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1. Subscriber Numbers for April 2006

A. GSM Subscribers

The cumulative All India GSM subscriber base rose to **72.12 million in April 2006** from **69.19 million in March 2006**, a growth of 4.23% for the month under review.

Among all circles, Category C circles continued to witness the highest rate of growth at 7.2%, followed by Category A circles at 4.6% and Category B circles at 4.5%. In the metros, Mumbai lead the growth at 4% followed by Kolkata, which witnessed a rise of 3.1%

A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		March'06	April'06	March'06	April'06	
1.	Bharti	19.57	20.68	28.30%	28.7%	23
2.	BSNL	17.16	17.059	24.80%	24.4%	21
3.	Hutch	15.36	16.06	22.20%	22.3%	16
4.	IDEA	7.37	7.64	10.65%	10.6%	11
5.	Aircel	2.61	2.83	3.77%	3.9%	7
6.	Reliance	1.90	2.01	2.75%	2.8%	8
7.	Spice	1.93	1.98	2.79%	2.7%	2
8.	MTNL	1.94	2.02	2.81%	2.8%	2
9.	BPL	1.34	1.31	1.93%	1.8%	1
	TOTAL	69.19	72.12	100.00%	100.00%	

The details of CDMA (digital mobile) are dealt with in the next section.

B. CDMA Mobile Subscribers

The total cumulative all India CDMA subscriber base rose by 0.97 million* from **23.25 million*** in March 2006 to **24.22 million*** in April 2006, representing a growth of 4.2%* in the month under review. A summary picture of the company wise performance is given below:

A summary picture of the company wise performance is given below:

SI No.	Company	No of Subscribers (In Mn)		% Market Share		Service Areas
		March'06	April'06	March'06	April'06	
1.	Reliance*	18.307	18.809	78.74%	77.65%	20

3.	TATA	4.851	5.323	20.87%	21.98%	20
5.	HFCL	0.062	0.062	0.28%	0.26%	1
6.	Shyam	0.027	0.028	0.11%	0.11%	1
	TOTAL	23.247	24.222	100.00%	100.00%	

Source: AUSPI

* Reliance Subscriber numbers also include WLL (F) numbers.

2. Appointment of a Panel of Auditors to Certify the Metering and Billing Systems of Service Providers

On March 21, 2006, TRAI issued a Regulation on Code of Practice for Metering and Billing Accuracy in order to bring standardization and transparency in the procedures being followed by various operators. In the same regard, the Authority on **May 5, 2006** issued a Notification stating that it has now formed a panel of Auditors who would audit the billing systems of basic and cellular mobile service providers and give their observations in the audit report about the defined levels of accuracy vis-à-vis the Code of Practice for metering and billing accuracy.

A copy of the Notification is available at the following link:

http://www.trai.gov.in/trai/upload/Tenders/1/Terms%20of%20Reference_panel%20of%20auditors.pdf

3. Installation of Mobile Jammers in Central Jails/ Prisons

COAI, vide its Letter No. TVR/COAI/094 dated **April 28, 2006** to the Wireless Advisor expressed to expedite the process of installation of jammers in central jails/ prisons. In this regard COAI expressed full support of the use of jamming devices in prisons also reiterated the submissions that it had made earlier. There were:

- a. Cellphone/ radio jammers should be precisely band selective and should not overshoot to other areas surrounding the jails.
- b. The jammers should be properly configured and also the filters should be of standard quality so that the service to the public at large across very wide areas around the central prisons does not get adversely affected.
- c. The jammers should disable mobile services (in 900MHz, 1800MHz and 850MHz bands) as also pagers, radio trunking, etc.

In light of the above, COAI requested WPC to take care of the technical aspects and consequences in order to safeguard consumer interests at the time of installation of the jammers.

4. TRAI Directive on Reporting of Long Distance Traffic Minutes

TRAI on **April 28, 2006** issued a Directive to all the Access providers, NLDOs and ILDOs directing them to submit the requisite reports on International Long Distance Traffic Minutes (both in hard and soft copies) on a monthly basis with effect from March 2006 and onwards by 25th of the succeeding month regularly in the prescribed formats to TRAI.

A copy of the Directive is available at the following link:

<http://www.traai.gov.in/traai/upload/Directives/72/dir28apr06.pdf>

5. Subscriber Verification & Identification Process

A. Apex Advisory Council for Telecom in India

In order to address the concern of the Government and National Security Agencies of ensuring proper subscriber verification before any new mobile connection is activated, the entire mobile industry came **together through COAI and AUSPI on a common platform** to set up **the Apex Advisory Council for Telecom in India (ACT)** to oversee and ensure that proper subscriber verification process was followed. ACT laid down a **4-stage process** to be followed before activation of a new mobile connection. All the Retailers/ POS were informed of this process through mailers and **the process had been implemented from April 24, 2006.**

B. Letter to Department of Posts

In the subscriber verification process laid down by the ACT, it was specified that the company should complete the physical verification of address within 14 days of a prepaid connection being activated. In this regard, ACT vide its Letter No. TVR/COAI/089 dated **April 21, 2006** sought the help of the Department of Posts (DoP) to undertake this responsibility and confirm that in respect of every mobile connection that had been activated by the company:

- The address given by the subscriber exists
- A person by such name resides at the said address
- He has applied for a mobile connection from a particular service provider

It was also advised that the above process must be completed within 3 days of the request being given to the Department of Posts.

C. DoP Response

DoP responded back to the proposal of ACT on **May 8, 2006**, informing that the address verification could be done by DoP and that the Chief Postmaster Generals of the respective Postal

Circles had already been advised in this matter. DoP provided them standard format for address verification and informed ACT that the operators should be requested to contact the Chief Postmaster Generals of their respective Circles for further assistance in the matter.

D. Letter to DoT

ACT also wrote to DoT on **April 21, 2006**, informing about the formation of the ACT and the details of process laid down for subscriber verification and identification.

E. Audit

ACT also conducted independent audits to assess compliance with the process. The audit revealed a couple of instances in Delhi where the retailers were not following the required process. This matter was discussed in a subsequent meeting of ACT where it was unanimously decided that the defaulting retailers be blacklisted from selling any telecom products in the future.

ACT would continue to monitor the implementation and compliance of the process and would soon carry out nationwide audits in this regard.

6. Post Budget Memorandum

On **April 17, 2006**, COAI, vide its Letter No. TVR/COAI/084, submitted its Post Budget Memorandum to the Finance Ministry and DoT. COAI stated that the industry was greatly encouraged by the statement of the Hon'ble Minister of Finance in the Budget speech where he talked about the growth and success of the telecom sector.

COAI however drew the attention of the Ministry towards some of the announcements made in the Union Budget 2006-07, which would adversely affect the industry. These were:

- a. **Withdrawal of Exemptions Under Section 10 (23G) of the Income Tax Act, 1961:** In the Union Budget, there was a proposal to withdraw Section 10(23G) of the Income Tax, whereby the exemption granted therein for infrastructure sector would cease, after passing of the same by the Parliament.

COAI submitted that as withdrawal of Section 10(23G) benefits would increase the cost of funds and hence the network expansion costs for telecom companies, this exemption should not be withdrawn.

- b. **Application of MAT u/s 115JA:** In the Union Budget, Minimum Alternative Tax (MAT) u/s 115JB was increased from 8.42% to 11.22% of the book profits.

COAI submitted that the explanation to section 115JB should be suitably amended to provide for exclusion of incomes, to which section 80IA applies, from the Book Profits of the Company and Infrastructure companies should be exempted from payment of MAT during the 80-IA period.

- c. **Imposition of 8% CVD on IT Software:** In the Union Budget, a CVD of 8% has been imposed on the Packaged or Canned Software but specifically excludes customized software from the levy.

COAI proposed that a clarification be issued confirming that telecom software was not subject to additional levy imposed by the Budget and telecom software must be treated at least on par with Information Technology software and should therefore attract NIL duty.

COAI requested the Ministry to take these submissions into consideration to ensure maximization of the benefits from the growth of the telecom sector.

7. TRAI Recommendations for Permitting Usage of * and # in provisioning of value added intra-network services like USSD (Unstructured Supplementary Service Data) by Access Providers

On **April 13, 2006**, TRAI submitted its recommendations for Permitting Usage of * and # in provisioning of value added intra-network services like USSD (Unstructured Supplementary Service Data) by Access Providers. The Authority recommended that relevant provisions of National Numbering Plan-2003, viz. clause 1.6 of Introduction Part and Numbers for Special Services described in Annex IV would be elaborated and clarified so that the usage of characters such as *and # for provisioning of intra-network value added services through access provider's networks might be specifically permitted.

A detailed copy of the Recommendations is available at the following link:

<http://www.trai.gov.in/trai/upload/Recommendations/49/recomm13apr06.pdf>