



# Cellular Operators Association of India

RSM/COAI/ 24  
10<sup>th</sup> February, 2012

**The Telecom Regulatory Authority of India**  
Mahanagar Doorsanchar Bhawan  
Jawahar Lal Nehru Marg (Old Minto Road)  
Next to Zakir Hussain College  
New Delhi – 110 002

**Sub: Draft “The Reporting System on Accounting Separation Regulations, 2012”**

Dear Sir/Madam,

This is with reference to the Draft “The Reporting System on Accounting Separation Regulations, 2012” issued on 16<sup>th</sup> January 2012.

In this regard, please find enclosed COAI submission on the same.

We hope that our submission will merit your kind consideration.

Sincerely yours,

A handwritten signature in black ink, reading 'Rajan S. Mathews', is positioned below the text 'Sincerely yours,'.

**Rajan S. Mathews**  
Director General

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## Accounting Separation Regulation, 2012 (ASR)

Telecom Regulatory Authority of India (Authority) had issued the “The Reporting System on Accounting Separation Regulation, 2004” on February 23, 2004 mandating the submission of audited accounting Separation reports from service providers having an aggregate turnover of rupees twenty five (25) crore or more during preceding financial year. These reports provide useful information on revenues, costs, returns and capital employed in major areas of service provider’s business which enables the authority to address anti competitive behavior, discrimination and predatory pricing concerns and to facilitate fair competition.

### I. Overview of changes proposed under Draft ASR, 2012

- Turnover criteria increased to Rs.100 Crores from Rs.25 Crores;
- Products Redefined;
- Re-Categorization of Network Elements;
- Format for Audit Report Defined;
- Linked Excel File Submission Made Mandatory; and
- New Reporting Format

The above changes are discussed in details below

### A. Turnover criteria increased to Rs. 100 Crores from Rs. 25 Crores-

The ASR would be applicable to those service providers whose aggregate turnover during the immediately preceding financial year from operations under all telecom (license(s) issued to them under Section 4 of the Indian Telegraph Act 1885, is Rs. 100 Crores or more, so that undue burden is not placed on small service providers with small turnovers.

### B. Product Re-definition

Technology, innovation and consumer demand have driven far reaching changes in the last decade in the type of services and products provided. To capture these changes, the classification of services and products has been revised as follows.

Earlier Grouping	Revised Grouping
(a) Rental	(a) Rental / Activation/One time fees
(b) Airtime	(b) Calls (i) Voice (a) Off-net (b) On-net (ii) Video (a) Off-net (b) On-net
(c) Roaming	(c) Messages: (i) Short Messaging Service

