal of STVs at any time through a defined procedure. Further, three days before the expiry of the validity period of STV, TSPs will have to provide, through SMS, information to the consumer regarding the due date of renewal, the charges for renewal, the terms and conditions of renewal, and the toll-free short code for deactivation of the STV.

The Telecom Commercial Communications Customer Preference (Fourteenth Amendment) Regulation, 2013 issued on 3rd December 2013.

- 2.6.10 Some major entities like banks and insurance agencies had requested the Authority to reduce the registration fee and security deposit to remove the entry barrier for small dealers/agents in their business module, who are facing difficulty in meeting the monitory requirements. The Authority considered the issue and issued suitable amendment in the main regulation. The salient features of this amendments are as under:
- The registration period is extended from three to five years. The existing registered telemarketers can renew their registration by paying a renewal fee of Rs. 5000/-.
- (ii) . The Registration fee is reduced to Rs. 5,000/ - from Rs.10,000/-.
- (iii) The Security deposit is reduced to Rs.50,000/-.

BROADCASTING & CABLE TV SECTOR

LIST OF REGULATIONS

- The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Second Amendment) Regulations 2013 dated 20th September 2013.
- The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems)

(Third Amendment) Regulations 2013 dated 10th February 2014.

- The Register of Interconnect Agreements (Broadcasting and Cable Services) (Fifth Amendment) Regulations 2014 dated 10th February 2014.
- The Telecommunication (Broadcasting and Cable Services) Interconnection (Seventh Amendment) Regulations 2014 dated 10th February 2014.

The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Second Amendment) Regulations, 2013 dated 20th September 2013.

2.6.11 The amendments in the interconnection regulation, amongst others, omit certain provisions from the Telecommunication (Broadcasting And Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 (9 of 2012) relating to minimum channel carrying capacity of 500 channels for the MSOs and prohibition regarding charging of placement fee by the MSOs. It also provides that the MSOs cannot seek signals of a particular channel invoking 'must provide' clause and demand carriage fee, at the same time, for carrying that channel.

The Telecommunication (Broadcasting and Cable Services) Interconnection (digital accessible cable television systems) (third amendment regulations 2013) dated 10th February 2014, (ii) The Register of interconnect agreements (Broadcasting and Cable services) (fifth amendment regulations 2014) dated 10th February 2014 and (iii) The Telecommunication (Broadcasting and Cable Services) Interconnection (seventh amendment regulations 2014) dated 10th February 2014.

- 2.6.12 The Authority, notified amendments to the existing regulatory framework on 10th February 2014, with regard to distribution of TV channels from broadcasters to Distribution Platform Operators (DPOs) viz. Cable, DTH, HITS and IPTV operators. This has been done to address the market distortions caused because of the role assumed by the authorised agents (aggregators) of the broadcasters, which were also amply reflected during the Phase I and Phase II of digitisation of cable TV sector. The Ministry of Information and Broadcasting (MIB) had also sent a reference to TRAI in this regard, requesting for review of the regulatory framework with regard to the aggregators. These amendments are also expected to contribute to the orderly growth and overall development of the sector by streamlining the distribution of TV channels from broadcasters to DPOs. The salient provisions in these amendments are:
- Broadcaster is defined as an entity having the necessary Government permissions in its name.
- Only the broadcaster shall publish the Reference Interconnect Offers (RIOs) and enter into interconnection agreements with

DPOs. However, in case a broadcaster, in discharge of its regulatory obligations, is using the services of an agent, such authorised agent can only act in the name of and on behalf of the broadcaster.

2.7 During the year 2013-14, the Authority issued the following Tariff Orders in the Telecom and Broadcasting sectors:-

TELECOM SECTOR

LIST OF TARIFF ORDERS

- The Telecommunication Tariff (Fifty Fifth Amendment) Order 2013 dated 17th June 2013.
- The Telecommunication Tariff (Fifty Sixth Amendment) Order 2013 dated 26th November 2013.

Telecommunication Tariff (fifty fifth Amendment) Order, 2013 dated 17th June 2013.

- 2.7.1 One of the objectives of NTP 2012 is to work towards One Nation - Free Roaming. To achieve this objective, the Authority vide Telecommunications Tariff (Fifty Fifth Amendment) Order dated 17th June 2013, has, *inter-alia*, brought about the following changes:-
- (a) reduced the ceiling tariffs for national roaming service,
- (b) permitted Special Tariff Vouchers (STVs) and Combo Vouchers for roaming tariffs to provide flexibility and convenience to the consumers, and
- (c) mandated the wireless access service providers to offer special roaming tariff plans in which the subscribers can avail

partially free roaming, or fully free roaming in lieu of payment of fixed charges.

These orders are effective from 1st July 2013.

Telecommunication Tariff (fifty sixth Amendment) Order, 2013 dated 26th November 2013.

2.7.2 With an objective to pave the way for achieving greater financial inclusion in the country, the Authority, vide Telecommunications Tariff (fifty sixth Amendment) Order dated 26th November, 2013 prescribed a ceiling tariff of Rs. 1.50 per outgoing USSD session for USSD-based mobile banking services.

BROADCASTING AND CABLE SERVICES SECTOR

LIST OF TARIFF ORDERS

- The Telecommunication (Broadcasting and Cable) Services (Fifth) (Digital Addressable Cable TV Systems) Tariff Order 2013 dated 27th May, 2013.
- The Telecommunication (Broadcasting and Cable) Services (Sixth) (The Direct to Home Services) Tariff Order 2013 dated 27th May 2013.
- The Telecommunication (Broadcasting and Cable) Services (Fourth) (Accessible systems) Tariff (Second amendment) Order 2013 dated 20th September 2013.
- The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Tenth Amendment) Order 2014 dated 10th February 2014.
- The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable

systems) Tariff (Third Amendment) Order 2013 dated 10th February 2014.

The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Eleventh Amendment) Order 2014 dated 31st March 2014.

The Telecommunication (Broadcasting and Cable) Services (Fifth) (Digital Addressable Cable TV System) Tariff Order, 2013 dated 27th May 2013 and The Telecommunication (Broadcasting and Cable) Services (Sixth) (Direct to Home Services) Tariff Order 2013 dated 27th May 2013.

2.7.3 The Authority issued the Telecommunication (Broadcasting and Cable) Services (Fifth) (Digital Addressable Cable TV Systems) Tariff Order, 2013 on 27th May 2013 which provides for standard tariff packages for supply and installation of Set Top Box (STB) to the consumers under DAS notified areas. The Telecommunication (Broadcasting and Cable) Services (Sixth) (The Direct to Home Services) Tariff Order was also issued on 27th May 2013, which provides for standard tariff packages for supply and installation of Customer Premises Equipment (CPE) to the consumers of DTH services.

A summary table showing different standard schemes of rent per month/ security deposit per STB/CPE payable by a subscriber to the service provider is given below: -

Service	Security Deposit (₹)	Monthly Rent (₹) (Excluding taxes)	Refund of security deposit
DAS	400	55.66	Security deposit would be refunded after
	800	50.66	3 years or on surrender of STB/CPE within
DTH	500	71.75	three years.
	1000	65.50	
DAS	400	46.80	The security deposit gets adjusted over 3
	800	32.93	years. If STB/CPE is surrendered within 3
DTH	500	60.66	years, the unadjusted portions of the
	1000	43.33	security deposit would be refunded.

Other salient features of these tariff orders are:-

- The tariff includes installation and activation charges as well as the charges for maintenance and repairs for a period of 3 years.
- No monthly rental to be paid after 3 years.

The STB/ CPE becomes property of the subscriber after 3 years.

★ These packages are to be mandatorily offered to the subscribers and, in addition, service providers can also offer alternative schemes/ packages for supply of STBs/ CPE. The Telecommunication (Broadcasting And Cable) Services (Fourth) (Addressable Systems) Tariff (Second Amendment) Order, 2013 dated 20th September 2014

2.7.4 The amendment in the Tariff Order, amongst others, modifies the 'twin conditions', regulating the a-la-carte rate of channels vis-à-vis bouquet rates, wherein such channels form a part. The amendment also clarifies the position that subscribers of all addressable platform can opt for channels on a-la-carte basis or bouquet basis or on the basis of a combination of both, as per their choice.

The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Tenth Amendment) Order 2014 dated 10th February 2014 and The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (Third Amendment) Order 2013 dated 10th February 2014.

2.7.5 The Authority, notified amendments to the existing regulatory framework on 10th February 2014, with regard to distribution of TV channels from broadcasters to Distribution Platform Operators (DPOs) viz. Cable, DTH, HITS and IPTV operators. This has been done to address the market distortions caused because of the role assumed by the authorised agents (aggregators) of the broadcasters, which were also amply reflected during the Phase I and Phase II of digitisation of cable TV sector. The Ministry of Information and Broadcasting (MIB) had also sent a reference to TRAI in this regard, requesting for review of the regulatory framework with regard to the aggregators. These amendments are also expected to contribute to the orderly growth and overall development of the sector by streamlining the distribution of TV channels from broadcasters to DPOs. The salient provisions in these amendments are:

- Broadcaster is defined as an entity having the necessary Government permissions in its name.
- ii. The broadcaster shall ensure that its authorised agent, while providing channels/bouquets to the DPOs, does not alter the bouquets as offered in the RIO of the broadcaster.
- iii. In case an agent acts as an authorised agent of multiple broadcasters, the individual broadcasters shall ensure that such agent does not bundle its channels or bouquets with that of other broadcasters. However, broadcaster companies belonging to the same group can bundle their channels.

The Telecommunication (Broadcasting And Cable) Services (Second) Tariff Eleventh Amendment) Order, 2014 dated 31st March 2014

2.7.6 The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Eleventh Amendment) Order, 2014 was issued on 31st March 2014. Through this tariff order, the Authority has allowed a 15% inflation linked hike in the tariff ceilings. These revisions are applicable both at the wholesale and retail levels. This is the first of the two instalments the Authority has decided to allow. Based on the rise in the wholesale price index (WPI) over the last five years and considering the other relevant factors, the Authority came to a conclusion that an overall 27.5% inflation hike over the existing ceilings is to be allowed. However, the Authority was of the view that a hike to the tune of 27.5% in a single go would not be appropriate for the market and the consumers to adjust to. Therefore, the Authority has prescribed that this hike is to be implemented in two installments. The first installment of 15% is to be effective from 1st April 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 enough and reasonable time to all the stakeholders to adjust to these hikes.

2.8 Telecom Regulatory Authority of India issued the following Directions to the Service Providers during the year 2013-14 for compliance of its order / Regulations, some of these Directions are detailed below:-

TELECOM SECTOR

LIST OF DIRECTIONS

- Direction dated 16th May 2013 to MNPSPs to return those mobile numbers, which were ported to the licensees whose licenses were quashed and who closed their operations, back to the number range holders.
- Direction dated 23rd May, 2013 on Implementation of the Standards of quality of service for wireless data services

regulations 2012 reporting format regarding.

- Amendment dated 10th July 2013 to Direction dated 4th July 2011 on obtaining explicit consent of consumers for subscribing and renewing of Value Added Services (VAS).
- Direction dated 16th July, 2013 to all Basic Service Providers, Access Service Providers to open the short code 1072 for train accidents information.
- Second Amendment dated 22nd Aug 2013 to the direction dated 10th February 2010 regarding Format of UPC (separate format for corporate mobile numbers) and its validity.
- Direction dated 18th October 2013 to all cellular mobile telephone service providers to provide data to the regional offices of the Authority and to the audit agency appointed by the Authority for conducting audit and Assessment of Quality of Service.
- Direction dated 18th November 2013 to all NLD, ILD, ISP, CMTS, UASL, Basic Service Providers for implementation of Green Technology in the telecom sector and submission of the carbon footprint report.

Direction dated 16th May 2013 to all MNPSPs to return those mobile numbers, which were ported to the licensees whose licenses were quashed and who closed their operations, back to the number range holders.

2.8.1 MNP Regulations provide that in case after porting of mobile number to recipient

operator network there is a disconnection of mobile number for any reason the recipient operator shall, after 90 days of such disconnection, inform the Mobile Number Portability Service provider about such disconnection with a request for reversal of such mobile number to the number range holder (the original service provider whom the number was assigned).

The service providers, who closed their operation pursuant to the judgment and order of the Hon'ble Supreme Court, could not inform the Mobile Number Portability Service provider for reversal to the Number Range Holder. Therefore, TRAI has decided that the said mobile numbers should be returned to the Number Range Holder by the Mobile Number Portability Service providers as per the record available with them.

Accordingly the direction dated 16th May 2013 was issued to MNP Service Providers.

Amendment dated 10th July 2013 to Direction dated 4th July 2011 on obtaining explicit consent of consumers for subscribing and renewing of Value Added Services (VAS).

2.8.2 This direction seeks to ensure that activation and de-activation of value added services are not done without the explicit consent of the customer. The service providers were directed to implement a uniform VAS activation procedure for all forms of activations–Out-bound Dialling (OBD), IVRS, Wireless Access Protocol (WAP), Mobile Internet, USSD, SMS, Telecalling or any other mode of activation. After receiving the first consent from the customer, TSPs will need to take a second consent through a neutral third party, before providing the value added service. Deactivation would also be through a common procedure across TSPs, using the toll Free Short Code 155223.

Direction dated 16th July 2013 to all Basic Service Providers and Access Service Providers to open the short code 1072 for train accident information.

2.8.3. Directions were issued to Telecom service providers (TSP) on 16th July, 2013 to open the short code 1072 in their network for train accident information, as unrestricted i.e. these services shall be available from anywhere national and international.

Second Amendment dated 22nd August 2013 to the direction dated 10th February 2010 regarding Format of UPC (separate format for corporate mobile numbers) and its validity.

- 2.8.4. The Authority issued second amendment dated 22nd August 2013 to the Direction dated 10th February 2010 regarding format of UPC for porting of corporate mobile number and validity of UPC due to the following:
- To distinctly identify UPC of the corporate mobile numbers, separate format was required to be specified for generation of UPC for corporate mobile numbers

- ii) TRAI noted that the validity period of UPC is being differently interpreted by the service provides and in certain cases service providers have rejected porting requests of the subscriber, which was received by the service provider on the last day of the validity of UPC.
- Ø Direction dated 18th October 2013 to all cellular mobile telephone service providers to provide data to the regional offices of the Authority and to the audit agency appointed by the Authority for conducting Audit and Assessment of Quality of Service.
- 2.8.5 To gauge the effectiveness of its quality enforcement mechanism, TRAI undertakes periodic assessments of the quality of service, as well as customer perceptions of the quality of service. TRAI's regional offices conduct periodic field checks of the implementation of standards laid down through regulations and orders. They also analyse and monitor the reports of the audit and survey. In this connection, a direction was issued on 18th October 2013 to all Telecom Service Providers (TSPs) to provide to the regional offices of the Authority and to the audit agencies appointed by the Authority, by the 5th of each succeeding month, data for every month on quality of service performance.

BROADCASTING & CABLE TV SECTOR

LIST OF DIRECTIONS

Direction dated 30th April 2013 to Multi System Operators for setting up and operationalisation of subscriber management system

- Direction dated 6th May 2013 to All pay broadcasters/aggregators for implementation of Digital Addressable Cable TV Systems (DAS)
- Direction dated 6th May 2013 to Multi System Operators for implementation of Digital Addressable Cable TV Systems (DAS)
- Direction 13th May 2013 to M/s Media Pro Enterprise India Pvt Ltd to modify the Reference Interconnect Offer dated
- Direction to M/s Tata Sky Ltd. to comply with the provisions of the regulation 10 of the Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007.
- Direction dated 21st November 2013 to MSOs registered for operating in the notified areas of Phase-II of DAS implementation for setting up and operationalisation of subscriber management system.
- Direction dated 2nd November 2013 to Multi System Operators (MSOs) providing cable TV services through Digital Addressable Systems (DAS) to provide itemized billing to subscribers.
- Direction dated 12th December 2013 to Multi-System Operators (MSOs) for submission of interconnection agreement for re-transmission of channels.
- Direction dated 13th December 2013 to Multi-System Operators to submit the details of tariff packages along with terms and conditions for supply and installation of STB.

Direction dated 30th April 2013 to Multi System Operators for setting up and operationalisation of subscriber management system.

- The Authority directed to all the Multi 2.8.6 System Operators for compliance of the Standard of Quality of Services to:
- comply with the provisions of regulation 20 (a) of the Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012;
- (b) ensure that before providing cable services through Digital Addressable Systems, its subscriber management system is operationalised and the signals of TV channels are transmitted to only those subscribers whose details such as name, address, choice of channel and bouquets etc. are entered into the subscriber management system;
- disconnect TV signals of the subscribers (c) whose details such as name, address, choice of channel and bouquet etc. are not entered into the subscriber management system and allow such subscribers to surrender their set top box and give them full refund in accordance with the provisions of sub-rule (4) of rule 13 of the Cable Televisions Networks Rules, 1994; and
- furnish compliance report latest by the 7th (d) May, 2013.

Direction dated 6th May 2013 to All pay broadcasters/ aggregators for implementation of Digital Addressable Cable TV Systems (DAS).

2.8.7 The Authority directed all the broadcasters of pay channels to ensure that for providing signals of pay channels, they have entered into written interconnection agreements with the multi system operator providing cable TV services through Digital Addressable Systems and furnish, within seven days from the date of issue of the Direction, name of the multi system operator with whom the interconnection agreement has been entered into along with the service area covered and the validity period of the said agreement.

Direction dated 6th May 2013 for implementation of Digital Addressable Cable TV Systems (DAS).

2.8.8. The Authority directed to all the Multi System operators to reduce in writing the terms and conditions of their interconnection agreements with other service providers wherever it is providing cable TV services through Digital Addressable Systems and furnish, within seven days from the date of issue of the Direction, names of the service providers with whom the interconnection agreements have been entered into along with the service area covered and the validity period of the said agreement.

Direction dated 13th May 2013 to M/s Media Pro Enterprise India Pvt Ltd, to modify their Reference Interconnect Offer.

2.8.9 The Authority directed M/s. Media Pro Enterprise Pvt. Ltd., to modify their Reference Interconnect Offer so as to ensure that it is in compliance with the

provisions of clause 4 of the Telecommunication (Broadcasting and Cable) Service (Fourth) (Addressable System) Tariff Order and regulation 3 of the Telecommunication (Broadcasting and Cable Services) Interconnection Regulations, 2004, and furnish the compliance report within seven days of the issue of the direction.

Direction to M/s Tata Sky Ltd. to comply with the provisions of the regulation 10 of the Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007.

- 2.8.10 The Authority directed M/s. Tata Sky Ltd. to—
- (a) comply with the provisions of regulation 10 of the Direct to Home Broadcasting Services (Standards of Quality of Service and Redressal of Grievances) Regulations, 2007;
- (b) stop immediately levying of temporary suspension fee on their subscribers;
- (c) refund to the subscribers, the temporary suspension fee, if any, levied upon them and, if it is not possible to refund such fee to any such subscriber, to deposit the amount in the Telecommunications Consumers Education and Protection fund maintained by the Authority;
- (d) provide the name, address and contact details of all subscribers, both active and non-active, from whom the temporary suspension fee was collected since the 31st August, 2007; and

(e) submit compliance with respect to the above paras (a to d) within seven days of the issue of the Direction.

Direction dated 21st November 2013 to MSOs registered for operating in the notified areas of Phase-II of DAS implementation for setting up and operationalisation of subscriber management system.

2.8.11 The Authority directed to all the Multi System operators to ensure that before providing cable TV services through Digital Addressable System, their subscriber management systems are operationalised and the signals of TV channels are transmitted to only those subscribers whose consumer application forms including choice of channels have been collected and the complete details such as name, address, choice of channel and bouquets etc. have been entered in the subscriber management system and, to furnish compliance report by 29th November 2013.

Direction dated 2nd December 2013 to Multi System Operators (MSOs) providing cable TV services through Digital Addressable Systems (DAS) to provide itemized billing to subscribers.

- 2.8.12 The Authority directed to all the Multi System Operators to:-
- (a) offer cable TV services to their subscribers
 on both pre-paid and post-paid payment
 options and generate bills for subscribers;
- (b) give to every subscriber the bill, on regular basis, for charges due and payable for each

month or for any other agreed period and the bills for the period ending the 30th November, 2013 shall be given to the subscribers latest by the 15th December, 2013, as per the billing cycle agreed between the parties;

- (c) provide itemized bill to the subscribers, clearly indicating the price of channels or bouquet of channels along with the name of channels in the bouquet, charges for basic service tier and channels comprised therein, charges for set-top-box, charges for value added service, the details of taxes along with the rate of taxes and Service Tax registration number and Entertainment Tax registration number;
- (d) ensure that a proper receipt is given to the subscriber by them or their linked local cable operator for every payment made by the subscribers;
- (e) provide to the pre-paid subscribers, at a reasonable cost, the information relating to the itemized usage charge showing actual usage of service; and
- (f) submit compliance report by the 31st December 2013 for the areas of the National Capital Territory of Delhi, Municipal Council of Greater Mumbai and Kolkata Metropolitan area.

Direction dated 12th December 2013 to Multi-System Operators (MSOs) for submission of interconnection agreement for re-transmission of channels.

2.8.13 The Authority directed to all the Multi System Operators providing cable TV services through Digital Addressable systems (DAS) on 12th December 2013 for submission of interconnection agreement entered into by them with the broadcasters for re-transmission of channels of the broadcasters through their cable TV networks in DAS notified areas.

Direction dated 13th December 2013 to Multi-System Operators to submit the details of tariff packages alongwith terms and conditions for supply and installation of STB.

- 2.8.14 The Authority directed all the Multi System Operators to submit the details of all tariff the packages along with the terms and conditions for supply and installation of the set top box to their subscribers within 7 days from the date of issue of the direction.
- 2.9. 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 2013-14.

TELECOM SECTOR

LIST OF CONSULTATION PAPERS

 Consultation Paper dated 14th November 2013 on Revenue Sharing Arrangements for calling card services.

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- Consultation Paper dated 24th March 2014 on Review of Tariff for domestic lease circuits.
- Consultation Paper dated 28th March 2014 on Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers.

Consultation Paper dated 14th November 2013 on Revenue Sharing Arrangements for calling card services.

2.9.1 TRAI issued Consultation paper on Revenue Sharing Arrangements for Calling Card Services on 14th November 2013. The objective of this consultation paper is to discuss the various issues related to revenue sharing arrangement for Intelligent Network Based Calling Card Services. The consultation paper provides the relevant background information and discusses the need and methodology to determine the charges to be paid by the NLDO/ILDO to the Access Providers for Calling Card Services.

In the currently prevailing regime, a customer does not have the option to choose its long distance carrier. The customer depends on its Access Provider for NLD/ILD calls. And, it is the Access Provider who chooses the NLDOs/ILDO to whom the call is handed over for further carriage based on mutual commercial agreements between them. Though customer can choose its access provider but choice of NLDO/ILDO is not available to it. Calling cards will provide a real choice to the consumer for picking an NLDO/ILDO which offers the most competitive tariff for

NLD/ILD calls viz. irrespective of the customer's access provider.

Consultation Paper dated 24th March 2014 on Review of Tariff for domestic lease circuits.

2.9.2 With a view to review the tariff framework for DLCs, TRAI released a consultation paper on 24th March 2014 to seek the comments of the stakeholders on various relevant issues on the subject. Stakeholders were requested to furnish their written comments by 14th April, 2014 and countercomments by 21st April, 2014.

Consultation Paper dated 28th March 2014 on Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF Carriers.

- 2.9.3. On 26th November 2012, DoT requested the Authority to furnish its recommendations on "Allocation and Pricing of Microwave Access (MWA) and Microwave Backbone (MWB) RF carriers". Subsequent to the reference, TRAI sought certain information on the subject from DoT. After receipt of information, TRAI prepared the Consultation Paper on the issue. The specific issues contained in the Consultation Paper for consideration of stakeholders, are as under:
 - Number of microwave carriers need to be assigned to TSPs in case of 2G, 3G and BWA technologies;
- Preferred mechanism of assignment of MWA/MWB carriers to the TSPs, i.e., 'Exclusive basis assignment' or 'link-to-link' based assignment;

- Administrative assignment or assignment through auction;
- Criteria for allocation of additional carriers;
- Pricing mechanism for carriers;
- Exploration of options for assignment of MWA carriers in all the spectrum bands in 6-42 GHz range; and
- Assignment of MWA carriers in higher frequency bands, viz. E-band and V-band.

BROADCASTING & CABLE TV SECTOR LIST OF CONSULTATION PAPERS

 Consultation Paper dated 6th August 2013 on distribution of TV Channels from Broadcasters to Platform operators.

Consultation Paper dated 6th August 2013 on distribution of TV Channels from Broadcasters to Platform operators.

2.9.4 A consultation paper on "Distribution of TV channels from Broadcasters to Platform Operators" was issued on 06th August 2013, seeking comments of the stakeholders. The consultation paper contained a proposal to amend the regulatory framework by adding provisions that clearly demarcate the role and responsibilities that can be assigned by the broadcasters to their authorized distribution agencies for distribution of TV channels to various platform operators.



Authority and Officers of TRAI interacting with stakeholders during the OHD on Distribution of TV Channels from Broadcasters to Platform Operators.

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

2.10 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

2.10.1 The total rural subscriber base has reached
 377.73 million as on 31st March 2014 from
 349.22 million 31st March 2013. As per the
 performance indicator report, 43.96% of
 total wireless subscribers are now in rural
 areas.

The rural wireline subscriber base is decreasing. As on 31st March, 2014, the rural wireline subscriber base stood at 5.96 million as compared to 6.71 million at the end of 31st March, 2013. Whereas the rural wireless subscriber base increased during the same period. As on 31st March 2014, the Wireless rural [Mobile and WLL(F)] market has reached the 371.78 million mark as against 342.50 million as on 31st March 2013. 41.10% of total wireless subscribers are now in rural areas.

(b) Expansion of Telephone Network

2.10.2 As on 31st March, 2014, the total wireline subscriber base stood at 28.49 million. The incumbents BSNL and MTNL have 64.87% and 12.43% market share respectively in the subscriber base, while all the six private operators together have 22.70% share. The share of private operators has increased from 20.88 % as on 31st March, 2013 to 22.70% as on 31st March, 2014.

The Wireless Subscriber base was 904.51 million as on 31st March 2014 in comparison to the subscriber base of 867.80 million as on 31st March 2013. The subscriber base has increased by 36.71 million subscribers in the financial year 2013-14. The total

subscriber base of wireless services has grown from 391.76 million in March 2009 to 904.51 million in March 2014. Out of 904.51 million subscribers at the end of financial year 2013-14, 847.41 million (93.69%) were GSM Subscribers and 57.10 million (6.31%) were CDMA Subscribers.

In the wireless segment subscriber base of GSM was 847.41 million subscribers at the end of March 2014, as compared to 794.03 million as at the end of March 2013. GSM subscriber base increased by around 53.38 million subscribers during the year.

In terms of subscriber base and market share of GSM services, M/s Bharti with 205.39 million subscriber base remains the largest GSM Service providers followed by M/s Vodafone, M/s Idea/Spice, and M/s BSNL with subscriber base of 166.56 million, 135.79 million and 92.40 million respectively.

In Cellular CDMA Services, in terms of subscriber base and market share, M/s Reliance with 28.95 million subscriber base remains the largest CDMA operator followed by M/s Tata and M/s Sistema with subscriber base of 16.74 million, and 9.04 million, respectively.

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

2.10.3 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:

Type of Licence	Number of licences	
Basic	2 (PSUs – BSNL	
	and MTNL)	
CMTS	37	
UAS	118	
UL (AS)	06	
UL	04	
Total	167	

(d) Technical Compatibility and effective Interconnection between Service Providers

2.10.4 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:-

> The Short Message Services (SMS) Termination Charges Regulations, 2013 dated 24th May 2013.

> SMS termination charges are the charges, which are payable by originating Access Provider to the terminating Access Provider for each SMS, terminated by it on the network of Terminating Access Provider.

> Before issue of these Regulations the SMS termination charges were under

forbearance. The Authority noted that though the policy of forbearance on SMS termination charge has worked satisfactorily in the past when the use of SMS by the subscriber was limited. In the changed circumstances especially due to exponential increase in the number of commercial SMSs, large imbalance in SMS traffic between the networks of interconnecting service providers, unilateral imposition of SMS termination charge and in case of non agreement, disconnection by some dominant service providers and growing litigations amongst the service providers, the Authority reviewed the policy of forbearance in SMS termination charges and prescribed cost based SMS termination charges.

On the basis of the consultation process and internal analysis and in line with the observation of Hon'ble TDSAT that SMS Termination Charges should be cost based and on work done principle and in order to create certainty in the market, exigencies created by certain dominant players and to protect the interests of the consumers, the Authority prescribed cost based SMS termination charge as Rs.0.02 (Paise 2 only) per SMS. The regulation came into effect from 1st June, 2013.

(e) Telecommunication Technology

i) Implementation of Green Technology in Telecom Sector

2.10.5 TRAI has recommended the measures for implementation of green technology in telecom sector; vide its recommendation on 'Approach Towards Green Telecommunications' dated 12.04.2011. Based on TRAI's recommendations DoT issued the directions in January, 2012 to all NLDs/ILDs/ISPs/ CMTS/UASL/Basic Service Licensees Including BSNL and MTNL. Subsequent to the above directions, DoT had issued further clarification dated 18.09.2012 and 19.11.2012.

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 i.e. half yearly report for the period ending September to be submitted by 15th November and the succeeding half yearly report for the period ending March to be submitted by 15th of May each year. The directions of DoT also mandate the service providers to consensually evolve, through their Associations, 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 letters and reminders to the service providers to obtain the requisite compliance in respect of DoT directives. In this regard, Carbon footprint reports of the NLDs/ILDs/ISPs and access service providers including BSNL and MTNL for the Base year (2011-12), H1 and H2 (2012-13) have been received in TRAI. Voluntary codes of practice have also been received in TRAI from telecom associations.

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 accelerated its efforts for migration towards Next Generation Networks in India during the financial year. TRAI had appointed a consultant, to assist in establishing appropriate policy and regulatory framework on Next Generation Networks (NGNs). Scope of the consultancy work includes preparation of an exhaustive report on NGN, preparation of a draft consultation paper, conducting workshop on NGN for Industry, assist TRAI in post evaluation work. The Consultant has submitted the draft exhaustive report and draft consultation paper on NGN.

The Authority is in the process of preparing a consultation paper on 'Migration to NGN' to engage the stakeholders in an exhaustive consultation process on all relevant issues.

During the period work on Exhaustive Report and Consultation paper on NGN was taken up and drafts for both the documents were prepared. Final consultation paper on 'Migration to IP Based Networks' to engage the stakeholders in an exhaustive consultation process on all relevant issues is under consideration.

Publication of Technology Digest (iii)

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 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 2013-14, Technology Digest on '100 Gigabit Ethernet and Beyond' has been issued.

(iv) MIS project

The MIS Project was launched on 1st January, 2014. MIS Project was conceptualized in TRAI for securely receiving various reports from the Service Providers in electronic form. The project also helps in generation of various regular reports automatically in the required form. Generation of various dashboards which can provide summary information is included in the project. The project thus helps all the stakeholders in improving efficiency and accuracy. The specialized reports also can be generated as per the need from the data received from the stakeholders.

Formulation and implementation of (v) Information Security Policy for TRAI

Information Security Policy for TRAI has been finalized and implemented within TRAI. A significant amount of critical, sensitive and confidential information is either transmitting through or residing on the infrastructure and related resources used by TRAI. The Policy will act as an internal assurance mechanism to protect and safeguard all critical information being handled at TRAI to ensure confidentiality, integrity and availability. The policy covers the protection of all information processed or stored on the TRAI's server systems and transmitted over its networks for the work of TRAI.

(f) Implementation of National Telecom Policy (NTP)

2.10.6 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.

> In its recommendations dated 9th September 2013 on 'Valuation and Reserve Price of Spectrum' to the Government the Authority reiterated its recommendations on roll-out obligations to enhance rural coverage in order to correct the present urban-centric bias in the roll-out obligations.

(g) Quality of Service (QoS)

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

Audit of Metering and Billing System

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 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 amount of Rs.10,00,000/- per action taken report for false or incomplete information. The audit reports submitted by the auditors for the year 2012-13 are being analysed by TRAI.

Objective assessment of Quality of Service through an Independent agency

TRAI Act as well as the QoS regulations provide for audit and assessment and customer perception of service against the QoS benchmark through survey. TRAI has appointed Independent Agencies on zonal basis, the survey work has been awarded to M/s IMRB (South and East Zone), M/s VOICE for (North Zone) and M/s Mott Mac Donald for (West Zone).

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 survey work for the period April to September 2013 (Half Yearly) has been carried out and Press Release were issued on 30th January 2014. The audit work for the period October to December 2013 has been carried out and Press Release were issued on 1st April 2014. The audit reports have been submitted for the period January to March 2014 by the audit agencies and are being analysed.

Review of the Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006.

TRAI has reviewed the framework for Code of Practice for metering and billing accuracy, containing standards for metering and billing and to minimize the incidences of billing complaints through Quality Of Service (Code Of Practice for Metering and Billing Accuracy) Amendment) Regulations, 2013 issued on 25th March 2013. In continuation, TRAI had issued detailed guidelines and Checklist for Metering and Billing Audit. Further, through these regulations the audit of CDR including data services have been introduced and continuous audit is being conducted on quarterly basis.

Review of framework for controlling Unsolicited Commercial Communications (UCC).

a. The Telecom Commercial Communications Customer Preference (Eleventh Amendment) Regulations, 2013 dated 24th May 2013.

> The Telecom Commercial Communications Customer Preference (Eleventh Amendment) Regulations, 2013 were issued on 24th May 2013, prescribing for 5 paise per SMS for transactional SMSs. Further, provision has been made in the regulations to exempt government agencies from the transactional SMS charge.

TheTelecomCommercialCommunicationsCustomerPreference(Twelfth Amendment)Regulation, 2013issued on 24thMay 2013.

b.

Any subscriber, who is not registered with the Authority as a telemarketer, is not allowed to make any commercial communication. In case it is found, based on verification of a complaint, that the UCC was originated by a subscriber who is not registered with TRAI as a telemarketer, the Originating Access Provider shall disconnect all the telecom resources of such subscriber and enter the name and address of such subscriber into a blacklist for a period of two years to be maintained separately for the purpose. Upon entry in the blacklist, all Access Providers shall disconnect the telecom resources provided by it to such subscriber within twenty four hours. No telecom resources will be allotted to such blacklisted subscriber by any Access Provider for 2 years. This provision has come into force from 24th June 2013.

c. The Telecom Commercial Communications Customer Preference (Thirteenth Amendment) Regulation, 2013 issued on 22nd August 2013.

> To make the regulatory framework more stringent, so that not only the unregistered telemarketer, but the TSPs and entities engaging such telemarketers to promote their business are held accountable, TRAI issued 'The Telecom Commercial Communications Customer Preference

(Thirteenth Amendment) Regulation, 2013' on 22nd August 2013 with a provision for disconnection of telecom resources of those organizations who are found to be engaged in telemarketing through unregistered telemarketers.

d. The Telecom Commercial Communications Customer Preference (Fourteenth Amendment) Regulation, 2013 issued on 3rd December 2013.

> In order to reduce unsolicited commercial communication TRAI reviewed the registration period, registration fee and initial security deposit amount through these regulations.

e. Consumer Outreach Programmes

During the year 2013-14 total 128 Consumer Outreach Programmes (CoP) were organized in different part of the country by the Authority to protect the interest of consumer and for their capacity building. Besides these, Consumer Awareness Programmes were also been organized in 35 professional colleges across the country.

The consumer outreach programmes were organized with the help of the Regional Offices of TRAI as under:-

S.No.	Name of RO	Place of CoP	Date of CoP
1	BANGALORE	Hubli	18.9.13
		Belgaum	20.9.13
		Palakkad	23.10.13
		Malapuram	25.10.13

S.No.	Name of RO	Place of CoP	Date of CoP
		Udupi	6.11.13
		Karwar	8.11.13
		Kannur	3.12.13
		Calicut	5.12.13
		Gulbarga	17.12.13
		Raichur	19.12.13
		Medikeri (Kodogu)	21.1.14
		Kottayam	29.1.14
		Kollam	31.1.14
		Trichur	14.2.14
	Total	14	CONTRACT OF
2	BHOPAL	Betul	17.9.13
		Ujjain	24.9.13
		Hoshangabad	9.10.13
		Gwalior	24.10.13
		Khandwa	12.11.13
		Vidisha	21.11.13
		Sagar	29.11.13
		Chindwara	11.12.13
		Raipur	20.12.13
		Narsinghpur	9.1.14
		Bilaspur	23.1.14
		Satna	5.2.14
		Balaghat	28.2.14
		Bhilai (Durg)	5.3.14
		Dewas	24.3.14
	Total	15	
3	CHANDIGARH	Shimla	20.9.13
		Dharamshala	24.9.13
		Baddi	25.10.13

S.No.	Name of RO	Place of CoP	Date of CoP
1		Hamirpur	31.10.13
		Udhampur	19.11.13
		Kathua	21.11.13
		Amritsar	5.12.13
		Ropar	12.12.13
		Dehradun	16.1.14
		Saharanpur	20.1.14
		Paonta Sahib	6.2.14
	, , , , , , , , , , , , , , , , , , , .	Sangrur	20.2.14
		Hoshiarpur	4.3.14
		Haridwar	11.3.14
	Total	14	
4	GUWAHATI	Tazpur	21.9.13
		Nagaon	23.9.13
		Agartala	24.10.13
		Udaipur	25.10.13
F		Imphal	8.11.13
	2	Aizawl	15.11.13
	Stalle.	Dimapur	10.12.13
10	2	Bongaigaon	19.12.13
9		Nalbari	21.12.13
	00 1	Silchar	17.1.14
ta. a.	1	Karimganj	20.1.14
	(CAR)	Dibrugarh	14.2.14
		Jorhat	24.2.14
		Itanagar	7.3.14
	Total	14	
5	HYDERABAD	Thiruchnapally	12.9.13
	11 11	Hyderabad	17.9.13

S.No.	Name of RO	Place of CoP	Date of CoP
		Salem	9.10.13
		Warangal	18.10.13
		Pondicherry	15.11.13
		Thanjavur	17.12.13
		Tirunelveli	19.12.13
		Vishakapatnam	23.12.13
		Tirupati	21.1.14
		Vijaywada	23.1.14
		Nalgonda	24.2.14
		Madurai	28.2.14
		Eluru	28.3.14
	Total	13	
6	JAIPUR	Jaipur	19.9.13
		Pali	25.9.13
		Jodhpur	27.9.13
		Ambala	8.10.13
		Karnal	10.10.13
		Bhilwara	15.11.13
		Ajmer	22.11.13
		Kota	16.12.13
		Alwar	23.12.13
		Hisar	15.1.14
		Jind	16.1.14
		Barmer	23.1.14
		Jhunjhunu	14.2.14
		Kurukshetra	26.2.14
		Sri Ganganagar	20.3.14
		Bikaner	27.3.14
	Total	16	

S.No.	Name of RO	Place of CoP	Date of CoP
7	KOLKATA	Cuttack	10.9.13
		Ultadanga Kolkata	27.9.13
		Chinsura	30.10.13
		Jalpaiguri	18.11.13
		Siliguri	19.11.13
		Balasore	3.12.13
		Raniganj	18.12.13
		Bankura	19.12.13
		Bolpur	9.1.14
		Puri	30.1.14
		Suri	7.2.14
		Paradeep	14.2.14
		Raurkela	28.3.14
		Sambalpur	29.3.14
	Total	14	
8	MUMBAI	Nagpur	12.9.13
		Goa	26.9.13
		Ahmadabad	17.10.13
		Vadodara	29.10.13
		Navi Mumbai	12.11.13
		Surat	7.12.13
		Mumbai	17.12.13
		Rajkot	24.12.13
		Nasik	10.1.14
		Ahmednagar	24.01.14
		Daman	12.2.14
		Valsad	20.2.14
		Aurangabad	11.3.14
		Jalgaon	21.3.14
	Total	14	

S.No.	Name of RO	Place of CoP	Date of CoP
9	PATNA	Hazipur	26.9.13
		Patna	30.9.13
		Ranchi	22.10.13
		Ara	29.10.13
		Hazaribagh	12.11.13
		Muzaffarpur	20.11.13
		Bodh Gaya	20.12.13
		Chapra	23.12.13
		Bokaro	27.1.14
		Dhanbad	29.1.14
		Rajgir Nalanda	20.2.14
		Jamshedpur	26.2.14
		Deoghar	3.3.14
		Motihari	10.3.14
	Total	14	
	Grand Total	128	

(h) Universal Service Obligation (USO)

2.10.8 The Authority in its Recommendations dated 14th May 2012 on Support for Rural Wire-line Connections, Installed Before 01.04.2002 stated that support to M/s BSNL may be continued for two years for sustenance of rural wire-line connections, installed before 01.04.2002. The amount of support may be Rs.1500 Crore for the first year and Rs.1250 Crore for the second year.

OTHER ACTIVITIES

MIS project:

2.10.9 MIS portal has been launched during the year 2013-14. 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 & Consumer Outreach Programmes

During the year 2013-14 TRAI took initiative for printing of Consumers' Handbook on Telecommunications in regional languages besides Hindi and English for distributing during the course of consumer outreach programme.

News Letter

During the year 2013-14, monthly newsletters conveying important activities/initiatives taken by the Authority and other developments in telecom sectors continued to be circulated to all CAGs.

Consumer Education

TRAI has also released the advertisements across the country in local newspapers to educate the public about deactivation of VAS, Mobile Number Portability, Unsolicited Commercial Calls etc. TRAI also initiated steps to broadcast these type of Public Messages through FM Radio and TV Channels.

Telecommunication Consumers Education and Protection Fund

TRAI has been issuing various Regulations, directions and Orders to protect the interest of consumers of telecom services from time to time. During July, 2013 "The Telecommunication Consumers Education and Protection Fund (Second Amendment) Regulations, 2013 has been issued.

j) International Relations

2.10.10Bilateral Meetings

- A three member delegation from Korea Communications Standards Commission (KCSC) headed by Mr.Hyuk Boo KWON, Vice-Chairman visited TRAI for the bilateral meeting with Authority on 21st June 2013.
- (ii) A delegation from Maldives Broadcasting Commission (MBC) visited TRAI on 5th July 2013 for the bilateral meeting with Sh.R.K.Arnold, Member TRAI.
- (iii) A team led by Sh.R.K.Arnold, Member TRAI participated in the bilateral meeting with Mr.Masahiko Yoshizaki, Vice Minister for Internal Affairs and Communications (MIC), Japan on Japan-India ICT Public Private Partnership Mission on 4th October 2013 in the Hotel Taj Mansingh, New Delhi.
- (iv) Ms. Yoko Kamikawa, Senior Vice Minister for Internal Affairs and Communications (MIC), Japan had visited TRAI Office for a meeting with Chairman TRAI on 16th January 2014 in New Delhi.
- (v) On request of World Bank, a meeting and discussion for Afghan Delegation of infrastructure sharing coordinators was organized on 26th March 2014.
- (vi) Director, ITU-R visited TRAI for a bilateral meeting with the Authority on 27th March 2014.

2.10.11 Memorandum of Understanding (MoU):-

- TRAI signed Memorandum of Understanding with Georgian National Communications Commission, Georgia on 4th July 2013 in Warsaw, Poland. The MoU has been signed in order to strengthen the ties in the field of telecommunications between the two countries, by means of the establishment of technical and technological cooperation.
- ii. TRAI signed Memorandum of Understanding (MoU) with Viet Nam Telecommunications Authority (VNTA), Viet Nam on 4th July 2013 in New Delhi, India. The MoU has been signed in order to strengthen the ties in the field of

telecommunications between two countries, by means of the establishment of technical and technological cooperation.

 iii. An amendment Memorandum of Understanding had been signed between TRAI and NTRA, Egypt on 25th February 2014 in Barcelona, Spain.

2.10.12International Events hosted by TRAI:

a. Telecom Regulatory Authority of India (TRAI) and International Telecommunications Union (ITU) jointly organized a training on "Digital Broadcasting and Technologies and Implementation" held at Commission Room of FICCI, New Delhi 5-7 February 2014.



Training on "Digital Broadcasting and Technologies and Implementation" held at New Delhi from 5th -7th February 2014.

 b. Telecom Regulatory Authority of India (TRAI) and Asia Pacific Telecommunity (APT) jointly organized South Asian Telecommunication Regulators' Council (SATRC) Working Group Meeting on "Policy, Regulation and Services" from 13-14 February 2014 at New Delhi.



Second Meeting of the SATRC Working Group on Policy, Regulations and Services held from 13-14 February at New Delhi, India

PART-III

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



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

Section 11 of the Telecom Regulatory Authority of India Act, 1997, as am<mark>ended, provides</mark> 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 if any, the Central Government shall take a final decision.

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 therefor.

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.

The Authority shall ensure transparency while exercising its powers and discharging its functions.

(2)

(3)

(4)

- 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.
- 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 2013-14 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:

The Telecommunication Tariff (Fifty Fifth Amendment) order 2013 dated 17th June 2013.

> Vide this Order, The Authority has, *interalia*, reduced the ceiling tariffs for national roaming service, permitted Special Tariff Vouchers and Combo Vouchers for roaming tariffs to provide flexibility and convenience to the consumers and mandated the

wireless access service providers to offer special roaming tariff plans in which the subscribers can avail partially free roaming, or fully free roaming in lieu of payment of fixed charges.

The Telecommunication Tariff (Fifty Sixth Amendment) order 2013 dated 26th November 2013.

Vide this Order, the Authority prescribed a ceiling tariff of Rs. 1.50 per outgoing USSD session for USSD-based mobile banking services, to pave the way for achieving greater financial inclusion in the country.

- 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.
- 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 2013-14 are given below:-

- Recommendations dated 9th September 2013 on "Valuation and Reserve Price of Spectrum".
- Recommendations dated 25th September
 2013 on "Full mobile number portability" (Pan-India number portability).
- Recommendations dated 26th September 2013 on "Improving telecom services in the North Eastern States: An investment plan".
- TRAI's response dated 23rd October 2013 on DoT's reference back on Recommendations on "Valuation and Reserve Price of Spectrum" dated 9th September 2013.
- Recommendations dated 26th November 2013 on "Telecom Network failures during emergencies/disasters – Priority routing of calls of persons engaged in response and recovery".
- Recommendations dated 28th January 2014 on "Working guidelines for Spectrum Trading".
- Recommendations dated 22nd February
 2014 on "Reserve price for Auction of Spectrum in the 800 MHz band".
- Recommendations dated 22nd August 2013 on "Foreign Direct Investment (FDI) in broadcasting sector in India".
- Recommendations dated 11th September 2013 on "Guidelines for Television Rating Agencies".
- Recommendations dated 26th November 2013 on "Monopoly/Market Dominance in Cable TV Services".

Recommendations dated 20th February 2014 on "Migration of FM Radio Broadcasters from Phase II to Phase III".

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:-
- The Short Message Services (SMS) Termination Charges Regulations, 2013 (No. 7 of 2013)' dated 24th May 2013.

SMS termination charges are the charges, which are payable by originating Access Provider to the terminating Access Provider for each SMS, terminated by it on the network of Terminating Access Provider. On the basis of the consultation process and internal analysis, and in line with the observation of Hon'ble TDSAT that SMS Termination Charges should be cost based and on work done principle and in order to create certainty in the market, exigencies created by certain dominant players and to protect the interests of the consumers, the Authority prescribed cost based SMS termination charge as Rs.0.02 (Paise 2 only) per SMS. The regulation came into effect from 1st June, 2013.

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

3.4 TRAI issued Consultation paper on Revenue Sharing Arrangements for Calling Card Services on 14th November 2013. The objective of this consultation paper is to discuss the various issues related to revenue sharing arrangement for Intelligent Network Based Calling Card Services. The consultation paper provides the relevant background information and discusses the need and methodology to determine the charges to be paid by the NLDO /ILDO to the Access Providers for Calling Card Services.

> In the currently prevailing regime, a customer does not have the option to choose its long distance carrier. The customer depends on its Access Provider for NLD/ILD calls. And, it is the Access Provider who chooses the NLDOs/ILDO to whom the call is handed over for further carriage based on mutual commercial agreements between them. Though customer can choose its access provider but choice of NLDO/ILDO is not available to it. Calling cards will provide a real choice to the consumer for picking an NLDO/ILDO which offers the most competitive tariff for NLD/ILD calls viz. irrespective of the customer's access provider.

- e) Time period for providing local and long distance circuits of telecommunication between different service providers.
- To provide a framework to ensure 3.5 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.

Ensuring compliance of the Terms and Conditions of License.

3.6 One of the functions of the Authority is to ensure compliance of the terms and conditions of the licenses issued to the service providers by the licensor viz. the Department of Telecommunications (DOT). Directions for compliance of terms and conditions are issued by Telecom Regulatory Authority of India from time to time. Recommendations for action are also sent to DOT. In this regard, the following activities were performed during the year 2013-14: Direction to MNPSPs to return those mobile numbers, which were ported to the licensees whose licenses were quashed and who closed their operations, back to the number range holders dated the 16th May 2013.

MNP Regulations provide that in case after porting of mobile number to recipient operator network there is a disconnection of mobile number for any reason the recipient operator shall, after 90 days of such disconnection, inform the Mobile Number Portability Service provider about such disconnection with a request for reversal of such mobile number to the number range holder (the original service provider whom the number was assigned). The service providers, who closed their operation pursuant to the judgment and order of the Hon'ble Supreme Court, could not inform the Mobile Number Portability Service provider for reversal to the Number Range Holder. Therefore, TRAI has decided that the said mobile numbers should be returned to the Number Range Holder by the Mobile Number Portability Service providers as per the record available with them.

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

3.7 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 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 amount of Rs.10,00,000/- per action taken report for false or incomplete information. The audit reports submitted by the auditors for the year 2012-13 are being analyzed by TRAI.

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

- TRAI has always endeavoured to establish 3.8.1 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 2013-14:
 - The Telecom Commercial Communication Customer Preference (Eleventh Amendment Regulations 2013) dated 24th May 2013.
- The Telecom Commercial Communication Customer Preference (Twelfth Amendment Regulations 2013) dated 24th May 2013.
- Telecommunication Consumers Education and Protection Fund (Second Amendment Regulations 2013) dated 10th July 2013.

- Telecommunication Mobile Number Portability (Fifth Amendment) Regulations, 2013 dated 22nd July, 2013.
- The Telecom Commercial Communication Customer Preference (Thirteenth Amendment Regulations 2013) dated 22nd August 2013.
- Telecom Consumers Complaint Redressal (Second Amendment Regulations 2013) dated 11th September 2013.
- The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Second Amendment) Regulations 2013 dated 20th September 2013.
- The Mobile Banking (Quality of Service) {Amendment Regulations 2013) dated 26th November 2013.
- Telecom Consumer Protection (Seventh Amendment Regulations 2013) dated 3rd December 2013.
 - The Telecom Commercial Communication Customer Preference (Fourteenth Amendment Regulations 2013) dated 3rd December 2013.
 - The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Third Amendment) Regulations 2013 dated 10th February 2014.
 - The Register of Interconnect Agreements (Broadcasting and Cable Services) (Fifth Amendment) Regulations 2014 dated 10th February 2014.

The Telecommunication (Broadcasting and Cable Services) Interconnection (Seventh Amendment) Regulations 2014 dated 10th February 2014.

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

 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 Fifth Amendment) order 2013 dated 17th June 2013.
- The Telecommunication Tariff (fifty sixth Amendment) order 2013 dated 26th November 2013.
- The Telecommunication (Broadcasting and Cable) Services (Fifth) (Digital Addressable Cable TV Systems) Tariff Order 2013 dated 27th May, 2013.
- The Telecommunication (Broadcasting and Cable) Services (Sixth) (The Direct to Home Services) Tariff Order 2013 dated 27th May 2013.

- The Telecommunication (Broadcasting and Cable) Services (Fourth) (Accessible systems) Tariff (Second Amendment) Order 2013 dated 20th September 2013.
- The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Tenth Amendment) Order 2014 dated 10th February 2014.
- The Telecommunication (Broadcasting and Cable) Services (Fourth) (Accessible systems) Tariff (Second Amendment) Order 2013 dated 10th February 2014.
- The Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Eleventh Amendment) Order 2014 dated 31st March 2014.

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 wireline connections, installed before 1st April 2002. The amount of support may be Rs.1500 Crores for the first year and Rs.1250 Crores for the second year.
- betails 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 22nd August 2013 on "Foreign Direct Investment (FDI) in the Broadcasting Sector in India".
- Recommendations dated 9th September 2013 on "Valuation and Reserve Price of Spectrum".
- Recommendations dated 11th September 2013 on "Guidelines for Television Rating Agencies".
- Recommendations dated 25th September 2013 on "Full Mobile Number Portability" (Pan-India number portability)
- Recommendations dated 26th September 2013 on "Improving telecom services in the North Eastern States : An investment plan"
- TRAI's response dated 23rd October 2013 on DoT's reference back on Recommendations on "Valuation and Reserve Price of Spectrum" dated 9th September 2013.
- Recommendations dated 26th November
 2013 on "Monopoly/Market
 Dominance in Cable TV Services".
- Recommendations dated 26th November 2013 on "Telecom Network failures during emergencies/disasters – Priority routing of calls of persons engaged in response and recovery".

- Recommendations dated 28th January 2014 on "Working guidelines for Spectrum Trading".
- Recommendations dated 20th February 2014 on "Migration of FM Radio Broadcasters from Phase II to Phase III".
 - Recommendations dated 22nd February 2014 on "Reserve price for Auction of Spectrum in the 800 MHz band".

The details of these Recommendations are given in Part II of the Report.

- Monitoring of the quality of services and details of promotional survey of such services by the service providers.
- 3.12.1 Basic and Cellular Mobile Services TRAI monitors the performance of Basic and Cellular Mobile service against the benchmarks prescribed by TRAI through 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.

- 3.12.2 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 (Amendment) Regulations, 2012, on 24th December 2012 for financial disincentive on Broadband Service operators for non-compliance with the benchmark for the Quality of Service Parameters.
- 3.12.3 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 Pol Congestion Reports from Basic and Cellular Mobile Services for assessing their performance with regard to Quality of Service benchmarks.

PART-IV

ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA AND FINANCIAL PERFORMANCE

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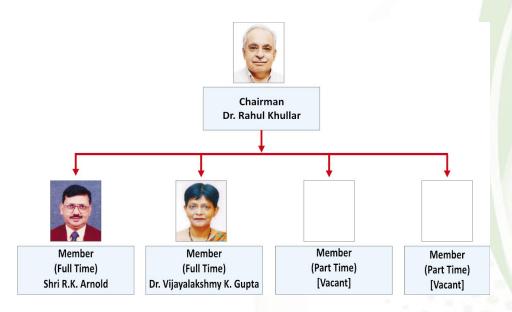


A) ORGANISATIONAL MATTERS OF TELECOM REGULATORY AUTHORITY OF INDIA

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

(a) ORGANISATION

4.1 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



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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 2014 is as given at previous page.

b) SECRETARIAT OF TRAI (HQ)

4.2 The Authority functions with a Secretariat headed by a Secretary and assisted by seven divisional heads which are as follows:

(i) General Administration (A); (ii) Broadcasting & Cable Services (B&CS); (iii) Consumer Interests 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

4.2.1 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. Division through its IR Section also handles the International Relations which includes coordination with all International Organisations / bodies viz ITU, APT, World Bank, WTO, ADB, SATRC, OECD and Regulatory Bodies in other countries.

BROADCASTING & CABLE SERVICES (B&CS) DIVISION

4.2.2 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. The 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 INTERESTS AND QUALITY OF SERVICE (CA & QOS) DIVISION

4.2.3 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; ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication service. The division is also responsible for maintaining register of interconnect agreements and of all such other matters as may be provided in the regulations.

FINANCIAL & ECONOMIC ANALYSIS (F&EA) DIVISION

4.2.4 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.

> 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

4.2.5 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

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

TECHNOLOGICAL DEVELOPMENT (TD) DIVISION

4.2.7 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 development 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, 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 nonregulatory 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

4.3.1 Staff strength of TRAI Headquarters (as on 31.03.2014) - Staff of 183 (as on 31.03.2014) 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. As on 31.03.2014, the Staff strength of the TRAI (Headquarters) was as under:

S.No.	Posts	Sanctioned	Actual
1.	SECRETARY	01	01
2.	PR. ADVISOR / ADVISOR	14	12
3.	JT. ADVISOR /DY. ADVISOR	35	23
4.	SR. PR. PRIVATE SECRETARY	03	03
5.	SR. RESEARCH OFFICER	37	27
6.	PPS	02	02
7.	TECHNICAL OFFICER	12	06
8.	SECTION OFFICER	19	16
9.	PS	14	09
10.	LIBRARIAN	1	TIC R
11.	ASSISTANT	48	43
12.	РА	18	14
13.	STENO'D'	01	
14.	JR. HINDI TRANSLATOR	01	2
15.	LDC	07	06
16.	DRIVERS	15	13
17.	PCM OPERATOR	02	02
18.	DESPATCH RIDER	01	01
19.	ATTENDANTS	08	05
	TOTAL	239	183

Details of Secretary, Pr. Advisors / Advisors Level Officers in TRAI (HQ)

SI.No.	Name of the Officer/Designation				
1.	Sh. Sudhir Gupta Secretary				
2.	Sh. N. Parameswaran Principal Advisor (B&CS)				

SI.No.	Name of the Officer/Designation				
3.	Sh. Suresh Kumar Gupta Principal Advisor (CA&QOS)/(TD)				
4.	Vacant Principal Advisor (F&EA)				

SI.No.	Name of the Officer/Design	ation
5.	Vacant Principal Advisor (NSL)	
6.	Sh. C.P.S. Bakshi Advisor (Admin.)	
7.	Sh. Wasi Ahmad Advisor (B&CS)-I	CB TO
8.	Sh. Sunil Kumar Singhal Advisor (B&CS)-II	
9.	Sh. Agneshwar Sen Advisor (B&M)	
10.	Sh. Arvind Kumar Advisor (NSL)-I	
11.	Sh. Sanjeev Banzal Advisor (NSL)-II	
12.	Sh. Amit Mohan Govil Advisor (Legal)	

SI.No.Name of the Officer/Designation13.Sh. A. Robert Jerard Ravi
Advisor (CA&QOS)Image: Comparison of the co

deputation from the Government Ministries/ Departments, Central Public Sector Undertakings, Statutory and Autonomous bodies. These deputationists with relevant experience the fields in 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.

- 4.3.2 **Recruitment -** 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.
- 4.3.3 **Training** 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 details relevant for operating 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.

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.

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.

(d) SEMINAR /WORKSHOPS

4.4 In order to keep pace with the developments taking place globally, the Authority has

deputed members of its staff to 22 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.

(e) OFFICE ACCOMODATION

4.5 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.

(f) RESIDENTIAL QUARTERS FOR TRAI STAFF

4.6. 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.

(g) FUNDING

4.7 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 2013-14 was Rs.55.05 crores; out of this, Rs.10.40 crores was incurred during 2013-14 on the 'Institutional Capacity Building Project' covering certain consultancy and training programmes.

> 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.

(h) TRAI REGIONAL OFFICES

4.8 The Authority had approved opening of 11 (eleven) Regional Offices of TRAI at various locations across the country. But only 09 (Nine) Regional Offices have been made functional during the year 2013-14. The locations of Regional Office with License – Service Areas covered are as follows:

SI.No.	Location of Regional Office	License - Service Areas covered
1.	Kolkata	(i) West Bengal (ii) Kolkata (iii) Orissa
2.	Patna	(i) Bihar
3.	Lucknow	(i) Uttar Prades <mark>h (E</mark> ast) (ii) Uttar Pradesh (West)
4.	Chandigarh	(i) Himachal Pradesh, (ii) Punjab (iii) Jammu & Kashmir
5.	Hyderabad	(i) Andhra Pradesh (ii) Tamil Nadu
6.	Bhopal	(i) Madhya Pradesh
7.	Bengaluru	(i) Karnataka (ii) Kerala
8.	Mumbai	(i) Maharashtra (ii) Mumbai (iii) Gujarat
9.	Guwahati	(i) Assam (ii) North East
10.	Jaipur	(i) Rajasthan (ii) Haryana
11.	Delhi	(i) Delhi

Staff strength of TRAI Regional Offices (as on 31.03.2014) - As on 31.03.2014, the Staff strength of the TRAI (Regional Offices) was as under:

SI.No.	Posts	Sanctioned	Actual
1.	Advisors	11	9
2.	Jt. Advisor /Dy. Advisor	22	0
3.	Sr. Research Officer	22	11
4.	Assistant	11	6
	Total	66	26

Details of Advisor Level officers in TRAI Regional Offices (as on 31.3.2014)

SI.No.	Name of the Officer/Designation	[SI.No.	Name of the Officer/Design	nation
1.	Rupa Paul Choudhary Advisor Kolkata		6.	Arvind Sinha Advisor Bhopal	
2.	Arun Kumar Advisor Patna		7.	Dr. Sibichen K. Mathew Advisor Bengaluru	
3.	Vacant Advisor Lucknow	-	8.	Madan Mohan Advisor Mumbai	
4.	Amrish Kumar Midha Advisor Chandigarh		9.	Amit Kumar Bhattacharya Advisor Guwahati	
5.	G. Muralidhar Advisor Hyderabad		10.	Ramdeo Arya Advisor Jaipur	Contraction of the second seco

Name of the Officer/Designation		
Vacant		
Advisor		
Delhi		(i
		4

4.8.1 The role and functions of the above Regional Offices (RO) are:

SI.No.

11

- Ensuring compliance of Tariff related Guidelines & effective monitoring of Retail Tariff of Telecommunications, Broadcasting & Cable Services;
- 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 up 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.

(i) **RIGHT TO INFORMATION ACT**

4.9 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.

During the year 2013-14, 868 applications were received under the RTI Act. All these applications were promptly dealt with and replies have been sent within the stipulated time period.

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

4.10 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 upto 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.

Conducting internal quality audit on a biannual 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.

(k) IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

4.11 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.

> 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, 3 meetings of OLIC were held on 27th June, 2013, 27th September, 2013 and 27th December, 2013.

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 16th August, 2013 to 14th September, 2013 during which various Hindi competitions viz. Hindi essay writing, poetry recitation, speech, noting/drafting etc. were organized. A number of officers' upto 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 on 14th September, 2013. Chairman, TRAI gave away the cash prizes and certificates of merit to the winners of the competitions in a function held on 16th September, 2013. The "Hindi Month" proved successful in promoting and propagating the maximum use of Hindi in official work during the entire month of September, 2013.

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 five years. Under this scheme, 10 cash prizes are given every year to the officers/employees for doing their maximum official work in Hindi during the period of the scheme. This scheme has proved to be very popular among the staff and it has encouraged the staff to do their maximum of official work in Hindi throughout the year.

With a view to facilitate officers/staff to do noting and drafting in Hindi and also to apprise them of the Official Language policy of the Union government, regular Hindi workshops are organized in TRAI. During these workshops dictionaries, administrative glossaries, help/reference books etc. are distributed to the participants which render them useful help while doing their official work in Hindi. During the period under report, two Hindi workshops were organized in TRAI on 27th June, 2013 and 27th December, 2013.

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. 13 and 14) were published during the period of the Report. These issues were widely appreciated both within the Authority and by the members of Hindi Salahakar Samiti of the Department of Telecommunications.



Chairman and Member (whole time), TRAI at the Hindi Pakhwada Function held on 16th September 2013





Chairman and Member (Whole time) TRAI giving away cash prizes and certificates of merit to the winners of the Hindi competitions.

(B) AUDITED ACCOUNT OF TRAI FOR THE YEAR 2013-14

S eparate Audit Report of the Comptroller & Auditor General of India on the Accounts of Telecom Regulatory Authority of India for the year ended 31 March 2014

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India as on 31 March 2014 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 efficiencycum 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:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
- ii. The Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this report have been drawn up in the 'Uniform format of Accounts' approved by the Controller General of Accounts under Section 23 (1) of the Telecom Regulatory Authority of India Act, 1997 (as amended in January 2000).
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Telecom Regulatory Authority of India.
- iv. We further report that:
- A. Income and Expenditure Account

Other income (Note 18) ₹ 1573.61 lakh

The above is understated by ₹ 103.41 lakh due to non-inclusion of demand draft received on 31st March 2014 from M/s Vodafone on account of financial disincentive issued by the authority for contravention of Telecom Commercial Communications Customer Preference Regulations, 2010 committed during 2013-14. Non-accounting of the amount was in contravention of significant accounting policy 6(c) as per which money received on account of Registration Fee, Customer Education Fee, Penalty on Telemarketers and Financial Disincentives was accounted on cash basis.

This resulted in understatement of surplus as well as current assets by ₹ 103.41 lakh.

B. Grants in aid

Out of the grants in aid (Non-Plan) of ₹ 4222 lakh {including unspent balance of ₹ 347 lakh (Non Plan) out of the earlier year's grants in aid and ₹ 3875 lakh received during the year (₹ 0.00 crore was received in March 2014}, TRAI could nutilise a sum of ₹ 3932 lakh (Non Plan) leaving a balance of ₹ 290 lakh (Non Plan) as unutilised grant as on 31 March 2014.

Further, out of the grants in aid (Plan) of ₹ 1069 lakh {including unspent balance of ₹ 344 lakh (Plan) out of the earlier year's grant (Plan) lying with TRAI and ₹ 725 lakh received during the year (₹ 0.00 crore was received in March 2014), TRAI could utilise a sum of ₹ 970 lakh (Plan), leaving a balance of ₹ 99 lakh (Plan) as unutilised grant as on 31 March 2014.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and the Income and Expenditure Account/Receipts and Payments Account dealt with by this Report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters

mentioned in **Annexure-I** to this Audit Report give a true and fair view in conformity with the accounting principles accepted in India:

- 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 2014; and
- 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

Place: Delhi Date: 12 December, 2014 -/Sd (R.B.Sinha) Director General of Audit (P&T)

ANNEXURE-I TO SEPARATE AUDIT REPORT

(Referred to in paragraph 4 (vi) of Separate Audit Report of even date on the accounts of Telecom Regulatory Authority of India for the year ended 31 March 2014)

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

(1) Adequacy of Internal Audit System

TRAI has appointed a full-time Technical Officer (Internal Audit) with independent charge till August 2009. Thereafter, SO (Accounts) with additional charge of Internal Audit has inspected the accounts and paid vouchers of TRAI-General Accounts till the financial year 2012-13. Till 2011-12 reports of Internal Audits were submitted to the Joint Advisor (IFA/Accounts) for necessary corrective measures. Action is being taken by the Administration Division on the Internal Audit Reports. Since 2012-13 Internal Audit reports are sent to the concerned Divisions for corrective action.

As per the observation of Audit in the year 2010-11 regarding the independence of Internal Auditor, the Authority of TRAI vide Internal Authority note no 50/2012 dated 3.5. 2012 approved the proposal for strengthening the administrative setup for internal audit and it was decided that internal auditor will be reporting to Secretary TRAI. Senior Research Officer (SRO) internal audit was appointed on 29th May 2013.

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. Manual of Internal Audit specifying the duties and functions of the organization, with particular reference to the prevailing conditions in the TRAI has not been prepared. Annual Internal Audit plans was not prepared, However, study report on 'Review of Internal Control Procedures in Finance, Accounts and Administration Functions' contains some provisions regarding Internal Audit.

Internal Audit should check the initial accounts maintained in the executive offices to ascertain the extent of following of the rules and regulations, system and procedures in accounting and financial matters. The scrutiny would cover checking of all accounting records including those relating to Unsolicitated Commercial Communications (UCC) accounts, pay fixation, loans and advances, review of the installation and operating efficiency of expensive equipments and machinery and examination of records relating to physical verification of stores, equipments and Library Books.

Internal Audit Manual should contain the provisions regarding planning, execution, duties, quantum of audit, frequency of audit, reporting procedure of audit findings and follow up action apart from other things. Risk based audit approach should be followed for Annual Internal Plan. The Internal Audit System should provide reasonable level of assurance to all the stake holders.

The internal audit work do not encompasses all the important functional areas and is merely confined to Accounts, Administration and finance.

DUTIES OF INTERNAL AUDIT

The duties of the internal audit organization should include the following

- 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. In TRAI internal audit is not entrusted with above mentioned duties.

QUANTUM OF AUDIT

The internal audit should conduct a general review of all the accounts records maintained by an office since the last inspection or in case of new units, since the formation of that office. Apart from the general review, it should also conduct a detailed check of accounts records of at least one month in a year, selected by in charge of internal audit. The percentage of bills/vouchers/cases etc. other than the month selected for detailed check will be left to the discretion of the Head of the internal audit. The extent and nature of checks should include 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. It will be seen in particular that the scope and extent of pre-check and post-check are adequate and that the procedures for finalisation of retirement cases etc are duly observed.
- (c) Recoveries and deductions made from the bills are in order; correctness ard accountancy of Interest wherever required;
- (d) Various Schedules (Broadsheets), Objection Books and Calendar of Returns are being maintained properly. It will further be seen that the schedules are closed regularly on monthly basis, differences between schedules and Ledger figures are analyzed and steps taken for their expeditious clearance;
- (e) Verifying the extent and frequency of controls and checks exercised by head of

office to locate any lacunae in the procedures, that may cause frauds or defalcations either individually or in collusion. Wherever necessary, steps to remove such lacunae should be suggested;

- (f) 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;
- Payments are made in accordance with the rules and orders governing them with the correct arithmetical calculations;
- 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.

Quantum of audit and extent and nature of checks to be exercised is not provided. Areas to be covered in internal audit (Annexure ix of IAN) are inadequate.

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 should conduct 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. The nature of checks exercised by the divisions for the above shall also be ascertained.

In the audit relating to receipts, the Internal Audit should ensure the following by such test checks as may be considered necessary:

- (a) That the demands are raised promptly in the manner required by the Regulations/ Law or Act of Parliament and that no amount due to TRAI is left outstanding in its books without sufficient reasons;
- (b) That the collection and refunds are accounted for regularly and properly under the appropriate heads of account;
- (c) That proper safeguards exist against willful omission or negligence in the levy or collection and in arranging refunds, wherever due;
- (d) That all receipts collected are promptly remitted to the bank, Receipts are not audited by internal audit.

FREQUENCY OF INTERNAL AUDIT

While the frequency of internal audit is largely dependent upon the staff strength of Internal

Audit Organization as well as the number of units falling under its purview, judicious planning and prioritization is required to optimize the outputs. The number of days for inspection and their frequency may be decided upon the nature of transactions, amount of allocation, arrears in relation to last audit, and the general health of accounts. It would however be desirable to conduct internal audit of at least the important units every year. Frequency of internal audit has not been provided.

Inspection Reports

Important points arising out of the .internal audit should also be brought to the notice of FA and the Secretary. The assessment of procedural risks that may be noticed or any suggestions that may arise on account of internal audit should be incorporated in the report as an aid for improving the process under review. Also, any major systemic deficiency, which requires urgent action should be clearly brought out and reported to-the higher authorities. The Secretary in charge of Internal Audit Wing should watch the progress on settlement of points raised by Internal Audit.

The findings of internal audit are largely minor and procedural in nature and lacks recommendations and suggestions for improvement in systems and procedures.

As per size and nature of functions performed by TRAI the Internal Audit System is inadequate.

(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 followed with some

deviations in day to day functioning. Receipt and disbursement of cash and maintenance of cash book has been properly done in compliance with relevant rules and regulations. Physical verification of cash has been regularly done and the maximum limit of the cash balance, as prescribed by the Authority, was maintained. Two types of funds - one Plan Fund and the other Non-Plan Fund are maintained by TRAI and 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.

Plan funds have been used for non-plan activities. T.A. bills are not submitted in proper format. Hence, regulation of T.A. claims seems to be improper. Even nonentitled employees have been allowed to travel by air. Entries in Pay Bill Register are not done properly. Mission statement has not been prepared. Hence, the objectives have not been laid. However, the objective of the TRAI Act has been furnished as the objectives of TRAI. Well defined objectives may be laid in alignment with mission statement. Annual Budgets have been prepared but Monthly and Quarterly Expenditure Plan has not been prepared. Training and Development policy has not been prepared. Training need analysis is not done. Audit Committee has not been formed. Procurement/purchase manual has not been prepared. Item wise highest and lowest levels of consumable stock have not been fixed and maintained. Bills furnished lacks registration number of service tax/VAT/sales tax etc. Accounting Manual has not been prepared. Register of contracts is not maintained. Physical verification of assets of regional offices was not done. Rules/orders/ instructions of Government are not adhered in letter and spirit. Issues regarding opening of regional offices, powers of creation of posts, empanelment of AMAs have not been settled.

In our opinion, the internal control system of the organisation is inadequate and not 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. The physical verification of library books has been done at the instance of audit. Physical verification of assets of regional offices has not been done.

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 except the deviations pointed above.

(4) System of physical verification of inventory

Proper records of inventory have been maintained. The physical verification of inventory for the year 2013-14 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 31-03-2014

(Amount-₹)

	Schedule	NON-	PLAN	PLAN		
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13	
CORPUS/CAPITAL FUND	1	13,10,72,337	1,03,77,491	45,79,41,975	34,20,37,200	
RESERVES AND SURPLUS	2					
EARMARKED/ENDOWMENT FUNDS	3					
SECURED LOANS AND BORROWINGS	4					
JNSECURED LOANS AND BORROWINGS	5					
DEFERRED CREDIT LIABILITIES	6					
CURRENT LIABILITIES AND PROVISIONS	7	15,80,28,429	10,37,97,618	8,81,89,019	4,39,42,049	
TOTAL		28,91,00,766	11,41,75,109	54,61,30,994	38,59,79,249	
ASSETS						
FIXED ASSETS	8	2,11,42,180	2,14,97,306	6,12,44,135	1,69,52,230	
NVESTMENTS-FROM EARMARKED/ENDOWMENT FUNDS	9					
NVESTMENTS-OTHERS	10					
CURRENT ASSETS, LOANS, ADVANCES ETC.	11	26,79,58,586	9,26,77,803	48,48,86,859	36,90,27,019	
VISCELLANEOUS EXPENDITURE to the extent not written off or adjusted)						
TOTAL		28,91,00,766	11,41,75,109	54,61,30,994	38,59,79,249	
Significant accounting policies	24			· · · / has		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	25					
					24	
Sd/- Sd/-		Sd/-		Sd/-		
Advisor (F&EA) Secretary		Member	and and	Chairpe	rson	
				ALLAN	1 Cas	

FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS) TELECOM REGULATORY AUTHORITY OF INDIA INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31-03-2014

(Amount-₹)

	Schedule	NON-	PLAN	PLAN	
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
INCOME					
Income from Sales/Services	12				
Grants/Subsidies	13	41,00,00,000	41,00,00,000	22,00,00,000	20,00,00,000
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	2,41,775	3,07,830	-	902
Other Income	18	15,73,61,030	3,39,96,050		
Increase(decrease) in stock of Finished goods and					
works-in-progress	19				
TOTAL(A)		56,76,02,805	44,43,03,880	22,00,00,000	20,00,00,902
EXPENDITURE					
Establishment Expenses	20	20,40,57,521	18,35,87,137		
Other Administrative Expenses etc	21	23,66,98,713	20,17,65,448	10,08,29,431	9,63,24,480
Expenditure on Grants, Subsidies etc	22				
Interest	23				
Depreciation (Net Total at the year end-corresponding to Schedule 8)		57,75,308	56,38,783	32,24,977	24,26,065
TOTAL (B)		44,65,31,542	39,09,91,368	10,40,54,408	9,87,50,545

		Schedule	NON-PLAN		PLAN	
			Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
Balance being excess of Income over	Expenditure (A-B)					
Transfer to Special Reserve (Specify ea	ach)					
Transfer to / from General Reserve						
BALANCE BEING SURPLUS/(DEFICIT) C CORPUS/CAPITAL FUND	CARRIED TO		12,10,71,263	5,33,12,512	11,59,45,592	10,12,50,357
SIGNIFICANT ACCOUNTING POLICIES		24				
CONTINGENT LABILITIES AND NOTES	ON ACCOUNTS	25				
Sd/- Advisor (F&EA)	Sd/- Secretary		Sd/- Member		/Sd Chairpe	



FORM OF FINANCIAL STATEMENTS (NON-PROFIT ORGANISATIONS) TELECOM REGULATORY AUTHORITY OF INDIA SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31-03-2014

SCHEDULE 1 - CORPUS/CAPITAL FUND

(Amount-₹)

	NON	- PLAN	PLAN		
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13	
Balance as at the beginning of the year	1,03,77,491	(4,30,03,291)	34,20,37,200	24,06,55,674	
Add:/Less Contributions towards Corpus/Capital Fund	-3,76,417	68,270	-40,817	1,31,169	
Add/(Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	12,10,71,263	5,33,12,512	11,59,45,592	10,12,50,357	
BALANCE SHEET AS AT THE YEAR-END	13,10,72,337	1,03,77,491	45,79,41,975	34,20,37,200	

SCHEDULE 2 - RESERVES AND SURPLUS

(Amount-₹)

		NON	- PLAN	PL	AN
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
1.	Capital Reserve:	-	-	-	-
	As per last Account	-	-	-	-
	Addition during the year	-	-	-	-
1	Less: Deductions during the year	-	-	-	-
2.	Revaluation Reserve:	-	-	-	-
	As per last Account	-	-	-	-
19	Addition during the year	-	-	-	-
2º	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	-	-	-	-
人作	TOTAL	-	-	-	-

SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-₹)

		FU	ND-WIS	E BREAK	KUP		TOT	TALS	
		Fund	Fund	Fund	Fund	NON-	PLAN	PL	AN
		ww	XX	ΥY	ZZ	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previou Year 2012-13
a) b)	Opening balance of the funds Additions of the funds: i. Donations/grants ii. Income from investments made on account of funds iii. Other additions(Misc income, receipt of advances)	5							
	TOTAL (a+b)								
c)	Utilisation/exependiture towards objectives of funds i. Capital Expenditure - Fixed Assets - Others					NIL	NIL	NIL	NIL
	Total								
	 ii. Revenue Expenditure Salaries,Wages and allowances etc. Rent Other Administrative expenses 								
	Total								
то	TAL (c)								
NE	T BALANCE AS AT THE YEAR-END (a+b+c)								
	Is Disclosures shall be made under relevant head based on condition Plan funds received from the Central/State Governments are to l				and not t	to be mixed up	o with any othe		Sd/- Dy. Adviso

SCHEDULE 4 - SECURED LOANS AND BORROWINGS

(Amount-₹)

		NON	- PLAN	PLAN			
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13		
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	PL	AN
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
1.	Central Government		-		-
2.	State Government (Specify)		-		-
3.	Financial Institutions		-		-
4.	Banks		-		-
19	a) Term Loans		-		-
	- Interest accrued and due		-		-
	b) Other-Loans (Specify)		-		-
2	 Interest accrued and due 		-		-
5.	Other Institutions and Agencies		-		-
6.	Debentures and Bonds		-		-
7.	Others (Specify)		-		-
1	TOTAL		-		-

Note : Amount due within one year

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

					(Amount-K)
		NON	- PLAN	PL	AN
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
1.	Acceptance secured by hypothecation of capital equipment and other assets	-	-		1 A
2.	Others	-	-	-	

Note : Amount due within one year

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

		SCHEDOLE / - C		ITTES AND PROV		(Amount-₹)
			NON	- PLAN	PL	AN
			Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
Α.	CU	RRENT LIABILITIES				Y
	1)	Acceptances	-	-	-	Freezer -
	2)	Sundry Creditors	-	-	-	
		a) For Goods	-	-	-	- 13-
		b) Others	-	-	-	
	3)	Advances Received	-	-	-	
	4)	Interest accrued but not due on:	-	-	-	
		a) Secured loans/borrowings	-	-	-	-
		b) Unsecured Loans/borrowing	gs -	-	-	-
	5)	Statutory Liabilities	-	-	-	-
		a) Overdue	-	-	-	-
		b) Others	-	-	-	-
	6)	Other current Liabilities	-	-	-	-
		1) For TRAI General Fund (EMI	D) 14,15,900	10,80,000	3,16,942	77,50,000
		2) For Telemarketers				
		Registration fees	-	-	-	- /
		3) For Customer Education Fee	es -	-	-	
		4) Penalty from telemarketers	-	-	-	-
	то	TAL (A)	14,15,900	10,80,000	3,16,942	77,50,000
В.	PR	OVISIONS				
	1.	For Taxation				
	2.	Gratuity	2,57,04,542	1,88,34,059	-	-
	3.	Superannuation/Pension				
	4.	Accumulated Leave Encashment	2,81,82,416	2,05,16,769	· ·	-
	5.	Trade Warranties/Claims				
	6.	Other (Specify)				
		Provisions for expenses	10,27,25,571	6,33,66,790	8,78,72,077	3,61,92,049
	то	-	15,66,12,529	10,27,17,618	8,78,72,077	3,61,92,049
	TO	TAL (A+B)	15,80,28,429	10,37,97,618	8,81,89,019	4,39,42,049

Sd/-Dy. Advisor

+ ₹

SCHEDULE 8 - FIXED ASSETS NON-PLAN

(Amount-₹)

	DESCRIPTION	E	GROSS BLOCK			DEPRIC	CIATION		NET B	LOCK
		Cost/ valuation as at begining of the year	Additions Deduction during during the year the year	valuation	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
Α.	FIXED ASSETS :									
1.	LAND -	-	-		-	-	-	-	-	
	a) Freehold	-	-		-	-	-	-	-	-
	b) Leasehold	-	-		-	-	-	-	-	-
2.	BUILDINGS									
	a) On Freehold Land	-	-		-	-	-	-	-	-
	b) On Leasehold Land	-	-		-	-	-	-	-	-
	c) Ownership Flats/Premises	-	-		-	-	-	-	-	-
	 Superstructures on land not belongng to the entity 	-	-		-	-	-	-	-	-
3.	PLANT MACHINERY & EQUIPMENT	-	-		-	-	-	-	-	-
4.	VEHICLES	64,85,438	21,98,774	- 86,84,212	36,94,038	4,45,643		41,39,681	45,44,531	27,91,400
5.	FURNITURE, FIXTURES	1,93,71,691	5,42,509	1,99,14,200	1,21,48,421	15,31,907		1,36,80,328	62,33,872	72,23,270
6.	OFFICE EQUIPMENT	1,18,60,295	4,40,803 6,23,60	0 1,16,77,498	94,26,205	8,06,242	5,89,467	96,42,980	20,34,518	24,34,090

(Contd...)

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

(Amount-₹)

Sd/-Dy. Advisor

DESCRIPTION		GROSS BLOCK					DEPRICIATION			
	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	3,07,96,344	12,00,925	69,676	3,19,27,593	2,56,57,634	14,87,831	57,869	2,70,87,596	48,39,997	51,38,710
3. ELECTRIC INSTALLATIONS	65,97,068	10,73,649		76,70,717	29,10,786	13,81,497		42,92,283	33,78,434	36,86,282
9. LIBRARY BOOKS	37,71,498	9,462		37,80,960	35,47,944	1,22,188		36,70,132	1,10,828	2,23,554
10. TUBEWELLS & WATER SUPPLY	-	-	-	-	-	-	-	-	-	-
11. OTHER FIXED ASSETS	-	-	-	-	-	-	-	-	-	-
TOTAL OF CURRENT 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
PREVIOUS YEAR	7,59,15,134	30,66,958	99,758	7,88,82,334	5,18,37,511	56,38,783	91,266	5,73,85,028	2,14,97,306	2,40,77,623

B. CAPITAL WORK-IN-PROGRESS

TOTAL

SCHEDULE 8 - FIXED ASSETS PLAN

(Amount-₹)

	DES	SCRIPTION	5	GROSS BLO	ОСК			DEPRIC	CIATION		NET BLOCK	
			Cost/ valuation as at begining of the year	during	ductions during he 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
Α.	FIX	ED 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.		NT MACHINERY & JIPMENT	-	-	-	-	-	-	-	-	-	-
4.	VE	HICLES	-	-	-	-	-	-	-	-	-	-
5.	FUF	RNITURE, FIXTURES	12,74,926	4,49,788	-	17,24,714	1,00,197	1,43,895	-	2,44,092	14,80,622	11,74,729
6.	OFF	FICE EQUIPMENT	17,24,815	1,29,793	29,000	18,25,608	1,48,050	3,29,738	7,212	4,70,576	13,55,032	15,76,765

(Contd...)

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

(Am	oun	t-₹)
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Sd/-Dy. Advisor

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
COMPUTER/PERIPHERALS	1,62,27,886	4,69,59,089	-	6,31,86,975	2,126,372	26,99,897	-	48,26,269	5,83,60,706	1,41,01,514
ELECTRIC INSTALLATIONS	-	-	-	-	-	-	-	-	-	-
LIBRARY BOOKS	3,64,407	-	-	3,64,407	2,65,185	51,447	-	3,16,632	47,775	99,222
TUBEWELLS & WATER SUPPLY	-	-	-	-	-	-	-	-	-	-
OTHER FIXED ASSETS	-	-	-	-	-	-	-	-	-	-
TOTAL OF CURRENT YEAR	1,95,92,034	4,75,38,670	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
PREVIOUS YEAR	3,64,407	1,92,27,627	-	1,95,92,034	2,13,739	24,26,065	-	26,39,804	1,69,52,230	1,50,668
PREVIOUS YEAR	N-PROGRESS									

B. CAPITAL WORK-IN-PROGRESS

TOTAL

SCHEDULE 9 - INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS

(Amount-₹)

	NON	- PLAN	PLAN			
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13		
In Governement Securities	-	-	-	-		
Other approved Securities	-	-	-	-		
Shares	-	-	-	-		
Debentures and Bonds	-	-	-	-		
Subsidiaries and Joint Ventures	-	-	-	-		
Others (to be specified)	-	-	-	-		
TOTAL	-	-	-	-		
	Other approved Securities Shares Debentures and Bonds Subsidiaries and Joint Ventures Others (to be specified)	Current Year 2013-14In Governement Securities-Other approved Securities-Shares-Debentures and Bonds-Subsidiaries and Joint Ventures-Others (to be specified)-	2013-142012-13In Governement Securities-Other approved Securities-Shares-Debentures and Bonds-Subsidiaries and Joint Ventures-Others (to be specified)-	Current Year 2013-14Previous Year 2012-13Current Year 2013-14In Governement SecuritiesOther approved SecuritiesSharesDebentures and BondsSubsidiaries and Joint VenturesOthers (to be specified)		

SCHEDULE 10 - INVESTMENTS OTHERS

(Amount-₹)

		NON - PLAN		PL	AN
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
1.	In Government Securities	-	-	-	-
2.	Other approved Securities	-	-	-	-
3.	Shares	-	-	-	-
4.	Debentures and Bonds	-	-	-	-
5.	Subsidiaries and Joint Ventures	-	-	-	-
6.	Others (Bank FDRs)	-	-	-	-
1	TOTAL	-	-	-	-

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-₹)

CURRENT ASSETS: Inventories a) Stores and Spares b) Lose tools c) Stock-in-trade Finished Goods	Current Year 2013-14 - -	Previous Year 2012-13 -	Current Year 2013-14	Previous Year 2012-13
Inventories a) Stores and Spares b) Lose tools c) Stock-in-trade	- - -	-		K.
a) Stores and Sparesb) Lose toolsc) Stock-in-trade	- -	-	-	
b) Lose toolsc) Stock-in-trade	- - -	-	-	
c) Stock-in-trade	-	-		
1	-		-	-
Finished Goods		-	-	10 -
	-	-	-	- 7/2 -
Work in progress	-	-	-	
Raw Material	-	-	-	
Sundry Debtors:				
a) Debts Outstanding for a	-	-	-	
period exceeding six months				-
b) Others	-	-	-	1 37
Cash balances in hand				a Cha
(including cheques/drafts and imprest)	1,20,060	99,902		1
Bank Balances:	1,20,000	55,502		Ī
a) With Scheduled Banks	-	-		-
- On Current Accounts				
TRAI General fund	3,17,85,009	3,69,34,014	1,04,79,312	4,21,75,612
- On Current Accounts				
Registration Fees	2,32,000	1,34,000		-
Penalty from Telemarketers	1,65,26,783	1,26,64,131		-
 On Savings Account Customer Education Fees 	6,07,46,851	2,10,74,128		-
- On Savings Account Financial Disincentive	11,35,56,707	102,867		
b) With non-Scheduled Banks	,,,,,	102,007		
- On Current Accounts	_	-		
- On Deposit Accounts	-	-		
- On Savings	-	-	· · ·	_
Post Office-Savings Accounts	-			
TOTAL (A)	22,29,67,410	7,10,09,042	1,04,79,312	4,21,75,613

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC

(Amount-₹)

		NON	- PLAN	PLAN		
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13	
в.	LOANS, ADVANCES AND OTHER ASSETS					
1.	Loans					
	a) Staff	17,70,800	23,46,494			
	 b) Other Entities engaged in activities/objectives similar to that of Entity 					
	c) Others (TA, LTC and Festival Advances to Officers & Staff)	20,12,480	6,08,469	9,07,547	8,30,606	
2.	Advance and other amounts recoverable in cash or in kind or for value to be received:					
	a) On Captial Account	3,75,00,000	1,50,00,000	47,35,00,000	32,60,00,000	
	b) Prepayments					
	c) Others	8,59,928	9,52,544		20,800	
3.	Income Accrued					
	a) On Investments from Earmarked/Endowment Funds					
	b) On Investments-Others					
	c) On Loans and Advances	22,86,559	22,73,619			
1	d) Others (includes income due unrealised Rs.)					
5.	Claims Receivable	5,61,409	4,87,635			
19	TOTAL (B)	4,49,91,176	2,16,68,761	47,44,07,547	32,68,51,406	
	TOTAL (A+B)	26,79,58,586	9,26,77,803	48,48,86,859	36,90,27,019	

SCHEDULE 12 - INCOME FROM SALES/SERVICES

(Amount-₹)

		NON	NON - PLAN		AN
		Current Year 2013-14	Previous Year 2012-13	Curren <mark>t</mark> Year 201 <mark>3-</mark> 14	Previous Yea 2012-13
1. Income from Sal	es	-	-		6
a) Sale of Finisl	ned Goods	-	-		
b) Sale of Raw	material	-	-	-	
c) Sale of Scrap	S	-	-	-	
2. Income from Sei	rvices	-	-		19-
a) Labour and I	Processing Charges	-	-	- ((/-
b) Professional,	Consultancy Services	-	-	- 1	
c) Agency Com	mission and Brokerage	e -	-	-	FULLES E
d) Maintenrand (Equipment/		-	-	-	
e) Others (Spec		-	-	-	-
TOTAL		-	-	-	

SCHEDULE 13 - GRANTS/SUBSIDIES

(Amount-₹)

	NON	- PLAN	PLAN	
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
(Irrevocable Grants & Subsidies Received)				
1) Central Government	41,00,00,000	41,00,00,000	22,00,00,000	20,00,00,000
2) State Govenemnt(s)				
3) Government Agencies				
4) Institutions/Welfare Bodies				
5) International Organisations				
6) Other (Specify)				
TOTAL	41,00,00,000	41,00,00,000	22,00,00,000	20,00,00,00 <mark>0</mark>

SCHEDULE 14 - FEES/SUBSCRIPTIONS

(Amount-₹)

		NON	- PLAN	PLAN		
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13	
1. Entra	nce Fees	-	-	-	-	
2. Annu	al Fees/Subscriptions	-	-	-	-	
3. Semir	nar/Program Fees	-	-	-	-	
4. Consu	ultancy Fees	-	-	-	-	
5. Other	rs (specify)	-	-	-	-	
ΤΟΤΑ	L	-	-	-	-	

Note: Accounting Policies towards each item are to be disclosed

SCHEDULE 15 - INCOME FROM INVESTMENTS

(Amount-₹)

	Investment from Earmarked Fund				
	NON	- PLAN	PL	AN	
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Yea 2012-13	
(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/EN	DOWMENT FUN	IDS			

SCHEDULE 16 -INCOME FROM ROYALTY, PUBLICATION ETC

(Amount-₹)

		NON - PLAN		PLAN	
		Current Year 2013-14	Previous Year 2012-13	Curren <mark>t</mark> Year 201 <mark>3-</mark> 14	Previous Year 2012-13
1.	Income from Royalty	-	-		8
2.	Income from Publications	-	-		
3.	Others (specify)	-	-	-	
	TOTAL	-	-	-	A

SCHEDULE 17 - INTEREST EARNED

(Amount-₹)

	NON	NON - PLAN		AN
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
1) On Term Deposits				9
a) With Scheduled Banl	ks -	-	-	H H
b) With Non-Scheduled	Banks -		-	-
c) With Institutions	-	-		-
d) Others	-		-	-
2) On Savings Account				
a) With Scheduled Banl	ks -	-	-	-
b) With Non-Scheduled	Banks -	-	-	
c) With Institutions	-	-		·
d) Others	-	-	-	-
3) On Loans	-	-	- 1	-
a) Employees/Staff	2,41,775	3,07,830		902
b) Others	-	-		-
4) Interest on Debtors and Other Receivables	-	-	1 .	
TOTAL	2,41,775	3,07,830	· ·	90 <mark>2</mark>

Note-Tax deducted at source to be indicated

SCHEDULE 18 - OTHER INCOME

(Amount-₹)

۰.,		NON	- PLAN	PLAN			
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13		
1.	Profit on Sale/disposal of Assets	-	-	-	-		
	a) Owned assets	2,04,184	7,976	-	-		
	 b) Assets acquired out of grants, or received free of cost 	-	-	-	-		
2.	Export Incentives realized	-	-	-	-		
3.	Fees for Miscellaneous Services	-	-	-	-		
4.	Miscellaneous Income	69,631	12,948	-	-		
5.	Registration Fees from Telemarketers	98,000	1,34,000	-	-		
6.	Customer Education Fees from Telemarketers	3,96,72,723	2,10,74,128	-	-		
7.	Penalty from Telemarketers	38,62,652	1,26,64,131	-	-		
8.	Financial Disincentive	11,34,53,840	1,02,867	-	-		
	TOTAL	15,73,61,030	3,39,96,050	-	-		

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

(Amount-₹)

	NON	- PLAN	PL	AN
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
a) Closing stock				
- Finished Goods	-	-	-	-
- Work-in-progess	-	-	-	-
b) Less Opening Stock				
- Finished Goods	-	-	-	-
- Work-in-progess	-	-	-	-
NET INCREASE/(DECREASE) [a-b]	-	-	-	-

SCHEDULE 20 - ESTABLISHMENT EXPENSES

(Amount-₹)

	NON	- PLAN	PLAN		
	Current Year 2013-14	Previous Year 2012-13	Curren <mark>t</mark> Year 201 <mark>3-</mark> 14	Previous Year 2012-13	
a) Salaries and Wages	16,34,81,888	14,81,20,191			
b) Allowances and Bonus	2,85,789	2,81,905	-	-	
c) Contribution to Provident Fund	44,84,133	39,99,696	-		
d) Contribution to Other Fund(specify)			-	-	
e) Staff Welfare Expenses	5,20,248	3,70,997		10 -	
f) Expenses on Employees Retirement and Terminal Benefits	2,40,44,617	1,72,14,233	_	111-	
 g) Others (LTC, Medical to Officers & Staff and OTA to Staff) 	1,12,40,846	1,36,00,115	-		
TOTAL	20,40,57,521	18,35,87,137	-		

SCHEDULE 21 - OTHER ADMINISTRATIVE EXPENSES ETC

(Amount-₹)

		NON	- PLAN	PLAN		
		Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Yea 2012-13	
a)	Purchases	-	-	-	-	
b)	Labour and processing expenses	-	-	-	-	
c)	Cartage and Carriage Inwards	-	-	-	-	
d)	Electricity and power	17,44,264	13,28,867	-	-	
e)	Water charges		-	-	-	
f)	Insurance	1,17,588	85,572	-	-	
g)	Repairs and maintenance	22,74,934	29,01,482	-	-	
h)	Excise Duty		-	-	-	
i)	Rent,Rates and Taxes	16,21,96,118	12,52,33,548	-	-	
j)	Vehicles Running and Maintenance	29,46,056	31,12,701	-	-	
k)	Postage,Telephone and					
	Communication Charges	74,56,065	73,48,120	-	-	
I)	Printing and Stationery	55,88,511	80,05,444	-	-	
m)	Travelling and Conveyance Expenses	1,12,54,973	1,58,97,237	-	-	
n)	Expenses on Seminar/Workshops	38,992	2,72,026	-	-	
o)	Subscription Expenses	4,35,857	1,60,165	-	-	
p)	Expenses on Fees			-	-	
q)	Auditors Remuneration	2,40,955	1,43,906	-	-	
r)	Hospitality Expenses	13,41,827	24,62,785	-	-	
s)	Professional Charges	2,61,57,462	2,47,10,012	-	-	
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	11,17,796	9,53,084	-	-	
z)	Others		-	-	-	
	(i) Others (Payment to Security,					
	Housekeeping etc.)	1,37,87,315	91,50,499	-	-	
	(ii) Expenditure on					
	Capacity Building		-	10,08,29,431	9,63,24,480	
_	TOTAL	23,66,98,713	20,17,65,448	10,08,29,431	9,63,24,480	

SCHEDULE 22 - EXPENDITURE ON GRANTS, SUBSIDIES ETC

(Amount-₹)

		NON	- PLAN	PLAN		
		Current Year 2013-14	Previous Year 2012-13	Current Year 201 <mark>3-</mark> 14	Previous Year 2012-13	
a)	Grants given to Institutions/ Organisations	-	-			
b)	Subsidies given to Institutions/ Organisations	-	-	-		
	TOTAL	-	-	-	19	

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 Previous Year Current Year Previous Year 2013-14 2012-13 2012-13 2013-14 a) On Fixed Loans b) On Other Loans (including Bank Charges) c) Others (specify) TOTAL ----

TELECOM REGULATORY AUTHORITY OF INDIA RECEIPTS AND PAYMENTS FOR THE PERIOD/YEAR ENDED 31-03-2014

05

(Amount-₹)

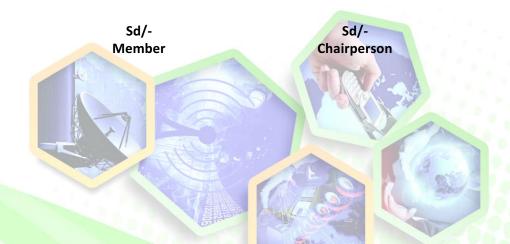
RE	CEIPTS	NON-PI	LAN	PLAI	N		PAYMENTS	NON-	PLAN	PL	AN
	Carlo and	Current Year I 2013-14	Previ <mark>ou</mark> s Year 20 <mark>12</mark> -13	Current Year 2013-14	Previous Year 2012-13			Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
Ι.	Opening Balance		ALCO			I.	Expenses				
a)	Cash in hand	99902	89739	1		a)	Establishment Expenses (corresponding to Schedule 20)	178887124	176455183		
	i) In current accounts	36934014	22693590	42175612	11298897	b)	Administrative Expenses (corrosponding to Schedule 21)	208028204	206176565	96248996	113069400
	ii) In deposit accounts					II	Payments made against funds for various projects				
	iii) Savings accounts - Penalty Registration fees	12664131 134000	5233705 96000				(Name the fund or project should be shown alongh with				
	Customer Education Fees	21074128	12888337								
	Financial Disincentive	102867					The particulars of payments made for each project)				
II.	Grants Received					III.	Investments and deposits made				
a)	From Government of India	387500000	397600000	72500000	145000000		a) Out of Earmarked/Endowment	t funds			
b)	From State Government						b) Out of Own Funds(investment	s-Others)			
c)	From other sourches(details)										
(Gr	ants for capital & revenue					IV.	Expenditure on Fixed Assets &				
exp	to shown sperately)						Capital Work-in-progress				
III.	Income on Investments from					a) b)	Purchase of Fixed Assets Expenditure on Capital	5520075	3138079	766715	4016195
a)	Earmarked/Endow Funds						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 etc.	228835	72150		902	c)	To other providers of funds				
c)	Miscellaneous					(Co	nsumer Protection Fund)				
						То	DoT for ergisteration feesof telemarke	etrs			
						То	DoT for customer education fees				

(Contd...)

(Amoun	t-₹)
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RECEIPTS	NON-PLAN		PLAN			PAYMENTS	NON-PLAN		PLAN	
	Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13			Current Year 2013-14	Previous Year 2012-13	Current Year 2013-14	Previous Year 2012-13
					VI.	Finance Charges (Interest)				
V. Other Income (Specify)										
To Miscellaneous Income	69631	12948			VII.	Other Payments (Specify)				
						Loans and advances and				
						security deposits	1031994		7433058	
/I. Amount Borrowed					VIII.	Closing Balances				
VII. Any other receipts (give details)					a)	Cash in hand	120060	99902		
					b)	Bank Balances				
To Security Deposits	335900	177000		2950000		1) In Current Accounts TRAI				
						General fund	31785009	36934014	10479312	4217561
						i) In Current Accounts				
						Registeration fees	232000	134000		
To Sale of Assets	204184	11506				ii) In Deposit Accounts				
To loans and advances &										
security deposits	-	2146810	252468	11409		2) Savings accounts				
To Registration Fees	98000	38000				i) Customer Education Fees	60746851	21074128		
To Customer Education Fees	39672723	8185791				ii) Penalty from Telemarketers	16526783	12664131		
To Penalty from Telemarketers	3862652	7430426				iii) Financial Disincentive	113556707	102867		
To Financial Disincentive	113453840	102867								
TOTAL	616434807	456778869	114928081	159261208		TOTAL	616434807	456778869	114928081	15926120

Sd/-Advisor (F&EA) Sd/-Secretary



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., 2013-14. 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 Schedule XIV of the Companies Act, 1956 except for the categories mentioned below on which higher rates of depreciation have been applied, as applied in the Accounts for preceding years:

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

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

- (b) In respect of additions to Fixed Assets during the year, depreciation is considered on Pro-rata basis.
- (c) Assets costing ₹ 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 31.03.2014 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 2013-14 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 2013-14 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. 2013-14, the grants approved for transfer to TRAI General Fund under Non – Plan head was ₹ 41.00 crore against which a sum of Rs.38.75 crores was received as grant from DoT. A sum of ₹ 3.75 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 ₹ 22.00 crore against which a sum of ₹ 7.25 crore was received as grant from DoT. A sum of ₹ 47.35 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, 2014 a sum of ₹ 98,000/- , ₹ 3,96,72,723/-, ₹ 38,62,652/- and ₹ 11,34,53,840/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

Expenditure in Foreign Currency: Plan Head

(a) Travel:

subscription of publication.

A sum of ₹ 30,900/- was paid to ITU for

A sum of ₹ 31,08,041/- was paid to officers towards TA/ DA expenditure for overseas travel.

A sum of ₹ 2,90,962/- was paid for participation fees to FIRA Internacional DE Barcelona

A sum of ₹ 3,02,393/- paid to ITU for annual membership fees.

(b)	Remittances and Interest payment to
1	Financial Institution, Banks in Foreign Currency
(c)	Other Expenditure:

Schedules 1 to 25 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2014 and the Income and Expenditure Account for the year ended on that date.



8

Sd/-SECRETARY Sd/-MEMBER

Nil

Nil

Sd/-CHAIRPERSON

(C) AUDITED CONTRIBUTORY PROVIDENT FUND ACCOUNT OF TRAI FOR THE YEAR 2013-14

S eparate 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 2014

We have audited the attached Balance Sheet of the Telecom Regulatory Authority of India-Contributory Provident Fund Account as on 31 March 2014 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:
- 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.

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.

- 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 2014; and
- 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 (R.B. Sinha) Director General of Audit (P&T)

Place: Delhi Date: December 2014

iii.

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 2014)

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-2014

(Amount-Rs.)

GRA		5	chedule	Current	Year	Previous Year
CORPUS/CAPITAL FUND AND						
TRAI - CPF MEMBERS' ACCOL	INT		1	8646250	1.00	75210083.00
RESERVES AND SURPLUS			2	473474	2.76	3454192.83
EARMARKED/ ENDOWMENT	FUNDS		3			-
SECURED LOANS AND BORRC	WINGS		4			
UNSECURED LOANS AND BOF	ROWINGS		5			
DEFERRED CREDIT LIABILITIES	5		6			
CURRENT LIABILITIES AND PR	OVISIONS		7		0.00	
TOTAL				9119724	3.76	78664275.83
ASSETS						
FIXED ASSETS			8			-
INVESTMENTS-FROM EARMA	RKED/ENDOWMENT FUNDS		9			
INVESTMENTS - OTHERS			10	8430000	0.00	72495101.00
CURRENT ASSETS, LOANS, AD	VANCES ETC		11	689724	3.76	6169174.93
MISCELLANEOUS EXPENDITU	RE					
(to the extent not written off	or adjusted)					
TOTAL				9119724	3.76	78664275.93
SIGNIFICANT ACCOUNTING P	OLICIES		24			
CONTINGENT LIABILITIES AND	D NOTES ON ACCOUNTS		25			
Sd/-	Sd/-	Sd/-		Sd/-	CI-	Sd/-
Sh. J.S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee	Sh. V.K. Saxena Dy. Advisor (Admin) Ex - Officio Trustee	Sh. S.B. Singh Jt. Advisor (Legal) Trustee	P. A.	nam Khurana . (B&CS) ustee	Advi	C.P.S. Bakshi isor (Admin.) fficio President

TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/ YEAR ENDED 31-MARCH-2014

(Amount-₹)

	Schedule	Current Year	Previous Yea
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	3685145.65	6140194.98
Income for Royalty ,Publication etc	16	-	-
Interest Earned	17	3235300.29	3036935.54
Other Income	18	939509.11	0.00
Increase(decrease) in stock of Finished goods and works-in-progress	19	-	
TOTAL (A)		7859955.05	9177130.52
EXPENDITURE			
Establishment Expenses	20	30000.00	0.00
Other Administrative Expenses etc	21	2514.12	589812.69
Expenditure on Grants, Subsidies etc	22	-	
Interest	23	6546891.00	5133125.00
Diminution Value of Investments in Mutual Funds			
Depreciation (Net Total at the year end-corresponding to Schedule 8)			
TOTAL (B)		6579405.12	5722937.69
			(Contd)

		(Amount-₹)	
	Schedule	Current Year	Previous Year
Balance being excess of Income over Expenditure (A-B)		1280549.93	3454192.83
Transfer to Misc Expenditure to the extent not written off - on account of Diminution Value of Investments			-
Transfer to / from General Reserve		1280549.93	3454192.83
Balance being Surplus/ (Deficit) carried to Corpus/ Capital Fund			
SIGNIFICANT ACCOUNTING POLICIES	24		
CONTINGENT LABILITIES AND NOTES ON ACCOUNTS	25		

Sd/-Sh. J.S. Bhatia Jt. Advisor (Accounts) Ex - Officio Trustee Sd/-Sh. V.K. Saxena Dy. Advisor (Admin) Ex - Officio Trustee Sd/-Sh. S.B. Singh Jt. Advisor (Legal) Trustee Sd/-Smt. Poonam Khurana P. A. (B&CS) Trustee Ex

Sd/-Sh. C.P.S. Bakshi Advisor (Admin.) 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-2014

SCHEDULE 1 - TRAI - CPF MEMBERS' ACCOUNT

(Amount-₹)

		Current Year	Previous Year
Bal	lance as at the beginning of the year	75210083.00	55671067.00
De	duct: Adjustment for previous year	343030.00	
Ad	d: Contributions towards Members' Account	11595448.00	19539016.00
	d/(Deduct): Balance of net income/		67192.0
-	penditure) transferred from the		
nc	ome and Expenditure Account		ATTEN B
BA	LANCE AS AT THE YEAR-END	86462501.00	75210083.00
	SCHEDULE 2 - RESERVES AN	ND SURPLUS	(Amount-₹)
		Current Year	Previous Year
L.	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		
1.	General Reserve:		
	As per last Account	3454192.83	-
	Addition during the year	1280549.93	3454192.83
	Less: Deductions during the year		
	TOTAL	4734742.76	3454192.83
			Sd/- Dy. Advisor

SCHEDULE-3-EARMARKED/ENDOWMENT FUNDS

(Amount-Rs.)

100		FU	ND-WIS	e break	UP	Current Year	Previous Year
		Fund WW	Fund XX	Fund YY	Fund ZZ		
b) Add i. ii.	ening balance of the funds litions of the funds: Donations/grants Income from investments made on account of funds Other additions (specify nature)			N.A.			
тот	AL (a+b)						
i.	isation/exependiture towards objectives of funds Capital Expenditure - Fixed Assets - Others			/	/		
Tota	al						
	Revenue Expenditure - Salaries, Wages and allowances etc. - Rent - Other Administrative expenses						N.A.
Tota	al			/			
TOTAL (o	c)			/			
NET BAL	LANCE AS AT THE YEAR-END (a+b+c)		/				1

<u>Notes</u>

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

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

Sd/-Dy. Advisor

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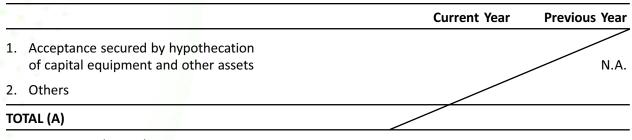
SCHEDULE 4 - SECURED LOANS AND BORROWINGS

			(Amount-₹
		Current Year	Previous Year
1.	Central Government		~01
2.	State Government (Specify)		
3.	Financial Institutions		
4.	Banks		
	a) Term Loans		N.A.
	- Interest accrued and due	/	E.
	b) Other-Loans (Specify)		19
	- Interest accrued and due		11/1
•	Other Institutions and Agencies		
j.	Debentures and Bonds		Ref Con B
•	Others (Specify)		
	TOTAL		1
0	te : Amount due within one year	,	3
			a month
	SCHEDULE 5 - UNSECURED	D LOANS AND BORROWINGS	
			(Amount-₹
		Current Year	Previous Year
	Central Government		
•	State Government (Specify)		
	Financial Institutions		
	Banks		
	a) Term Loans		N.A.
	- Interest accrued and due	/	·
	h) Other Leans (Creatify)		
	b) Other-Loans (Specify)		
	- Interest accrued and due		
•			
	- Interest accrued and due		
).). 7.	- Interest accrued and due Other Institutions and Agencies Debentures and Bonds		
•	 Interest accrued and due Other Institutions and Agencies Debentures and Bonds 		
•	- Interest accrued and due Other Institutions and Agencies Debentures and Bonds Others (Specify)		
•	- Interest accrued and due Other Institutions and Agencies Debentures and Bonds Others (Specify) TOTAL		
	- Interest accrued and due Other Institutions and Agencies Debentures and Bonds Others (Specify) TOTAL		
	- Interest accrued and due Other Institutions and Agencies Debentures and Bonds Others (Specify) TOTAL		Sd/- Dy. Advisor

A Star

SCHEDULE 6 - DEFERRED CREDIT LIABILITIES

(Amount-₹)



Note : Amount due within one year

SCHEDULE 7 - CURRENT LIABILITIES AND PROVISIONS

(Amount-₹)

		Current Year	Previous Yea
Α.	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.#
	b) Unsecured Loans/borrowings		
	5) Statutory Liabilities		/
	a) Overdue	/	/
R	b) Others	/	
1	6) Other current Liabilities		
	TOTAL (A)		
в.	PROVISIONS	/	
	1. For Taxation		
	2. Gratuity		
	3. Superannuation/Pension		
	4. Accumulated Leave Encashment		
	5. Trade Warranties/Claims	/	
	6. Other (Specify)		
10	TOTAL (B)		
1	TOTAL (A+B)		

											(Amount-₹
	DESCRIPTION		GROSS	5 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.	
	 Superstructures on land not belongng to the entity 										
3.	PLANT MACHINERY & EQUIPMENT										
4.	VEHICLES										
5.	FURNITURE, FIXTURES			~						80 m	
6.	OFFICE EQUIPMENT					6			4		
											(Contd.

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

(Amount-₹)

-										
	DESCRIPTION		GROSS BLOCK	DEPRICIATION				NET BLOCK		
		Cost/ valuation as at begining of the year	Additions Deductions during during the year 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									



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	50700000.00	43226753.00
	Long-term Investments - Rs. 4,67,00,000		1 American I
	Current Investments - Rs. 40,00,000		-
2.	Other approved Securities		X
3.	Shares		
4.	Debentures and Bonds		
5.	Subsidiaries and Joint Ventures		
6.	Others (Fixed Deposits in Banks/PSU) - Long-term	33600000.00	29268348.00
	TOTAL	84300000.00	72495101.00

SCHEDULE 11 - CURRENT ASSETS, LOANS, ADVANCES ETC.

		Current Year	Previous Year
Α.	CURRENT ASSETS:		1
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 		1.1
	b) Others		1.1.1.1
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 Ban	<s d<="" td=""><td></td><td></td></s>		
- On Current Acco	unts	-	-
- On Deposit Acco	unts (includes margin money)	2049273.02	952504.33
- On Savings Acco	unt	147833.74	328102.91
b) With non-Scheduled	Banks		
- On Current Acco	unts	-	-
- On Deposit Acco	unts	-	-
- On Savings Acco	unt	-	-
5. Post Office-Savings Acco	unts		
TOTAL (A)		2197106.76	1280607.24
3. LOANS, ADVANCES AND	OTHER ASSETS		
1. Loans			
a) Staff		-	-
b) Other Entities er	gaged in activities/		
objectives simila	to that of Entity	-	-
c) Others (Specify)		-	-
Advance and other a cash or in kind or for	mounts recoverable in value to be received:		
a) On Captial Accou	nt	-	-
b) Prepayments		-	-
c) Others		-	-
3. Income Accrued			
a) On Investments			
Endowment Fun		-	-
b) On Investments		4700137.00	4888567.59
c) On Loans and Ac		-	-
	income due unrealised Rs.)	-	-
4. Claims Receivable		4700137.00	4888567.59
TOTAL (B)			
TOTAL (A+B)		6897243.76	6169174.83

SCHEDULE 12 - INCOME FROM SALES/SERVICES

			(Amount-₹)
		Current Year	Previous Year
1. In	come from Sales		~0/
a)	Sale of Finished Goods		7//
b)	Sale of Raw material		
c)	Sale of Scraps		
<u>2</u> . In	come from Services		
a)	Labour and Processing Charges		N.A.
b)	Professional/Consultancy Services		19
c)	Agency Commission and Brokerage		1/17
d)	Maintenrance Services (Equipment/Property)		
e)	Others(Specify)		ALL B
	TOTAL		
	SCHEDULE 13 - GRANTS/	SUBSIDIES	1
		Current Year	Previous Year
rrev	ocable Grants & Subsidies Received)		
	entral Government		
'	ate Govenemnt(s)		
	overnment Agencies		N.A.
	stitutions/Welfare Bodies		
) In	ternational Organisations		
i) O	ther (Specify)		
т	DTAL		
	SCHEDULE 14 - FEES/SUB	SCRIPTIONS	
		Current Year	Previous Year
1. Er	ntrance Fees		
2. A	nnual Fees/Subscriptions		
			/

- 3. Seminar/Program Fees
- 4. Consultancy Fees
- 5. Others (specify)

TOTAL

Note: Accounting Policies towards each item are to be disclosed

Sd/-Dy. Advisor

N.A.

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	3685145.65	1304402.39
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	-	4835792.59
TOTAL	3685145.65	6140194.98

TRANSFERRED TO EARMARKED/ENDOWMENT FUNDS

SCHEDULE 16 -INCOME FROM ROYALTY, PUBLICATION ETC

	Current Year	Previous Year
 Income from Royalty Income from Publications Others (specify) 		N.A.
TOTAL	~	

SCHEDULE 17 - INTEREST EARNED

- /		Current Year	Previous Year
1)	On Term Deposits		
F	a) With Scheduled Banks	2099107.49	1037381.09
11	b) With Non-Scheduled Banks		
A	c) With Institutions	1094825.00	1901887.45
14	d) Others		
2)	On Savings Account		
	a) With Scheduled Banks	41367.00	97667.00
-	b) With Non-Scheduled Banks	-	-
	c) With Institutions	-	-
	d) Others	-	-
3)	On Loans		
	a) Employees/Staff	-	-
2	b) Others	-	-
4)	Interest on Debtors and Other Receivables	-	-
	TOTAL	3235300.29	3036935.54

SCHEDULE 18 - OTHER INCOME

(Amount-₹)

		Current Year	Previous Year
1.	Profit on Sale/disposal of Assets		il D
	a) Owned assets	L-	- 0
	b) Assets acquired out of grants, or received free of cost	-	R
2.	Export Incentives realized	-	
3.	Fees for Miscellaneous Services	-	
4.	Miscellaneous Income	939509.11	
	TOTAL	939509.11	1100

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		a contract
- Finished Goods		
- Work-in-progess		
NET INCREASE/(DECREASE) [a-b]		

SCHEDULE 20 - ESTABLISHMENT EXPENSES

	Current Year	Previous Year
Salaries and Wages		6
Allowances and Bonus		
Contribution to Provident Fund		
Contribution to Other Fund(specify)		
Staff Welfare Expenses		
Expenses on Employees Retirement and Terminal Benefits		
Others - DLIS Rs. 30,000/-	30000.00	-
TOTAL	30000.00	-
		Sd/- Dy. Advisor
	Allowances and Bonus Contribution to Provident Fund Contribution to Other Fund(specify) Staff Welfare Expenses Expenses on Employees Retirement and Terminal Benefits Others - DLIS Rs. 30,000/-	Salaries and WagesAllowances and BonusContribution to Provident FundContribution to Other Fund(specify)Staff Welfare ExpensesExpenses on Employees Retirement and Terminal BenefitsOthers - DLIS Rs. 30,000/-30000.00

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	-	-
I)	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	2514.12	589812.69
	TOTAL	2514.12	589812.69

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		

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	6546891.00	5133125.00
TOTAL	6546891.00	5133125.00
		Sd/- Dv. Advisor

TELECOM REGULATORY AUTHORITY OF INDIA - CONTRIBUTORY PROVIDENT FUND ACCOUNT RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MARCH-2014

(Amount-₹)

REC	CEIPTS	Current Year	Previous Year	PAYMENTS	Current Year	Previous Year
Ι.	Opening Balance			1. Expenses		
	a) Cash in hand		-	a) Establishment Expenses	30000.00	0.00
	b) Bank Balances			b) Administrative Expenses	2514.12	589812.69
	i) In current acco	unts	-			
	ii) In deposit acco	unts	-			
	iii) Savings accoun	ts 328102.91	753015.41			
II.	Grants Received			II. Payments made against funds for various projects		
	a) From Government o	f India		(Name the fund or project should be shown along with the particulars of		
	b) From State Governn	nent		payments made for each project)		
	c) From Other Sources (Grants for capital & exp to shown sperat	revenue				
III.	Income on Investments	from		III. Investments and Deposits made		
	a) Earmarked/Endow F	unds		a) Out of Earmarked/ Endowment funds		
	b) Own Funds (On Inve Mutual Funds)	stment in	4830508.82	b) Out of Own Funds (Investments - Others) 34500000.00	49200442.5
				(Investments - Flexi Account	:) 1096768.69	
IV.	Interest Received			IV. Expenditure on Fixed Assets & Capital Work-in-progress		
	a) On Bank Deposits	1894885.89	642445.48	a) Purchase of Fixed Assets		
	b) Loans, Advances etc			b) Expenditure on Capital Work-in-progress		and the second sec
	c) Miscellaneous	5393898.00	3600266.00			(Contd

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31-MARCH-2014 (Contd...)

(Amount-₹)

RECEIPTS	Current Year	Pre <mark>vi</mark> ous Year	Prev <mark>i</mark> ous Year PAYMENTS		Previous Year
V. Other Income (Specif <mark>y)</mark>			V. Refund of surplus money/ Loans		
To Miscellaneous Income	596479.11		a) The Government of India		
6/A18>	and a		b) The State Government		
VI. Amount Borrowed			c) Other providers of funds		
VII. Any other Receipts (Give Details)			VI. Finance Charges (Interest)	179907.36	533632.60
Fees					
Capital Fund			VII. Other Payments (Specify)		
Sales of Publication			Final Payments	6759244.00	6397140.00
Sale of Assets			Advances and Withdrawals	8203600.00	3976800.00
Contribution from Members	14800500.00	11149095.00			
Contribution from TRAI	4454291.00	3994277.00	VIII. Closing Balances		
Transfer of Balances	0.00	8960704.00	a) Cash in hand		
Repayment of Advances	756610.00	675755.00	b) Bank Balances		
Maturity of FDs/ Encashment of Mutual Funds	22695101.00	25538811.99	i) In current accounts		
Interest Shortfall Recovered from TRAI Gen. Fund	0.00	881052.00	ii) In deposit accounts		
			iii) Savings accounts	147833.74	328102.91
TOTAL	50919867.91	61025930.70	TOTAL	50919867.91	61025930.70
TOTAL	50919867.91	61025930.70	TOTAL	50919867.91	6102
Jt. Advisor (Accounts) Dy. A	Sd/- . V.K. Saxena dvisor (Admin) Officio Trustee	Sh. S.E Jt. Advis	/- Sd/- . Singh Smt. Poonam Khuran or (Legal) P. A. (B&CS) stee Trustee	a Sh. C.P.S Advisor	l/- 5. Bakshi (Admin.) 9 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., 2013-14. 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.
- Investments depicted in Schedule 10 (Investments Others) include investment in Government Securities amounting to Rs. 5,07,00,000.00 and Others (FDs in Banks/ PSUs) amounting to Rs. 3,36,00,000.00. Out of the investments in Govt. Securities, an amount of Rs. 4,67,00,000.00 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. 40,00,000.00 has been invested in 91 DTB which will mature on 10/04/2013. All the investments in FDs of Banks/ PSUs are Long-Term investments.
- A sum of Rs. 3,43,030/- pertaining to outstanding TRAI Contribution of ex-employees, not payable as they had not completed 5 years service with the Authority, being written back in Books of Accounts.
- 4 Corresponding figures for the previous year have been re-grouped/re-arranged wherever necessary.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Sh. J. S. Bhatia	Sh. V. K. Saxena	Sh. S. B. Singh	Smt. Poonam Khurana	Sh. C.P.S. Bakshi
Jt. Advisor (Accounts)	Dy. Advisor (Admin)	Jt. Advisor (Legal)	P. A. (B&CS)	Advisor (Admin)
Ex - Officio Trustee	Ex - Officio Trustee	Trustee	Trustee	Ex - Officio President

LIST OF ABBREVIATIONS

	2G	Second Generation
	3D	Three Dimensional
	3G	Third Generation
	ADB	Asian Development Bank
	ADC	Access Deficit Charge
	AGR	Adjusted Gross Revenue
	AMFI	Association of Mutual Funds in India
	APT	Asia Pacific Telecommunity
	ARPU	Average Revenue Per User
	AUSPI	Association of Unified Service Providers of India
	BIS	Bureau of Indian Standards
	BSNL	Bharat Sanchar Nigam Limited
	BSO	Basic Service Operator
	BST	Basic Service Tier
	BWA	Broadband Wireless Access
	C&S	Cable & Satellite
	CAG	Consumer Advocacy Group
1	CAS	Conditional Access System
	CDMA	Code Division Multiple Assay
	CLS	Cable Landing Station
2	CMTS	Cellular Mobile Telephone Service
	COAI	Cellular Operators Association of India
	CPE	Customer Premises Equipment
	CPGRAMS	Centralized Public Grievances Redressal and Monitoring System
	СРР	Calling Party Pay
	CTS	Cordless Telecommunication System
	CUTCEF	Committee on Telecommunication Consumers Education and Protection Fund
	DAS	Digital Addressable Cable TV System
1	DIT	Department of Information Technology
IT .		

DLC	Domestic Leased Circuits	k
DoT	Department of Telecommunication	
DPO	Distribution Platform Operator	
DSL	Digital Subscriber Line	
DTH	Direct to Home	
EBITDA	Earning Before Interest, Tax, Depreciation and Amortisation	
EETT Greece	Hellenic Telecommunications and Post Commission	
EKN	Swedish Export Credit Guarantee Board	19
FDI	Foreign Direct Investment	C (A Set
FM	Frequency Modulation	
FTA	Free to Air	A
GMPCS	Global Mobile Personal Communication System	
GSM	Global System of Mobiles	
HD	High Definition	
HITS	Head End in the Sky	
IBS / DAS	Indoor Building Solutions & Distributed Antenna System	
ICOs	Independent Cable Operators	
ICT	Informations and Communications Technology	
IISc	Indian Institute of Science	
IIT	Indian Institute of Technology	
ILD	International Long Distance	
IMT-Advanced	International Mobile Telecommunications-Advanced	
IN	Intelligent Network	
IP-I	Infrastructure Provider	
IPTV	Internet Protocol Television	
IPv6	Internet Protocol version 6	
IRDA	Insurance Regulatory Development Authority	1.1
ISP	Internet Service Provider	
ITSPs	Internet Telephony Service Providers	
ITU	International Telecommunication Union	
IUC	Interconnect Usage Charges	

IVR	Integrated Voice Response
IXP	Internet Exchange Points
JNNURM	Jawaharlal Nehru National Urban Renewable Mission
LAN	Local Area Network
LCO	Local Cable Operator
LTE	Long Term Evolution
M&A	Merger & Acquisition
M/o I&B	Ministry of Information & Broadcasting
МСХ	Commodity Exchange of India Ltd.
MEA	Ministry of External Affairs
MNP	Mobile Number Portability
MOU	Minutes of Usages
MPLS	Multi-Protocol Label Switching
MSO	Multi System Operators
MTNL	Mahanagar Telephone Nigam Limited
MVNO	Mobile Virtual Network Operator
MW	Medium Wave
MWA	Microwave Access
MWB	Microwave Backbone
NCDEX	National Commodity & Derivative Exchange Ltd.
NDMA	National Disaster Management Authority
NCPR	National Customer Preference Register
NDRF	National Disaster Relief Fund
NGN	Next Generation Network
NGO	Non-Governmental Organization
NIA	Notice Inviting Applications
NIT	National Institute of Technology
NLD	National Long Distance
NTP '99	New Telecom Policy, 1999
OECD	Organization for Economic Cooperation and Development
OHD	Open House Discussion
S	

PABX	Private Automatic Branch Exchange	E S
РСО	Public Call Office	
PCR	Priority Call Routing	T BAY
PMR	Performance Monitoring Reports	
POI	Point of Interconnection	
РОР	Points of Presence	A Real Provide A Real ProvideA Real ProvideA Real ProvideA Real Provide A Real Pr
PSU	Public Sector Undertaking	
QMS	Quality Management System	9
QoS	Quality of Service	C ((A))
RAN	Radio Access Networks	
R-DEL	Rural Direct Exchange Line	
RF Carriers	Radio Frequency Carriers	I COMP
RIO	Reference Interconnect Offer	
RTI Act	Right to Information Act	
SATRC	South Asian Telecommunication Regulator's Council	
SDRF	State Disaster Relief Fund	
SEBI	Securities and Exchange Board of India	
SIM	Subscriber Identity Module	
SMS	Short Messaging Service	
STB	Set Top Box	
STV	Special Tariff Voucher	
SUC	Spectrum Usage Charges	1
SUK	Start-up Kit	
SW	Short Wave	
TAM	Television Audience Measurement	
TCEPF	Telecommunication Consumers Education & Protection Fund	
тсо	Testing & Certification Organisation	1.1
TCPR, 2012	Telecommunication Customer Protection Regulation, 2012	
TDSAT	Telecom Disputes Settlement and Appellate Tribunal	1.1.1.1
TEC	Telecom Engineering Centre	
TEMO	Telecom Equipment Manufacturing Organisation	

TMF	Telecom Manufacturing Fund
TRAI	Telecom Regulatory Authority of India
TRCSL	Telecommunication Regulatory Commission, Sri Lanka
TRDF	Telecom Research & Development Fund
TSO	Telecom Standards Organisation
TSP	Telecom Service Providers
тто	Telecom Tariff Order
UASL	Universal Access Service License
UCC	Unsolicited Commercial Communication
USOF	Universal Service Obligation Fund
USSD	Unstructured Supplementary Service Data
VAS	Value Added Service
VNTA	Viet Nam Telecommunication Authority
VPT	Village Public Telephone
VSAT	Very Small Aperture Terminal
WLL	Wireless in Local Loop
WTO	World Trade Organization