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Tariff		Secretary
Law		
Adm.		
February 20, 2015		
CA		
EAS		Chairman
R.O.		

TSERC, HYDERABAD INWARD
20 FEB 2015
No. 270 Signature



The Secretary, Telangana Pradesh Electricity Regulatory Commission  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

**Subject:** In ARR & Tariff applications for retail supply business for the year 2015-16 under Multi-Year Tariff principles in accordance with the TSERC (T&C for determination of tariff for wheeling and retail sale of electricity) regulations 2005, filed by Northern Power Distribution Company of Telangana Limited and Telangana Southern Power Distribution Company Limited - Objections

(O.P. - 77/2015 & O.P. 76/2015)

Dear Sir,

The Objector respectfully submits as under:-

- Vodafone South Limited (VSL) is a company registered under the Companies Act 1956 and is engaged in the business of providing Cellular Mobile Telephone Services under the Licences issued by the Government of India and the local area served by us is Andhra Pradesh Telecom Circle (presently, states of Andhra Pradesh & Telangana), as per the terms and conditions set out in the said License Agreement entered into with the President of India, through the Director (TM-1), Department of Telecommunications and it is a private communication provider. It is submitted that under the Indian Telegraph Act, 1885 (hereinafter referred to as the "Telegraph Act"), the exclusive privilege of establishing, maintaining and working telegraphs within India vests with the Central Government. However, under the first proviso to Section 4 of the Telegraph Act, the Central Government is empowered to grant a License on

**Vodafone South Limited (CIN-U74899DL1995PLC074451)**

6th Floor, Varun Tower-II, Begumpet,

Hyderabad-500 016, Telangana, India

T +91-40-7171 8000 F +91-40-2776 4700 www.vodafone.in

Registered Office: C-48, Okhla Industrial Area, Phase II, New Delhi 110 020, India

such conditions and in consideration of such payments as it thinks fit, to any person to establish, maintain or work a telegraph within any part of India.



## II. Context of the Objections

On the basis of the Aggregate Revenue Requirement (ARR) and Tariff Proposal for FY 2015-16 by Telangana State Distribution Utilities, the Hon'ble commission has sought the public objections for the proposed tariffs for the FY 2015-16.

## III. Electricity Tariff in Telangana

In Telangana, the Telecom Service Providers are charged for the electricity consumption at cell towers under the category LT – II (B) i.e. Non-Domestic/ Commercial Category, though the MSCs are charged under the category HT-II (Industry – others).

Except for MSCs, Mobile Towers are categorized as a '**Commercial User**' and levying Electricity Charges which are applicable on Commercial Establishments. The energy input for these telecom tower sites is availed from Low Tension (LT) supply and these towers are categorized as Commercial consumer by the state utilities. Being an energy intensive business sector, our business works on reliable supply of electricity at sites by state distribution utilities.

Telecommunication Industry in Telangana service area is facing a huge cost burden towards electricity consumption charges for its Mobile Towers / Base Stations which is adversely impacting the cost of communication for the public. And the industry is circumventing with stiff competition in the market at

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national level and the tariff being low in comparison with the international rates, is adversely affecting the investments in general.

A typical diagram on VSL's network and cell tower locations and fiber route in Telangana is enclosed as Annexure-A for ready reference.

#### IV. Detailed Objections

##### 4.1 Telecom as an Infrastructure Industry

It is submitted that in or about 1995, the Government of India, pursuant to the new Telegraph Policy, decided to allow the private operators to provide basic and cellular telecommunications and paging services in India with a view to put India on the global telecommunication map. Accordingly the Government issued various circulars to various authorities requiring them to extend all possible help to the private operators, who were granted cellular licences by the Government of India through the Department of Telecommunications. Pursuant to this policy of the Government of India and pursuant to the grant of licences issued as aforesaid and with a view to facilitate the setting up, development and growth of this industry, there were various amendments in various statutes to that effect.

The Telecom Business in India has well been recognized as an Industry under various Statutes, Rules and / or Regulations, Government Notifications etc. Emphasis is placed on the recent National Telecom Policy of 2012, which specifically refers Telecom Business as a **most fast grown Industry** in Indian Economic History. Annexure-B

The Notification issued by the Central Government's Ministry of Labour and Employment pursuant to section 2 (a) (i) of the Industrial Disputes Act, 1947, specified the Telecom Industry as "**Controlled Industry**". -Annexure-C

The Ministry of Corporate Affairs through its Notification dated 7<sup>th</sup> December 2011 released the Cost Accounting (Telecommunication Industry) Rules, 2011, making it amply clear that the Telecom is an industry and certain set(s) of cost accounting standards shall be applicable over and above any other applicable accounting standards.- **Annexure-D**

The Telecommunication falls under the definition of Industry under the Industrial Disputes Act Industry – as “any business, trade, undertaking, manufacture or calling of employers and includes any calling, **service**, employment, handicraft or industrial occupation or avocation of workmen (section 2(j)); it is further submitted that the Essential Services Maintenance Act also considers the Telecommunication as Industry.

Department of Telecommunications (DoT), Ministry of Communications and IT, Government of India has issued Policy/Guidelines, inter alia, reiterating that cellular mobile towers forms part of the as **infrastructure** and has posted the same on its website. The said guidelines were issued in consultation with representatives of State Governments, DOT and industry to form Uniform Guidelines on this critical infrastructure. The Guidelines are to be applied across India uniformly, which, inter alia, states that: a) all benefits, as applicable to **infrastructure industry**, should be extended to telecom towers which have been given infrastructure status by the Govt. of India, b) Telecom installations are lifeline installations, critical infrastructure and essential service, hence sealing of BTS towers/disconnection of electricity may not be resorted without the consent of the TERM Cell of DoT, and c) Telecom Infrastructure / installation of towers to be permitted for all locations irrespective of land usage;

**Annexure-E.**



It is not out of place to state that the Maharashtra government has classified telecommunication as an Industry and has classified the tariff applicability as **LT-V and HT-I** (i.e. Industry).

It is pertinent to mention that the Government of India, vide Gazette notification dated April 01, 2013, categorized the Telecommunication & Telecom Services as infrastructure of communication (**Annexure – F** Gazette dated 01.04.2013)

Even in Telangana, Railway Infrastructure, which is equivalent to that of the Telecommunication is categorized under a separate beneficial class (HT-III and HT-V).

#### **4.2 The Mobile Towers Units**

It is submitted that the License issued by the Government of India, grants to us a license to establish, maintain and operate Cellular Mobile Service up to the subscribers' terminal connection in the local area served by them i.e. Andhra Pradesh Telecom Circle. Wherein, it is clear that under the said License for establishing, maintaining and working the telegraph, which comprises of inter alia, various network elements like MSCs (Mobile Station Centre), BTSs (Base Transceiver Station) and BSCs (Base Station Controller). We were required to erect Cellular Base Stations on terraces / rooftops of buildings and vacant lands.

It is submitted that transmission of voice communication involves transmission of voice of its subscribers from one end to the other. Further, to make available this service of transmission of voice from one end to the other, we are required to establish a Cellular Mobile Telephone Network. This Telecom Network comprises of a Mobile Switching Centre (MSC) which, in simple terms, is the brain of the Network. This MSC carries out various functions which includes call

switching, data / information processing, Subscriber verification etc. This MSC in turn is connected to Base Station Controller (BSC). These BSC's are then connected to Base Transceiver Station (BTS). These BSC/BTS are also called "cell sites".


It is submitted that as a result of the liberalisation of the Telecom Policy, today India is one of the leading countries in the field of telecommunication. In India the development in the area of telecommunication has hit a rapid tempo. From breaking down of monopolies to bringing down in reforms and the entry of private players and various Cellular Services besides the landline, the telecom journey in India has been a profound leapfrog. Telecommunication is one of the prime support services needed for rapid growth and modernization of various sectors of the economy which is becoming especially important in recent years because of enormous growth of Information Technology and its significant impact on the rest of the economy. In today's environment, India stands second to none in terms of technology.

Generally, Mobile Towers units in Telangana are required to be installed on the terrace of Buildings with necessary permission/s. The equipment which are placed for the Mobile Tower to be functional and emit network signals, include Base Transceiver Station for Call & data processing, receiving signals and transmitting signals through microwave antennae, Microwave Equipment for carrying the signals from other Mobile Towers units, power supply equipment, battery back-up, if required etc.

We state that as on date we have installed over 4152 cell towers spanning across the length and breadth of Telangana and catering to almost over 23 Lakhs customers and still growing. We have 4 HT connections and over 4152 LT connections for the said purposes. It is also submitted that Telecom Industry has attained this mammoth growth in Telangana State during the last 15 years.

It is further submitted that when Cellular Mobile Telecom Services were





launched in Telangana the rate per call was over Rs.18/- per minute and was seen as an up market luxury product. However, over the years the rates have dropped drastically and today the telecom tariff rates have dipped as low as 30 paise per minute and has become a common man's essential product. It is pertinent to note the Average Revenue per subscriber has dropped very drastically over the period of years. As per the universal service obligations stipulated by the government of India, VSL is required to install cell sites in rural locations despite the revenue generation. It may also be noted that in spite of the revenue dip mentioned above the Telecom Industry having grown leaps and bounds in the service of public and contributing significantly to the GDP of state of Telangana.

According to the UNCTAD, there is a direct correlation between the growth in mobile tele-density and the growth in GDP per capita in developing countries, which has a high percentage of rural population. The share of the telecom services industry in the total GDP has been rising over the past few years.

#### 4.3 Determination of tariff

As per section 62 of the act, differential tariff categories shall be determined according to the consumer's **load factor, power factor, voltage, total consumption of electricity** during any specified period or the time at which the supply is required or the geographical position of any area, the **nature of supply and the purpose for which the supply is required.**

It is submitted that various cellular towers/ telecommunication equipment that are installed across the state of Telangana in various areas such as agricultural, residential and industrial premises/zones cater the same purpose of generation of airtime.

#### 4.4 Commercial Purpose - Meaning

The Objector submits that the Commercial Category is applicable for the commercial purposes such as running of bars, restaurants, private offices, fitness clubs, retail stores, banks and financial institutions, supermarkets, auto dealerships, and other establishments with common business areas etc. **Under any stretch of imagination, telecommunication network cannot be equated with the above stated activities.**

That the Hon'ble Supreme Court of India in Management of the Federation of Indian Chambers of Commerce and Industry v. Sri R. K. Mittal [1972] 2 S.C.R. 353 held that the commercial activity must be connected with the carrying of trade and business generally, in the premises. The Hon'ble Court further held that for the purpose of falling under the commercial establishment/premises, the premises should primarily be the commercial premises and secondly the premises should deal in carrying (a) any trade, business or profession, or (b) any work in connection with or incidental or ancillary thereto is carried on.

Further, it is not out of place to mention that even the definition of shop cannot be extended to the CMTE/Cell Towers. As held, Shop means any premises where goods are sold, either by retail-or wholesale- Or where services are rendered to customers, and includes an office, a stoic-room, godown, warehouse or workhouse, or work place, whether in the same premises or otherwise, used in or in connection with such trade or business but does not include a factory or commercial establishment. Therefore, no stretch of imagination equates the telecommunication network (CMTE) with that of the commercial activities stated above.

#### 4.5 Importance of the Cellular Mobile Transceiver Equipment (CMTE)/Cellular Towers in the Telecommunication Network:



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The Objector submits that it had installed over 4152 cell towers/CMTE across the length and breadth of Telangana and each cell tower/CMTE forms an integral part of the entire network.

#### 4.6 Power Cost for Network

That the Objector submits that it incurs a considerable amount of money towards running its network in the Telangana state in the form of power cost. The Objector craves leave of the Commission to rely on and submit additional documents at the time of hearing.

#### V. Prayer to the Hon'ble Commission

- A. Take objections on record and treat them as complete
- B. Grant the objector suitable opportunity within a reasonable time frame to file additional material information that may be subsequently available
- C. The objector also submit that it wish to be heard in person on the day and place designated and notified for the public hearing.
- D. The Objector also craves to place any additional grounds and prayers during the hearing(s).
- E. To order for the rationalization of tariff for telecom towers in the state;
- F. To order that the tariffs for consumers with float load profile and high power factor like telecom towers/CMTE be considered separately;
- G. Order the petitioners/distributions companies to provide detailed responses to the objections
- H. To declare that the tariff for telecom tower/CMTE consumers be re-determined as per relevant acts;



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- I. To declare that the cell towers/CMTE in the rural areas may be provided with further lower tariff rates.
- J. To pass any other order(s) or direction (s) in the interest of justice and in the interest of principles of natural justice.
- K. Pass such other order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Yours Sincerely,

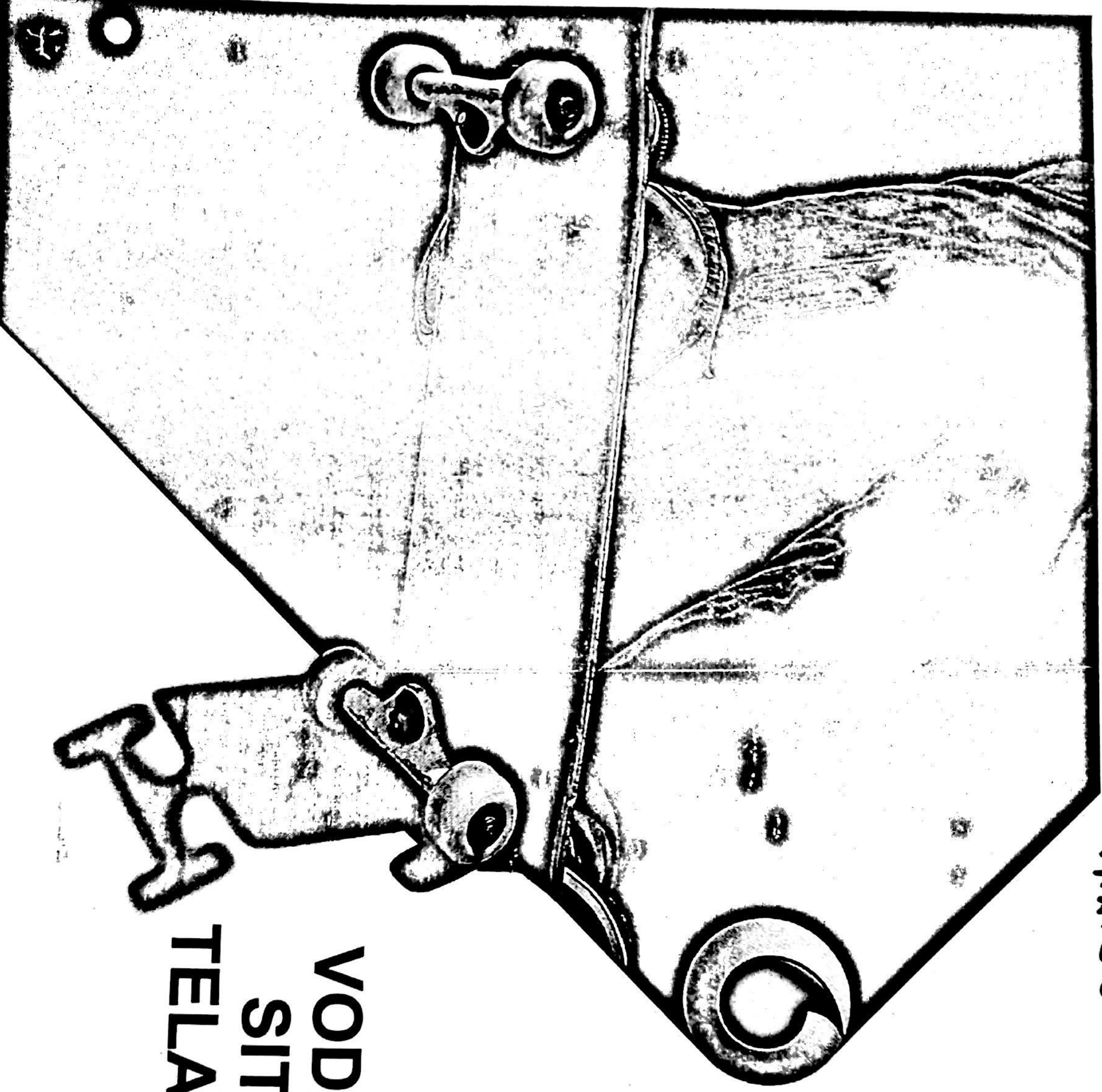
**For Vodafone South Limited**



**Venkateswarlu Gadipudi**

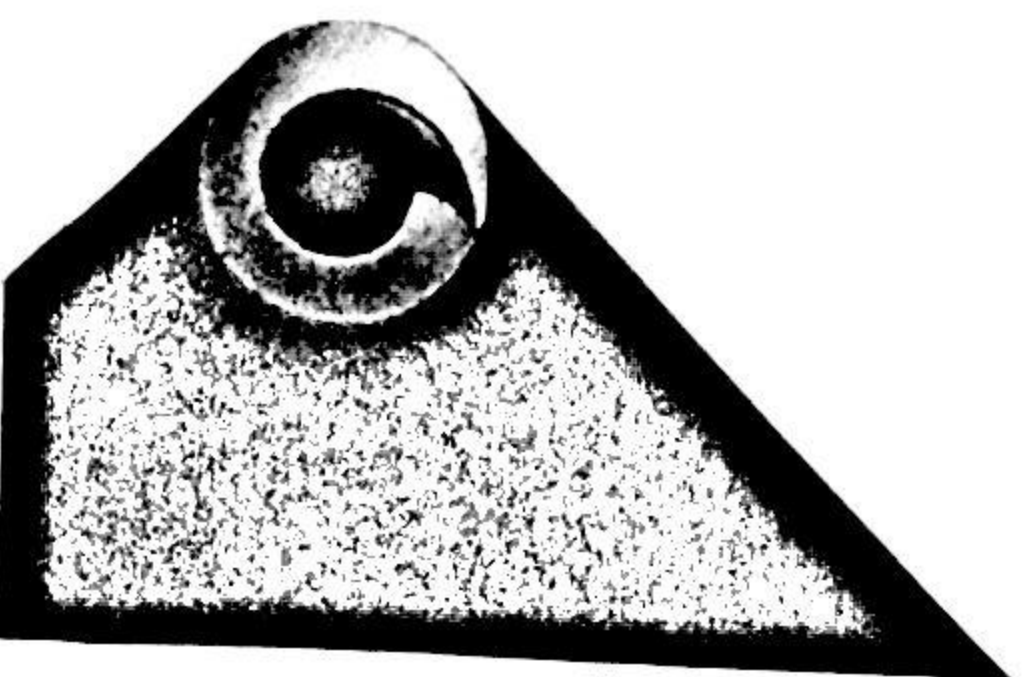
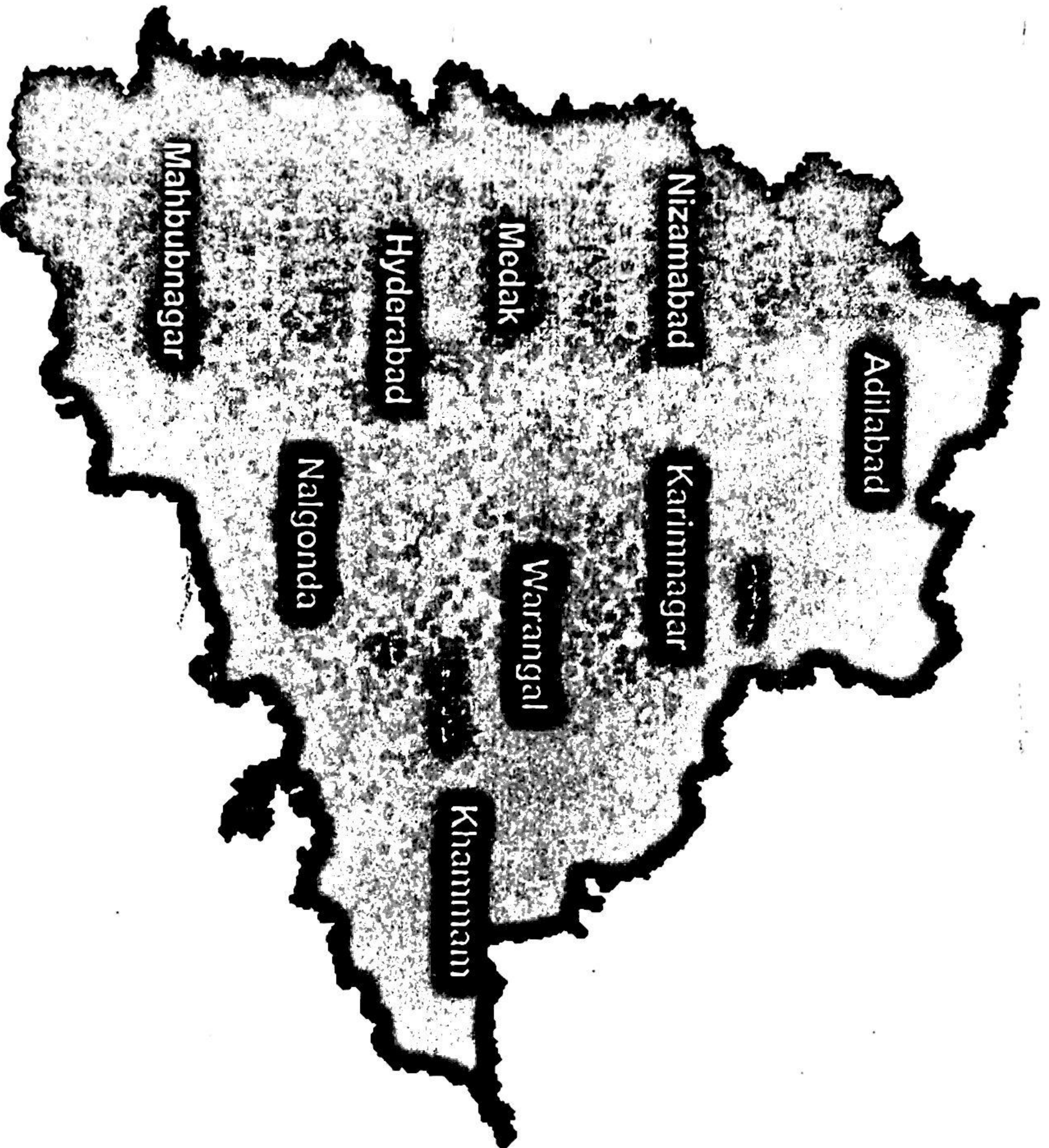
Dy.GM Legal, AP&T

Annexure - A



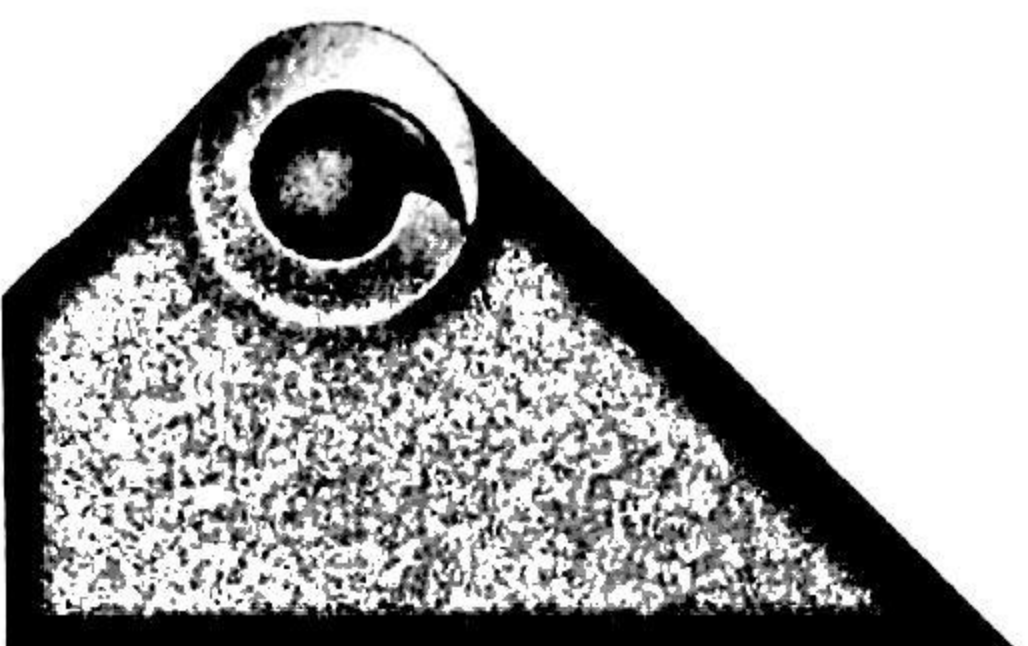
**VODAFONE  
SITES IN  
TELANGANA**

# TELANAGANA STATE WITH VODAFONE SITES



# TELANGANA STATE DISTRICT WISE VODAFONE SITE COUNT

ADILABAD	151
HYDERABAD	905
KARIMNAGAR	301
KHAMMAM	198
MAHABOOB NAGAR	336
MEDAK	263
NALGONDA	293
NIZAMABAD	147
RANGA REDDY	1256
WARANGAL	302
TOTAL	4152



# Annexure - B

No. 2-8/2012-Policy-I  
Government of India  
Ministry of Communications & IT  
Department of Telecommunications  
(Policy-I Section)

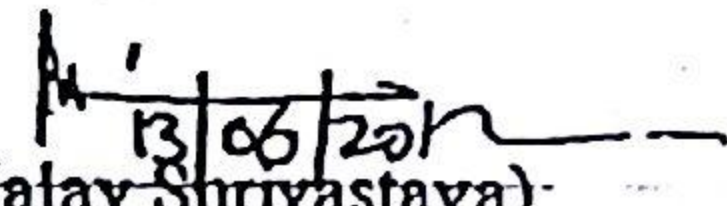
New Delhi dated the 13<sup>th</sup> June 2012.

## OFFICE MEMORANDUM

**SUBJECT: NATIONAL TELECOM POLICY-2012.**

The Government has approved the National Telecom Policy-2012 (NTP-2012) on 31.5.2012.

2. National Telecom Policy-2012 (NTP-2012) is attached.

  
(Malay Srivastava)  
Joint Secretary (Telecom)  
Ph: 2371 7411.

Copy for information and necessary action to:

- (i) Press Information Officer, Press Information Bureau for giving wide publicity to the above.
- ✓ (ii) Director (IT), DoT for uploading the NTP-2012 on DoT web-site.

Copy also to:

- (i) Cabinet Secretariat
- (ii) Prime Minister's Office

(Dy/IT)  
3/6/12

  
13.6.2012

ADG (IT)

## National Telecom Policy - 2012

### (NTP - 2012)

#### **PREAMBLE**

Telecommunication has emerged as a key driver of economic and social development in an increasingly knowledge intensive global scenario, in which India needs to play a leadership role. National Telecom Policy-2012 is designed to ensure that India plays this role effectively and transforms the socio-economic scenario through accelerated equitable and inclusive economic growth by laying special emphasis on providing affordable and quality telecommunication services in rural and remote areas. Thrust of this policy is to underscore the imperative that sustained adoption of technology would offer viable options in overcoming developmental challenges in education, health, employment generation, financial inclusion and much else. NTP-2012 is an initiative to create a conducive policy framework to address these issues and to touch lives of all citizens and transform India. By formulating a clear policy regime, NTP-2012 endeavors to create an investor friendly environment for attracting additional investments in the sector apart from generating manifold employment opportunities in various segments of the sector. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the National Telecom Policy – 2012.

2. The last decade is characterised by significant penetration of telecommunications in India. The New Telecom Policy 1999 has been a catalyst for growth of the telecom sector. The number of telephone connections, at the end of February 2012, was 943 million, as compared to 41 million at the end of December 2001. This growth has been fuelled by the cellular segment (mobile phones) which alone accounted for 911 million connections at the end of February 2012. The composition of the telecom sector too has witnessed a structural change, with the private sector accounting for 88 % of the total connections.
3. Today, India is one of the fastest growing telecom markets in the world. The unprecedented increase in teledensity and sharp decline in tariffs in the Indian telecom sector have contributed significantly to the country's economic growth. Besides contributing to about 3% to India's GDP, Telecommunications, along with Information Technology, has greatly accelerated the growth of the economic and social sectors.
4. The National Telecom Policy 2012 (NTP 2012) is conceived against this backdrop. The vision is to transform the country into an empowered and inclusive knowledge-based society, using telecommunications as a platform.

5. Notwithstanding the economic progress over the last decade, the digital divide in the country continues to be significant. On the one hand, expansion of telecommunications in the rural areas has been slower than urban areas, with the former accounting for only 34% of the total connections. On the other, the ability of the poorer sections of the society, both in rural and urban areas, to benefit from technology needs to be enhanced. NTP-2012 has the vision *Broadband on Demand* and envisages leveraging telecom infrastructure to enable all citizens and businesses, both in rural and urban areas, to participate in the Internet and web economy thereby ensuring equitable and inclusive development across the nation. It provides the enabling framework for enhancing India's competitiveness in all spheres of the economy. NTP-2012 envisages support to platform neutral services in e-governance and m-governance in key social sectors such as health, education and agriculture that are at present limited to a few organizations in isolated pockets. This will expand the footprint of these services and thus foster an atmosphere of participative democracy delivery model that is truly citizen-centric.

6. Telecommunications is no longer limited to voice. The evolution from analog to digital technology has facilitated the conversion of voice, data and video to the digital form. Increasingly, these are now being rendered through single networks bringing about a convergence in networks, services and also devices. Hence, it is now imperative to move towards convergence between telecom, broadcast and IT services, networks, platforms, technologies and overcome the existing segregation of licensing, registration and regulatory mechanisms in these areas to enhance affordability, increase access, delivery of multiple services and reduce cost. It will be a key enabler of equitable and inclusive growth. The policy aims to address and enable the coordinated action to respond to the dynamic needs resulting from confluence of telecom, broadcasting and IT sectors.

7. Given the continued predominant role of wireless technologies in delivery of services in ICT sector, NTP-2012 incorporates framework for increasing the availability of spectrum for telecom services including triple play services (voice, video and data) for which broadband is the key driver. This will be facilitated by deployment of services through appropriate instrumentalities, while safeguarding national interests.

8. The emerging technology trends in electronics hardware, telecom connectivity and IT will make it possible for millions of citizens to access services electronically in self-service mode using mobile phones and the Internet or through assisted service points such as Common Service Centres etc. Once a mere communication device, the Telephone has now the potential of being an instrument of empowerment. There is need to reorient the telecommunication policy. This vision is made possible through ubiquitous network connectivity of mobile technology, broadband Internet, fiber penetration in all villages, high-technology low-cost affordable devices and software solutions which enable electronic



access to service including m-payment. A unique AADHAR based electronic authentication framework would be integral part of providing service to the people. Cloud computing will significantly speed up ability to design and roll out services, enable social networking and participative governance and m-Commerce at scale which were not possible through traditional technology solutions.

9. A concerted effort to boost manufacturing activity is now exigent as robust economic growth in the country is leading to an extraordinarily high demand for electronic products in general and telecom products in particular. NTP-2012 provides a roadmap for India to become a leader in cutting edge, state of the art technologies through R&D and creation and incorporation of Indian IPRs in global standards. This will require measures for boosting entrepreneurship and creating a major global manufacturing hub for telecommunication equipment to achieve self-sufficiency while squarely addressing security and strategic concerns. At the same time establishment of processes and standards for protection of the environment will also be required.

10. For the continued growth trajectory of telecom sector, it is crucial to establish appropriate mechanisms to achieve balance between competition and consolidation while dealing with the legacy issues in the sector, thus benefiting both the users and providers of telecommunication services.

11. NTP-2012 recognises that the rapid growth in the telecom sector requires to be supported by an enhanced pace of human capital formation and capacity building. It becomes imperative to put in place an integrated skill development strategy for the converged ICT sector as a whole so that there is continuous up-gradation of skills in tune with the technological developments. The cornerstone of this strategy is to derive maximal dividend from our young population and their creative abilities. The advent of technologies like cloud computing present a historic opportunity to catapult India's vaunted service delivery capabilities to a new level domestically as well globally.

12. Introduction of new technologies has posed fresh challenges in network security, communication security and communication assistance to law enforcement agencies. NTP-2012 provides a clear strategy for squarely addressing these concerns.

13. The PSUs have played a pre-eminent role in provision of telecom services in the country, particularly in rural, remote, backward and hilly areas. Contribution of BSNL and MTNL to broadband penetration in the country is significant. The importance of PSUs in meeting the strategic and security needs of the nation can also not be understated. This policy recognises that these PSUs will continue to play such important role.

14. Institutions form the backbone for policy implementation if the policy objectives are to be fully realised. World over, the telecom regulator plays a critical role in the orderly growth of the telecommunication industry, balancing the interests of both the consumers and the service providers. By virtue of the TRAI Act, India has an independent regulator. NTP 2012 seeks to further empower the regulator.

15. NTP-2012 recognises the importance of creation of the robust and resilient telecom networks for adequately addressing the need for proactive support for mitigating disasters, natural and manmade.

16. NTP-2012 recognises futuristic roles of Internet Protocol Version 6 (IPv6) and its applications in different sectors of Indian economy.

## **I. VISION**

**To provide secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development.**

## **II. MISSION**

1. To develop a robust and secure state-of-the-art telecommunication network providing seamless coverage with special focus on rural and remote areas for bridging the digital divide and thereby facilitate socio-economic development.
2. To create an inclusive knowledge society through proliferation of affordable and high quality broadband services across the nation.
3. To reposition the mobile device as an instrument of socio-economic empowerment of citizens.
4. To make India a global hub for telecom equipment manufacturing and a centre for converged communication services.
5. To promote Research and Development, Design in cutting edge ICTE technologies, products and services for meeting the Infrastructure needs of domestic and global markets with focus on security and green technologies.
6. To promote development of new standards to meet national requirements, generation of IPRs and participation in international standardization bodies to contribute in formation of global standards, thereby making India a leading nation in the area of telecom standardization.
7. To attract investment, both domestic and foreign.

8. To promote creation of jobs through all of the above.

### III. OBJECTIVES

1. Provide secure, affordable and high quality telecommunication services to all citizens.
2. **Increase rural teledensity from the current level of around 39 to 70 by the year 2017 and 100 by the year 2020.**
3. **Provide affordable and reliable broadband-on-demand by the year 2015 and to achieve 175 million broadband connections by the year 2017 and 600 million by the year 2020 at minimum 2 Mbps download speed and making available higher speeds of at least 100 Mbps on demand.**
4. Enable citizens to participate in and contribute to e-governance in key sectors like health, education, skill development, employment, governance, banking etc. to ensure equitable and inclusive growth.
5. **Provide high speed and high quality broadband access to all village panchayats through a combination of technologies by the year 2014 and progressively to all villages and habitations by 2020.**
6. **Promote Innovation, indigenous R&D and manufacturing to serve domestic and global markets, by increasing skills and competencies.**
7. **Create a corpus to promote indigenous R&D, IPR creation, entrepreneurship, manufacturing, commercialisation and deployment of state-of-the-art telecom products and services during the 12<sup>th</sup> five year plan period.**
8. Promote the ecosystem for design, Research and Development, IPR creation, testing, standardization and manufacturing i.e. complete value chain for domestic production of telecommunication equipment to **meet Indian telecom sector demand to the extent of 60% and 80% with a minimum value addition of 45% and 65% by the year 2017 and 2020 respectively.**
9. **Provide preference to domestically manufactured telecommunication products, in procurement of those telecommunication products which have security implications for the country and in Government procurement for its own use, consistent with our World Trade Organization (WTO) commitments.**
10. **Develop and establish standards to meet national requirements, generate IPRs, and participate in international standardization bodies to contribute in formulation of global standards, thereby making India a leading nation in the area of international telecom**

standardization. This will be supported by establishing appropriate linkages with industry, R&D institutions, academia, telecom service providers and users.

11. ***Simplify the licensing framework*** to further extend converged high quality services across the nation including rural and remote areas. This will not cover content regulation.
12. Strive to create ***One Nation - One License*** across services and service areas.
13. Achieve ***One Nation - Full Mobile Number Portability*** and work towards ***One Nation - Free Roaming***.
14. ***Reposition the mobile phone*** from a mere communication device to an ***instrument of empowerment*** that combines communication with proof of identity, fully secure financial and other transaction capability, multi-lingual services and a whole range of other capabilities that ride on them and transcend the literacy barrier.
15. Encourage development of mobile phones based on open platform standards.
16. Deliver high quality seamless voice, data, multimedia and broadcasting services on ***converged networks*** for enhanced service delivery to provide superior experience to users.
17. Put in place a simplified Merger & Acquisition regime in telecom service sector while ensuring adequate competition.
18. Optimize delivery of services to consumers irrespective of their devices or locations by ***Fixed-Mobile Convergence*** thus making available valuable spectrum for other wireless services.
19. Promote an ecosystem for participants in VAS industry value chain to make India a global hub for Value Added Services (VAS).
20. Ensure adequate availability of spectrum and its allocation in a transparent manner through market related processes. ***Make available additional 300 MHz spectrum for IMT services by the year 2017 and another 200 MHz by 2020.***
21. Promote efficient use of spectrum with provision of regular ***audit of spectrum usage***.
22. De-licensing additional frequency bands for public use.
23. ***Recognize telecom as Infrastructure Sector*** to realize true potential of ICT for development.
24. Address the Right of Way (RoW) issues in setting up of telecom infrastructure.
25. Mandate an ecosystem to ensure setting up of a ***common platform for interconnection*** of various networks for providing non-exclusive and non-discriminatory access.

26. Strengthen the framework to address the environmental and health related concerns pertaining to the telecom sector.
27. Enhanced and continued *adoption of green policy in telecom* and incentivise use of renewable energy sources for sustainability.
28. *Protect consumer interest* by promoting informed consent, transparency and accountability in quality of service, tariff, usage etc.
29. *Strengthen the grievance redressal mechanisms* to provide timely and effective resolution.
30. Strengthen the *institutional framework to enhance the pace of human capital formation* and capacity building by assessing and addressing educational and training needs of the sector.
31. Encourage *recognition and creation of synergistic alliance of public sector* and other organisations of Department of Telecommunications (DoT). This should be achieved through appropriate policy interventions and support for optimum utilisation of their resources and strengths in building a robust and secure telecom and information infrastructure.
32. Evolve a *policy framework for financing the sector* consistent with long term sustainability.
33. Put in place appropriate fiscal and financial incentives required for indigenous manufacturers of telecom products and R&D institutions.
34. Achieve substantial *transition to new Internet Protocol (IPv 6)* in the country in a phased and time bound manner by 2020 and encourage an ecosystem for provision of a significantly large bouquet of services on IP platform.
35. Strengthen the institutional, legal, and regulatory framework and re-engineer processes to bring in more efficiency, timely decision making and transparency.
36. Put in place a web based, real time e-governance solution to support online submission of applications including processing, issuance of licences and clearances from DoT.

#### **IV. STRATEGIES**

##### **1. BROADBAND, RURAL TELEPHONY AND UNIVERSAL SERVICE OBLIGATION FUND (USOF)**

- 1.1. To develop *an eco-system for broadband* in close coordination with all stakeholders, including Ministries/ Government Departments/ Agencies to ensure availability of media for last mile access, aggregation layer, core network of adequate capacity, affordable equipment including user devices, terminals and

Customer Premise Equipment and an environment for development of relevant applications. Formulate policies to promote competition by encouraging service providers, whether large or small, to provide value added services under equitable and non-discriminatory conditions.

- 1.2. To recognise telecom, including broadband connectivity as a basic necessity like education and health and work towards 'Right to Broadband'.
- 1.3. To lay special emphasis on *providing reliable and affordable broadband access to rural and remote areas* by appropriate combination of optical fibre, wireless, VSAT and other technologies. Optical fibre network will be initially laid up to the village panchayat level by funding from the Universal Service Obligation Fund (USOF). Extension of optical fibre connectivity from village panchayats to be taken up progressively to all villages and habitations. Access to this Optical Fibre Network will be open, non-discriminatory and technology neutral.
- 1.4. Provide appropriate incentives for rural rollout.
- 1.5. *To revise the existing broadband download speed of 256 Kbps to 512 Kbps and subsequently to 2 Mbps by 2015 and higher speeds of at least 100 Mbps thereafter.*
- 1.6. To encourage Fibre To The Home (FTTH) with enabling guidelines and policies, favouring fast transformation of cities and towns into *Always Connected* society.
- 1.7. To incorporate enabling provisions in the current regulatory framework so that existing infrastructure including cable TV networks are optimally utilised for extending high quality broadband services in rural areas also.
- 1.8. To establish appropriate institutional framework to coordinate with different government departments/agencies for laying and upkeep of telecom cables including *Optical Fibre Cables* for rapid expansion of broadband in the country.
- 1.9. *To leverage the mobile device and SIM Card with enhanced features* for enabling secure transactional services including online authentication of identity and financial services.
- 1.10. To promote synergies between roll-out of broadband and various Government programs viz e-governance, e-panchayat, MNREGA, NKN, AADHAR, AAKASH tablet etc.
- 1.11. *To ensure availability of adequate spectrum* to meet current and future demand for microwave access/ backhaul, in appropriate frequency bands.

1.12. To stimulate the demand of broadband applications and services, work closely with Department of IT in the promotion of *local content creation in regional languages* which would enhance the investment in *All-Internet Protocol (IP) networks* including NGN.

1.13. To promote the use of *energy efficient equipment and renewable energy technologies* to achieve long term sustainability.

1.14. To undertake periodic review of methodology adopted for utilising USO fund and benchmarking the same against the best practices followed in other countries.

1.15. To provide continued support from USO fund for telecom services, including converged communication services in commercially unviable rural and remote areas.

## 2. R&D, MANUFACTURING AND STANDARDIZATION OF TELECOMMUNICATION EQUIPMENT

2.1. To *promote R&D, design, development and manufacturing* in the domestic telecom equipment manufacturing.

2.2. To create a road-map to align technology, demand, standards and regulations for enhancing competitiveness of domestic manufacturing.

2.3. To set up a *Council consisting of experts* from Telecom Service Providers, Telecom Manufacturing Industry, Government, Academia and R&D institutions. The Council would:

2.3.1. Carry out technology and product development forecast.

2.3.2. Evolve, and periodically update the national program for technology/product development.

2.3.3. Be a nodal group to monitor and ensure the implementation of various recommendations made for promoting indigenous R&D, IPR creation, and manufacturing and deployment of products and services.

2.4. To *promote synergy amongst manufacturers, R&D centres, academia, service providers and other stakeholders* for achieving collaboration and reorientation of their efforts for development and deployment of new products and services suited to Indian environment and meeting security needs of the country.

2.5. To *assist entrepreneurs* to develop and commercialize Indian products by making available requisite funding (pre-venture and venture capital), management and mentoring support.

- 2.6. To *create* fund to promote indigenous R&D, Intellectual Property creation, entrepreneurship, manufacturing, commercialising and deployment of state-of-the-art telecom products and services.
- 2.7. To promote *setting up of Telecommunications Standard Development Organisation (TSDO)* as an autonomous body with effective participation of the government, industry, R&D centres, service providers, and academia to drive consensus regarding standards to meet national requirements including security needs. It will facilitate access for all the stakeholders in the International Standards Development Organisations and act as an advisory body for preparation of national contributions for incorporation of Indian requirement/IPRs/standards in the international standards.
- 2.8. To *notify specific guidelines for according preference to domestically manufactured telecommunication equipment and products* either for reasons of security or for Government procurement in accordance with relevant government decisions and policies in this regard.
- 2.9. To *incentivise* telecom service providers to use indigenous products by encouraging:
- 2.9.1. Commitment to purchase Indigenous products that are comparable in price and performance to imported products.
  - 2.9.2. Commitment to participate in trials of newly created Indigenous products, nurture them and place pilot orders.
  - 2.9.3. Funding R&D and support Indian IPR creation and participate in creation of standards.
- 2.10. To *support Electronic Design and Manufacturing Clusters* for design, development and manufacture of telecommunication equipment.
- 2.11. To facilitate provision of appropriate fiscal Incentives through a *Modified Special Incentive Package Scheme (M-SIPS)* in manufacturing of telecom equipment.
- 2.12. To *mandate testing and certification* of all telecom products for conformance, performance, interoperability, health, safety, security, EMF/EMI/EMC, etc. to ensure safe-to-connect and seamless functioning in the existing and future networks.
- 2.13. To *create suitable testing infrastructure* for carrying out conformance testing, certification and to aid in development of new products and services. These state-of-the-art labs/infrastructure would be suitably positioned to make them available



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to engineering/academic institutions to assist the scholars in telecom product development.

2.14. To appropriately incentivise export of telecom equipment and services. Synergies among the various telecom players (manufacturers and service providers) would be leveraged to provide integrated communication solutions for exports.

2.15. To facilitate putting in place a stable tax regime for telecom equipment manufacturing.

2.16. To provide appropriate incentives to the Indian product manufacturers for domestic deployment and exports.

### 3. LICENSING, CONVERGENCE AND VALUE ADDED SERVICES

3.1. To orient, review and harmonise the legal, regulatory and licensing framework in a time bound manner to enable seamless delivery of converged services in a technology and service neutral environment. Convergence would cover:

3.1.1. Convergence of services i.e. convergence of voice, data, video, Internet telephony (VoIP), value added services and broadcasting services.

3.1.2. Convergence of networks i.e. convergence of access network, carriage network (NLD/ILD) and broadcast network.

3.1.3. Convergence of devices i.e. telephone, Personal Computer, Television, Radio, set top boxes and other connected devices.

3.2. To facilitate convergence of local cable TV networks post digitalisation.

3.3. To move towards Unified Licence regime in order to exploit the attendant benefits of convergence, spectrum liberalisation and facilitate delinking of the licensing of Networks from the delivery of Services to the end users in order to enable operators to optimally and efficiently utilise their networks and spectrum by sharing active and passive infrastructure. This will enhance the quality of service, optimize investments and help address the issue of the digital divide. This new licensing regime will address the requirements of level playing field, rollout obligations, policy on merger & acquisition, non-discriminatory interconnection including interconnection at IP level etc. while ensuring adequate competition.

3.4. To put in place a liberalized merger and acquisition policy with necessary thresholds, while ensuring adequate competition.

- 3.5. To *delink spectrum in respect of all future licences*. Spectrum shall be made available at a price determined through market related processes.
- 3.6. New Unified licensing regime will *provide flexibility to operators to operate any or all segment of services of the total basket of services* provided in the scope of licence. The entry fee regime will also be made flexible accordingly.
- 3.7. To promote introduction of area specific services and applications.
- 3.8. To *facilitate resale at the service level* under the proposed licensing regime – both wholesale and retail, for example, by introduction of virtual operators – in tune with the need for robust competition at consumer end while ensuring due compliance with security and other license related obligations.
- 3.9. To *frame appropriate Policies* for new licensing framework, migration of existing licensees to new framework, exit policy, measures for ensuring adequate competition etc. in consultation with TRAI.
- 3.10. To put in place an appropriate regulatory framework for delivery of VAS at *affordable prices* to encourage entrepreneurship, innovation and provision of *region specific content in regional languages*.
- 3.11. To put in place a framework to *regulate the carriage charges, which are content neutral and based on the bandwidth utilisation*. This will also encourage non value added services such as provision of data and information over the mobile platform.
- 3.12. To endeavour to make available Global Mobile Personal Communication by Satellite (GMPCS) compliant with security requirements.
- 3.13. To extend *Intra-circle mobile number portability facility on nationwide basis* so that the users can retain their mobile number while shifting from one service area to another, irrespective of the service provider.
- 3.14. To review roaming charges with the ultimate objective of *removing the roaming charge across the nation*.
- 3.15. To enable and enforce the VOIP facility to enhance consumer affordability.

#### 4. SPECTRUM MANAGEMENT

- 4.1. To move at the earliest towards liberalisation of spectrum to enable use of spectrum in any band to provide any service in any technology as well as to permit *spectrum pooling, sharing and later, trading* to enable optimal utilisation of spectrum through appropriate regulatory framework.

- 4.2. To undertake *periodic audit* of spectrum utilisation to ensure its efficient use.
- 4.3. To refarm spectrum and allot alternative frequency bands or media to service providers from time to time to make spectrum available for introduction of new technologies for telecom applications.
- 4.4. To *prepare a roadmap* for availability of additional spectrum every 5 years.
- 4.5. To make available adequate globally harmonised IMT spectrum in 450 MHz, 700 MHz, 1800 MHz, 1910 MHz, 2.1 GHz, 2.3 GHz, 2.5 GHz, 3.5 GHz bands and other bands to be identified by ITU for commercial mobile services.
- 4.6. To identify additional frequency bands periodically, for *exempting them from licensing requirements* for operation of low power devices for public use.
- 4.7. To consider requirement of spectrum in certain frequency bands in small chunks at specified locations for *encouraging indigenous development of technologies/products and their deployment*.
- 4.8. To *review the existing geographical unit of allocation of spectrum* with a view to identifying scope for optimization.
- 4.9. To *promote use of white spaces* with low power devices, without causing harmful interference to the licensed applications in specific frequency bands by deployment of Software Defined Radios (SDRs), Cognitive Radios (CRs), etc.
- 4.10. To establish and *strengthen Institute of Advanced Radio Spectrum Engineering and Management Studies (IARSEMS)* as a Government Society for undertaking policy research in radio spectrum engineering, management/radio monitoring and related aspects.

## 5. TELECOM INFRASTRUCTURE/ ROW ISSUES, GREEN TELECOM, CLEAR SKYLINE, MITIGATION EFFORTS DURING DISASTERS AND EMERGENCIES

- 5.1. To emphasize the active role of both private sector and Government including the State Governments and Local bodies to enable the growth of telecom infrastructure necessary for meeting the telecommunication demand of the country and leveraging USOF where appropriate.
- 5.2. To work towards *recognition of telecom as Infrastructure Sector for both wireline and wireless* and extension of the benefits available to infrastructure sectors to telecom sector also, to realize true potential of ICT for development.

- 5.3. To review and *simplify sectoral policy for Right of Way* for laying cable network and installation of towers, etc. for facilitating smooth coordination between the service providers and the State Governments/ local bodies.
- 5.4. To facilitate development of *guidelines for provision of common service ducts* for orderly growth of telecom infrastructure in consultation with all concerned Ministries/ Departments, State Governments and Local bodies.
- 5.5. To *mandate for mapping* and submission of information of the infrastructure assets on the standards based inter-operable *GIS platform* by all telecom infrastructure/ service providers to the licensor.
- 5.6. To review Standing Advisory Committee on Frequency Allocation (SACFA) clearance process for faster and simplified site clearances.
- 5.7. To facilitate increased use of alternative sources (Renewable Energy Technologies) of energy for powering telecom networks through active participation of all the stakeholders – the government, the telecom industry and the consumer for green telecommunications. Sector specific schemes and targets for promotion of green technologies will be finalised in consultation with Ministry of New and Renewable Energy (MNRE) and other stakeholders.
- 5.8. To *promote the use of energy efficient equipment* including low power wireless devices in telecom networks and adopt measures for the reduction of carbon footprint in the telecom sector.
- 5.9. To *promote use of In-Building Solutions (IBS) and Distributed Antenna Systems (DAS)* and their siting in coordination with Ministry of Urban Development by aligning the National Building Code as well as embedding these critical requirements in the process of developmental planning and finalization of master plans for rural and urban areas in consultation with the State Governments.
- 5.10. To undertake *periodic review of EMF radiation standards* for mobile towers and mobile devices with reference to international safety standards.
- 5.11. To encourage use of innovative methods like camouflaging, landscaping, monopole towers and stealth structures to conform to aesthetic requirements.
- 5.12. To prescribe sectoral *Standard Operating Procedures* for aiding effective and early mitigation during disasters and emergencies.
- 5.13. To create appropriate regulatory framework for provision of reliable means of public communication by Telecom Service Providers during disasters.

5.14. To encourage use of ICTs in prediction, monitoring and early warning of disasters and early dissemination of information.

5.15. To facilitate an *institutional framework to establish nationwide Unified Emergency Response Mechanism* by providing nationwide single access number for emergency services.

## 6. QUALITY OF SERVICE AND PROTECTION OF CONSUMER INTEREST

6.1. To strengthen the regulator for ensuring compliance of the prescribed performance standards and Quality of Service (QoS) parameters by the Telecom Service Providers.

6.2. To formulate a *Code of Practice for Sales and Marketing Communications* to improve transparency as well as address security issues relating to Customer Acquisition.

6.3. To support the sector regulator in its efforts to enhance consumer awareness about services, tariffs, and QoS.

6.4. To make mandatory provision for *web based disclosure of area coverage* by telecom service providers.

6.5. To facilitate *establishment of a National Mobile Property Registry* for addressing security, theft and other concerns including reprogramming of mobile handsets.

6.6. To *undertake legislative measures* to bring disputes between telecom consumers and service providers *within the jurisdiction of Consumer Forums* established under Consumer Protection Act.

## 7. SECURITY

7.1. To mandate and enforce that the Telecom Service Providers take adequate measures to ensure the security of the communication flowing through their network by adopting contemporary information security standards.

7.2. To provide communication assistance to Law Enforcement Agencies (LEAs) through regulatory measures in tune with the extant license guidelines and in conformity with Indian Telegraph Act keeping in view individual privacy and following international practices to the extent possible for fulfilling National Security needs. To develop and deploy State of art system for providing assistance to LEAs.

- 7.3. To create an institutional framework through regulatory measures to ensure that *safe-to-connect* devices are inducted into the Telecom Network and service providers take measures for ensuring the security of the network.
- 7.4. To build national capacity in all areas - specifically security standards, security testing, interception and monitoring capabilities and manufacturing of critical telecom equipment - that impinges on Telecom network security and communication assistance for law enforcement.
- 7.5. To ensure security In an increasingly insecure cyber space, indigenously manufactured multi-functional SIM cards with indigenously designed chips incorporating specific laid down standards are considered critical. The whole electronics eco-system for this and other purposes, starting from the wafer fab needs to be built and hence is viewed as a key policy objective and outcome.
- 7.6. To mandate standards in the areas of functional requirements, safety and security and in all possible building blocks of the communication network i.e. devices, elements, components, physical infrastructure like towers, buildings etc.
- 7.7. To develop a rational criterion for sharing of costs beyond a threshold limit between Government and the service providers in implementing security measures.

## **8. SKILL DEVELOPMENT**

- 8.1. To put in place an ecosystem:
  - 8.1.1. *To assess the manpower requirement at different skill and expertise levels by partnering with National Skill Development Council and industry to identify the relevant needs of the sector and prepare a roadmap.*
  - 8.1.2. To advise and assist Ministry of Human Resource Development (MHRD) to periodically upgrade academic curriculum of telecommunication courses.
  - 8.1.3. To create an enabling framework including funding mechanism to meet the demand for human resources in the sector in partnership with Ministry of Human Resource Development (MHRD).
  - 8.1.4. To form a high level Apex body (supported by advisory groups comprising representatives from industry, academia, PSUs, etc.) to oversee and to act as guiding and enabling source for all aspects relating to skill development in telecom field.
- 8.2. To strengthen and develop National Telecom Institute for Policy Research, Innovation and Training (NTIPRIT) as an institute of international repute, for

capacity building and enabling research in India centric technologies and policies in telecom domain.

- 8.3. To set-up a comprehensive repository in NTIPRIT for disseminating telecom field related information, standards, benchmarks, resources, program curriculum, etc.
- 8.4. To develop other training institutes under Department of Telecommunications and its organisations as national level telecom schools of excellence for imparting training to Government/ PSU officials and other stakeholders.
- 8.5. To promote and augment vocational and non-formal training institutes in urban and rural areas to cater to the skill and training needs of telecom sector.
- 8.6. To encourage collaboration with premier educational institutes like IITs and telecom research organisations of excellence for directing research and development to field problems.

## 9. PUBLIC SECTOR

- 9.1. To recognise the *strategic importance of Telecom PSUs* in nurturing/enhancing Government's intervention capabilities in matters of national security or international importance, including execution of bilateral projects funded by Government of India.
- 9.2. Appropriately consider the restructuring of the Public Sector Undertakings, under the Department of Telecommunications, in terms of management, manpower and equity.
- 9.3. To *encourage Public Sector Units under the DoT to identify and exploit strategic and operational synergies* so that they play a significant role in service provision, infrastructure creation, and manufacturing.
- 9.4. To exploit individual strengths of organisations under DoT/DIT to their mutual benefit for ensuring these organisations to effectively flourish in the competitive telecom market while adequately supporting the security needs of the nation. Efforts will be made for according preferential treatment for procurement of products and services rendered by individual organisations.
- 9.5. To recognise and enhance the opportunities available through/within Telecom PSUs for deployment of indigenously developed Telecom products, with Indian IPR, to provide vital support for domestic manufacturing of Indian Telecom products in the long run.

## **10. CLOUD SERVICES**

- 10.1. To recognise that cloud computing will significantly speed up design and roll out of services, enable social networking and participative governance and e-Commerce on a scale which was not possible with traditional technology solutions.
- 10.2. To take new policy initiatives to ensure rapid expansion of new services and technologies at globally competitive prices by addressing the concerns of cloud users and other stakeholders including specific steps that need to be taken for lowering the cost of service delivery.
- 10.3. To identify areas where existing regulations may impose unnecessary burden and take consequential remedial steps in line with International best practices for propelling nation to emerge as a global leader in the development and provision of cloud services to benefit enterprises, consumers and Central and State Governments.

## **11. TELECOM ENTERPRISE DATA SERVICES, IPV 6 COMPLIANT NETWORKS AND FUTURE TECHNOLOGIES**

- 11.1. To formulate appropriate policies in the area of enterprise and data services to fuel further growth of India's ICTE sector and attract investments.
- 11.2. To facilitate the role of new technologies in furthering public welfare and enhanced customer choices through affordable access and efficient service delivery. The emergence of new service formats such as *Machine-to-Machine (M2M) communications* (e.g. remotely operated irrigation pumps, smart grid etc.) represent tremendous opportunities, especially as their roll-out becomes more widespread.
- 11.3. To adopt best practices to address the issues (like encryption, privacy, network security, law enforcement assistance, inter-operability, preservation of cross-border data flows etc.) related to cloud services, M2M and other emerging technologies to promote a global market for India.
- 11.4. To recognize the importance of the new Internet Protocol IPv6 to start offering new IP based services on the new protocol and to encourage new and innovative IPv6 based applications in different sectors of the economy by enabling participatory approach of all stake holders.
- 11.5. To establish a dedicated centre of innovation to engage in R & D, specialized training, development of various applications in the field of IPv6. This will also be



responsible for support to various policies and standards development processes in close coordination with different international bodies.

## **12. FINANCING OF TELECOM SECTOR**

- 12.1. To create a *Telecom Finance Corporation* as a vehicle to mobilize and channelize financing for telecom projects in order to facilitate investment in the telecom sector.
- 12.2. To endeavor to include telecom sector projects within the ambit of financing from existing entities.
- 12.3. To *rationalise taxes, duties and levies affecting the sector and work towards providing a stable fiscal regime* to stimulate investments and making services more affordable.

## **13. ROLE OF REGULATOR, CHANGES IN LEGISLATION**

- 13.1. To review the TRAI Act with a view to addressing regulatory inadequacies/ impediments in effective discharge of its functions.
- 13.2. To undertake a comprehensive review of Indian Telegraph Act and its rules and other allied legislations with a view to making them consistent with and in furtherance of the above policy objectives.
- 13.3. To take requisite steps to strengthen various units of DoT as may be necessary to carry out functions required to achieve the objectives of this policy.

## **14. OPERATIONALISATION OF THE POLICY**

- 14.1 To take suitable facilitatory measures to encourage existing service providers to rapidly migrate to the new regime in a uniformly liberalised environment with a level playing field.
- 14.2 Policy will be operationalized by bringing out detailed guidelines, as may be considered appropriate, from time to time.

***The primary objective of NTP-2012 is maximizing public good by making available affordable, reliable and secure telecommunication and broadband services across the entire country. The main thrust of the Policy is on the multiplier effect and transformational impact of such services on the overall economy. It recognizes the role of such services in furthering the national development agenda while enhancing equity and inclusiveness. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the National Telecom Policy – 2012. NTP-2012 also recognizes the predominant role of the private sector in this field and the consequent policy imperative of ensuring continued viability of service providers in a competitive environment. Pursuant to NTP-2012, these principles would guide decisions needed to strike a balance between the interests of users/ consumers, service providers and government revenue.***



# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)  
PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित  
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NEW DELHI, THURSDAY, NOVEMBER 4, 2004/KARTIKA 13, 1926

श्रम और रोजगार मंत्रालय

अधिसूचना

नई दिल्ली, 4 नवम्बर, 2004

क.अ. 1233(अ).—केन्द्रीय सरकार, एतद्वारा औद्योगिक विवाद अधिनियम, 1947 (1947 का 14) की धारा 2 के खण्ड (क) के उप-खण्ड (i) के अनुसरण में टेलीग्राफ सेवा में कार्यरत अधिशासित उद्योग, जो भारतीय टेलीग्राफ अधिनियम, 1885 (1885 का 13) की धारा 4 के अन्तर्गत केन्द्र सरकार के नियंत्रण में है, को उक्त उप-खण्ड के प्रयोजनों के लिए विनिर्दिष्ट करती है।

[फा. सं. एस-11012/2/2004-आईआर (पीएल)]

जे. पी. पति, संयुक्त सचिव

MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi, the 4th November, 2004

S.O. 1233(E).—In pursuance of sub-clause (i) of clause (a) of Section 2 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby specifies, for the purposes of the said sub-clause, the controlled industry engaged in the telegraph service which is controlled by the Central Government under Section 4 of the Indian Telegraph Act, 1885 (13 of 1885).

[F. No. S-11012/2/2004-IR(PL)]

J. P. PATH, Jr. Secy.

THE INDUSTRIAL DISPUTES ACT, 1947

ACT NO. 14 OF 1947 1\*

[11th March, 1947.]

An Act to make provision for the investigation and settlement of industrial disputes, and for certain other purposes.

WHEREAS it is expedient to make provision for the investigation and settlement of industrial disputes, and for certain other purposes hereinafter appearing;

It is hereby enacted as follows:--

CHAPTER I

PRELIMINARY

1.

Short title, extent and commencement.

1. Short title, extent and commencement.- (1) This Act may be called the Industrial Disputes Act, 1947.

2\* [(2)] It extends to the whole of India:

3\*

(3) It shall come into force on the first day of April, 1947.

2.

Definitions.

2. Definitions.- In this Act, unless there is anything repugnant in the subject or context,--

(a) "appropriate Government" means--

(i) in relation to any industrial dispute concerning 4\*\* any industry carried on by or under the authority of the Central Government, 5\*\* or by a railway company 6\* [or concerning any such controlled industry as may be specified in this behalf by the Central Government] 7\*\* or in relation to an industrial dispute concerning 8\* [9\* [10\*

1. This Act has been extended to Goa, Daman and Diu by Reg. 12 of 1962, to Pondicherry (w.e.f. 1-10-1963) by Reg. 7 of 1963 and Laccadive, Minicoy and Amindivi Islands by Reg. 8 of 1965, s. 3 and Sch.

2. Subs. by Act 36 of 1956, s. 2, for the former sub-section (w.e.f. 29-8-1956).

3. Proviso omitted by Act 51 of 1970, s. 2 and Sch. (w.e.f. 1-9-1971).

4. Certain words and figures inserted by Act 10 of 1963, s. 47 and Sch. II, Pt. II have been omitted by Act 35 of 1964, s. 2 (w.e.f. 19-12-1964).

5. The words "by the Federal Labour Authority" omitted by the A. S. 10)

6. Ins. by Act 17 of 1941, s. 3.
7. The words "operating a Federal Railway" inserted by Act 6 of 1950.
8. Ins. by Act 47 of 1961, s. 51 and Sch. II, Pt. III (w.e.f. 1-1-1962).
9. Subs. by Act 36 of 1964, s. 2, for "the Deposit Insurance Corporation established" (w.e.f. 19-12-1964).
10. Subs. by Act 45 of 1971, s. 2 (w.e.f. 15-12-1971).

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[a Dock Labour Board established under section 5A of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1940), or the Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948), or the Employees' State Insurance Corporation established under section 3 of the Employees' State Insurance Act, 1948 (34 of 1948), or the Board of Trustees constituted under section 3A of the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948 (46 of 1948), or the Central Board of Trustees and the State Boards of Trustees constituted under section 5A and section 5B, respectively, of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952), or the "Indian Airlines" and "Air India" Corporations established under section 3 of the Air Corporations Act, 1953 (27 of 1953), or the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956), or the Oil and Natural Gas Commission established under section 3 of the Oil and Natural Gas Commission Act, 1959 (43 of 1959), or the Deposit Insurance and Credit Guarantee Corporation established under section 3 of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 (47 of 1961), or the Central Warehousing Corporation established under section 3 of the Warehousing Corporations Act, 1962 (58 of 1962), or the Unit Trust of India established under section 3 of the Unit Trust of India Act, 1963 (52 of 1963), or the Food Corporation of India established under section 3, or a Board of Management established for two or more contiguous States under section 16, of the Food Corporations Act, 1964 (37 of 1964), or the International Airports Authority of India constituted under section 3 of the International Airports Authority of India Act, 1971 (48 of 1971), or a Regional Rural Bank established under section 3 of the Regional Rural Banks Act, 1976 (21 of 1976), or the Export Credit and Guarantee Corporation Limited or the Industrial Reconstruction Bank of India 2\* [the National Housing Bank established under section 3 of the National Housing Bank Act, 1987 (53 of 1987) or] 3\* [a banking or an insurance company, a mine, an oil-field] 4\* [a Cantonment Board,] or a major port, the Central Government, and

(ii) in relation to any other industrial dispute, the State Government;

4\*[(aa) "arbitrator" includes an umpire;]

5\*[6\*[(aaa)] "average pay" means the average of the wages payable to a workman--

(1) in the case of monthly paid workman, in the three complete calendar months,

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1. Subs. by Act 46 of 1982, s. 2 (w.e.f. 21-8-1984).
  2. Ins. by Act 53 of 1987, s. 56 and Sch. II (w.e.f. 9-7-1988).
  3. Subs. by Act 54 of 1949, s. 3, for "a mine, oil-field".
  4. Ins. by Act 36 of 1964, s. 2 (w.e.f. 19-12-1964).
  5. Ins. by Act 43 of 1953, s. 2 (w.e.f. 24-10-1953).
  6. Cl. (aa) relettered as "(aaa)" by Act 36 of 1964, s. 2 (w.e.f. 19-12-1964).

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(ii) in the case of weekly paid workman, in the four complete weeks,

(iii) in the case of daily paid workman, in the twelve full working days,

preceding the date on which the average pay becomes payable if the workman had worked for three complete calendar months or four complete weeks or twelve full working days, as the case may be, and where such calculation cannot be made, the average pay shall be calculated as the average of the wages payable to a workman during the period he actually worked;]

1\*[(b) "award" means an interim or a final determination of any industrial dispute or of any question relating thereto by any Labour Court, Industrial Tribunal or National Industrial Tribunal and includes an arbitration award made under section 10A;]

2\*[(bb) "banking company" means a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949), having branches or other establishments in more than one State, and includes 3\*[the Export-Import Bank of India 4\*[the Industrial Reconstruction Bank of India,] 5\*[the Industrial Development Bank of India,] 6\*[the Small Industries Development Bank of India established under section 3 of the Small Industries Development Bank of India Act, 1989 (39 of 1989),] the Reserve Bank of India, the State Bank of India 7\*[a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), 8\*[a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), and any subsidiary bank]] as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959);]

(c) "Board" means a Board of Conciliation constituted under this Act;

9\*[(cc) "closure" means the permanent closing down of a place of employment or part thereof;]

(d) "conciliation officer" means a conciliation officer appointed under this Act;

(e) "conciliation proceeding" means any proceeding held by a conciliation officer or Board under this Act;

1. Subs. by Act 36 of 1956, s. 3, for cl. (b) (w.e.f. 10-3-1957).
2. Subs. by Act 38 of 1959, s. 64 and Sch. III, Pt. II, for cl. (bb) which was ins. by Act 54 of 1949, s. 3.
3. Ins. by Act 28 of 1981, s. 40 and Sch. II (w.e.f. 1-1-1982).
4. Ins. by Act 62 of 1984, s. 71 and Sch. III (w.e.f. 20-3-1985).
5. Ins. by Act 10 of 1964, s. 38 and Sch. II, Pt. II (w.e.f. 1-7-1964).
6. Ins. by Act 39 of 1989, s. 53 and 2nd Sch. (w.e.f. 7-3-1990).
7. Subs. by Act 5 of 1970, s. 20, for "and any subsidiary bank" (w.e.f. 19-7-1969).
8. Subs. by Act 40 of 1980, s. 20 (w.e.f. 15-4-1980).
9. Ins. by Act 46 of 1982, s. 2 (w.e.f. 21-8-1984).

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1\*[(ee) "controlled industry" means any industry the control of which by the Union has been declared by any Central Act to be expedient in the public interest;]

2\*

(f) "Court" means a Court of Inquiry constituted under this Act;

(g) "employer" means

(i) in relation to an industry carried on by or under the control of any department of the Central

prescribed in this behalf, or where no authority is prescribed, the head of the department;

(ii) in relation to an industry carried on by or on behalf of a local authority, the chief executive officer of that authority;

4\* [(gg) "executive", in relation to a trade union, means the body, by whatever name called, to which the management of the affairs of the trade union is entrusted;]

5\*

(1) a person shall be deemed to be "independent" for the purpose of his appointment as the chairman or other member of a Board, Court or Tribunal, if he is unconnected with the industrial dispute referred to such Board, Court or Tribunal or with any industry directly affected by such dispute:

6\* [Provided that no person shall cease to be independent by reason only of the fact that he is a shareholder of an incorporated company which is connected with, or likely to be affected by, such industrial dispute; but in such a case, he shall disclose to the appropriate Government the nature and extent of the shares held by him in such company;]

7\* [(j) "industry" means any systematic activity carried on by co-operation between an employer and his workmen (whether such workmen are employed by such employer directly or by or through any agency, including a contractor) for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes (not being wants or wishes which are merely spiritual or religious in nature), whether or not,--

(i) any capital has been invested for the purpose of carrying on such activity; or

(ii) such activity is carried on with a motive to make any gain or profit,

and includes--

(a) any activity of the Dock Labour Board established under section 5A of the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948);

(b) any activity relating to the promotion of sales or business or both carried on by an establishment.

but does not include--

(1) any agricultural operation except where such agricultural operation is carried on in an integrated manner with any other activity (being any such activity as is referred to in the foregoing provisions of this clause) and such other activity is the predominant one.

Explanation.--For the purposes of this sub-clause, "agricultural operation" does not include any activity carried on in a plantation as defined in clause (f) of section 2 of the Plantations Labour Act, 1951 (69 of 1951); or

(2) hospitals or dispensaries; or

(3) educational, scientific, research or training institutions;

or

(4) institutions managed by organisations wholly or

substantially engaged in any charitable, social or philanthropic service; or

(5) khadi or village industries; or

(6) any activity of the Government relating to the sovereign functions of the Government including all the activities carried on by the departments of the Central Government dealing with defence research, atomic energy and space; or

(7) any domestic service; or

(8) any activity, being a profession practised by an individual or body or individuals, if the number of persons employed by the individual or body or individuals in relation to such profession is less than ten; or

(9) any activity, being an activity carried on by a co-operative society or a club or any other like body of individuals, if the number of persons employed by the co-operative society, club or other like body of individuals in relation to such activity is less than ten:]

1. Ins. by Act 65 of 1951, s. 32.
2. Cl. (eee) ins. by Act 43 of 1953, s. 2 omitted by Act 36 of 1964, s. 2 (w.e.f. 19-1-1964).
3. Subs. by the A. O. 1948, for "a Government in British India".
4. Ins. by Act 45 of 1971, s. 2 (w.e.f. 15-12-1971).
5. Cl. (h) omitted by the A. O. 1950.
6. Ins. by Act 18 of 1952, s. 2.
7. Subs. by Act 46 of 1982, s. 2 (w.e.f. -----).

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(k) "industrial dispute" means any dispute or difference between employers and employees or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person;

1\*(ka) "industrial establishment or undertaking" means an establishment or undertaking in which any industry is carried on:

Provided that where several activities are carried on in an establishment or undertaking and only one or some of such activities is or are an industry or industries, then,--

- (a) if any unit of such establishment or undertaking carrying on any activity, being an industry, is severable from the other unit or units of such establishment or undertaking, such unit shall be deemed to be a separate industrial establishment or undertaking;
- (b) if the predominant activity or each of the predominant activities carried on in such establishment or undertaking or any unit thereof is an industry and the other activity or each of the other activities carried on in such establishment or undertaking or unit thereof is not severable from and is, for the purpose of carrying on, or aiding the carrying on of, such predominant activity or activities, the entire establishment or undertaking or, as the case may be, unit thereof shall be deemed to be an industrial establishment or undertaking:]

2\*(kb) "insurance company" means an insurance company as defined in section 2 of the Insurance Act, 1938, and of 1956, and includes any other establishment or person carrying on insurance business.



1984] "Labour Court" means Labour Court constituted under section 4.]

4\*[(kkk) "lay-off" (with its grammatical variations and cognate expressions) means the failure, refusal or inability of an employer on account of shortage of coal, power or raw materials or the accumulation of stocks or the breakdown of machinery 5\* (or natural calamity or for any other connected reason) to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched.

Explanation.--Every workman whose name is borne on the muster rolls of the industrial establishment and who presents himself for work at the establishment at the time appointed for the purpose during normal working hours on any day and is not given employment by the employer within two hours of his so presenting himself shall be deemed to have been laid-off for that day within the meaning of this clause:

Provided that if the workman, instead of being given employment at the commencement of any shift for any day is asked to present himself for the purpose during the second half of the shift for the day and is given employment then, he shall be deemed to have been laid-off only for one-half of that day:

Provided further that if he is not given any such employment even after so presenting himself, he shall not be deemed to have been laid-off for the second half of the shift for the day and shall be entitled to full basic wages and dearness allowance for that part of the day:]

- 
1. Ins. by Act 46 of 1984 s. 2 (w.e.f. 21-8-1984).
  2. Ins. by Act 54 of 1949, s. 3.
  3. Relettered by Act 46 of 1984, s. 2 (w.e.f. 21-8-1984).
  4. Ins. by Act 43 of 1953, s. 2 (w.e.f. 24-10-1953).
  5. Subs. by Act 46 of 1984, s. 2 (w.o.f. 21-8-1984).

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(1) "lock-out" means the 1\* [temporary closing of a place of employment] or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him;

2\* [(1a) "major port" means a major port as defined in clause (8) of section 3 of the Indian Ports Act, 1908 (15 of 1908);

(1b) "mine" means a mine as defined in clause (j) of subsection (1) of section 2 of the Mines Act, 1952 (35 of 1952)];

3\* [(11) "National Tribunal" means a National Industrial Tribunal constituted under section 7B;]

4\* [(111) "office bearer", in relation to a trade union, includes any member of the executive thereof, but does not include an auditor;]

(m) "prescribed" means prescribed by rules made under this Act;

(n) "public utility service" means--

(i) any railway service 2\* (or any transport service for the carriage of passengers or road traffic

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART-II,  
SECTION-3, SUB-SECTION (i)]

MINISTRY OF CORPORATE AFFAIRS

Notification

New Delhi dated the 7<sup>th</sup> Dec, 2011

G.S.R. 869 (E). - In exercise of the powers conferred by sub-section (1) of section 642, read with clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 (1 of 1956), and in supersession of the Cost Accounting Records (Telecommunications) Rules, 2002 vide G.S.R. 689(E), dated the 8<sup>th</sup> October, 2002, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely: -

1. **Short Title and Commencement, -** (1) These rules may be called the Cost Accounting Records (Telecommunication Industry) Rules, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. **Definitions and Interpretations, -** In these rules, unless otherwise requires, -

- (a) "Act" means the Companies Act, 1956 (1 of 1956);
- (b) "compliance report" means the compliance report duly authenticated and signed by a cost accountant in the specified form of compliance report;
- (c) "Cost Accountant" for the purpose of these rules means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who is either a permanent employee of the company or holds a valid certificate of practice under sub-section (1) of section 6 and who is deemed to be in practice under sub-section (2) of section 2 of that Act and includes a firm of cost accountants;
- (d) "Cost Accounting Standards" means the standards of cost accounting, issued by the Institute;
- (e) "cost records" means books of account relating to utilization of materials, labour and other items of cost as applicable to the production, processing, manufacturing or mining activities of the company;
- (f) "Form-A" means the form specified in these rules for filing compliance report and other documents with the Central Government in the electronic mode;
- (g) "Form-B" means the form of the compliance report and includes Annexure to the compliance report;
- (h) "Generally Accepted Cost Accounting Principles" means the principles of cost accounting issued by the Institute;

- (i) "Institute" means the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959 (23 of 1959);
- (j) "product" means any tangible or intangible good, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal;
- (k) "product group" in relation to tangible products means a group of homogenous and alike products, produced from same raw materials and by using similar or same production process, having similar physical or chemical characteristics and common unit of measurement, and having same or similar usage or application; and in relation to intangible products means a group of homogenous and alike products or services, produced by using similar or same process or inputs, having similar characteristics and common unit of measurement, and having same or similar usage or application;
- (l) "telecommunication activities" means any art, process, procedure, function, operation, technique, treatment or method employed in relation to telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium and includes intermediate and allied activities thereof and these activities would, inter alia, include the following services or activities, including such services that require license or registration with the Ministry of Communications and Information Technology, Government of India, namely: -
- (i) Basic Telephone Services;
  - (ii) National Long Distance Services;
  - (iii) International Long Distance Services;
  - (iv) Cellular Mobile Telephone Services;
  - (v) Wireless Local Loop (WLL) (Fixed or Mobile) Telephone Services;
  - (vi) Very Small Aperture Terminal Services;
  - (vii) Public Mobile Radio Trunk Services;
  - (viii) Global Mobile Personal Communication Services;
  - (ix) Internet or Broadband or Wireless Access service;
  - (x) Infrastructure Provider (IP-1);
  - (xi) Passive Telecom Infrastructure including Telecom Tower Facilities;
  - (xii) Cable Landing Stations; and
  - (xiii) Any other related, allied, intermediate or support services in relation to telecommunication activities not indicated above.
- (m) "turnover" means total turnover made by the company from the sale or supply of all products or services during the financial year and it includes any turnover from job work or loan license operations and the subsidies or grants or incentives received but does not include any non-operational income;

(n) all other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of section 209 of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.

3. **Application, –** These rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, manufacturing, or rendering of telecommunication activities and wherein, the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India:

*Provided that these rules shall not apply to a body corporate governed by any special Act.*

4. **Maintenance of records, –** (1) Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the date of this notification, keep cost records and the books of account so maintained shall contain, inter-alia, the particulars specified in Proformae A to H mentioned in the Schedule annexed to these rules.
- (2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis.
- (3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable and the variations, if any, shall be clearly indicated and explained.
- (4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources and these records shall also provide necessary data which is required to be furnished under these rules.
- (5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company and the variations, if any, shall be clearly indicated and explained.

- (6) All such cost records, cost statements and reconciliation statements, maintained under these rules, relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order.
- (7) Every person, referred to in sub-section (6) and (7) of section 209 of the Companies Act, 1956 (1 of 1956), shall take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.
5. **Form of the Compliance Report, –** Every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the date of this notification, duly certified by a Cost Accountant, along with the Annexure to the Central Government, in the specified form.
6. **Time limit for submission of Compliance Report, –** Every company shall submit the compliance report referred to in rule 5 to the Central Government within a period of one hundred and eighty days from the close of the company's financial year to which the compliance report relates.
7. **Authentication of Annexure to the Compliance Report, –** The Annexure to the compliance report shall be approved by the Board of Directors and certified by the Cost Accountant before submitting the same to the Central Government by the company.
8. **Penalties, – (1)** If default is made by the Cost Accountant in complying with the provisions of these rules, he shall be punishable with fine, which may extend to five thousand rupees.
- (2) For contravention of these rules, -
- (a) the company shall be punishable as provided under sub-section (2) of section 642 of the Act; and
- (b) every officer thereof who is in default, including the persons referred to in sub-section (6) of section 209 of the Act, shall be punishable as provided under sub-sections (5) and (7) of section 209 of Companies Act, 1956 (1 of 1956).
9. **Savings, –** The supersession of the Cost Accounting Records (Telecommunications) Rules, 2002, shall not in any way affect-
- (a) any right, obligation or liabilities acquired, accrued or incurred thereunder;
- (b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and
- (c) Any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may be instituted,

continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

(n) all other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of section 209 of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.

**3. Application, –** These rules shall apply to every company, including a foreign company as defined under section 591 of the Act, which is engaged in the production, processing, manufacturing, or rendering of telecommunication activities and wherein, the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India:

*Provided that these rules shall not apply to a body corporate governed by any special Act.*

**4. Maintenance of records, – (1)** Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the date of this notification, keep cost records and the books of account so maintained shall contain, inter-alia, the particulars specified in Proformae A to H mentioned in the Schedule annexed to these rules.

(2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis.

(3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable and the variations, if any, shall be clearly indicated and explained.

(4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources and these records shall also provide necessary data which is required to be furnished under these rules.

(5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company and the variations, if any, shall be clearly indicated and explained.

- (6) All such cost records, cost statements and reconciliation statements, maintained under these rules, relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order.
- (7) Every person, referred to in sub-section (6) and (7) of section 209 of the Companies Act, 1956 (1 of 1956), shall take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of section 209 of the said Act.
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8. **Penalties, – (1)** If default is made by the Cost Accountant in complying with the provisions of these rules, he shall be punishable with fine, which may extend to five thousand rupees.
- (2) For contravention of these rules, -
- (a) the company shall be punishable as provided under sub-section (2) of section 642 of the Act; and
- (b) every officer thereof who is in default, including the persons referred to in sub-section (6) of section 209 of the Act, shall be punishable as provided under sub-sections (5) and (7) of section 209 of Companies Act, 1956 (1 of 1956).
9. **Savings, –** The supersession of the Cost Accounting Records (Telecommunications) Rules, 2002, shall not in any way affect-
- (a) any right, obligation or liabilities acquired, accrued or incurred thereunder;
- (b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and
- (c) Any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may be instituted,



**continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.**

# Annexure - E

म. फारूकी  
स्वयं  
M.F. FAROOQUI  
Secretary



सत्यमेव जयते

भारत सरकार  
Government of India  
संचार एवं सूचना प्रौद्योगिकी मंत्रालय  
Ministry of Communications &  
Information Technology  
दूर संचार विभाग  
Department of Telecommunications

D.O. No. 17-2/2013-S-1  
August 8, 2013

This is in reference to the earlier DO no. 32-10/2012-EW dated 26<sup>th</sup> March, 2013 regarding broad guidelines for issue of clearance by State Governments / Local Bodies to the Telecom Service Providers for installation of mobile towers wherein State Government was requested to participate in stakeholders meeting held on 15<sup>th</sup> April, 2013. Based on the interaction and feedback from various stakeholders including State Governments and Civil Society, DOT has further reviewed the earlier guidelines and issued the new inclusive guidelines now, in order to ensure that the momentum of telecom growth continues unabated while public concerns about safety and human health are addressed in the best possible way. I believe these guidelines will help you evolve a unified approach on the subject.

2. It may please be noted that all technical issues related to electro-magnetic radiation, wireless frequency, allocations and access service licenses /Infrastructure provider's registration etc. in respect of telecommunication services are dealt by DOT. DOT has its field units called "TERM Cells" in each State. The State Government may coordinate /consult with TERM Cell, wherever necessary.

3. I would, therefore, request that the State Government/ Local Bodies may take suitable action in respect of Part (A) and Part (B) of the enclosed guidelines, which are also available on DOT's website <http://dot.gov.in>. I am sure that, these new guidelines will improve clarity in the matter and go a long way in streamlining the whole process of issue of clearance for installation of mobile towers leading to faster permissions to Telecom Service Providers.

With regards,

Yours sincerely,

*M.F. Farooqui*  
(M.F. Farooqui)

Encl: As above

To

All Chief Secretaries of all States and Union Territories

**DEPARTMENT of TELECOMMUNICATIONS**  
**ADVISORY GUIDELINES FOR STATE GOVERNMENTS FOR**  
**ISSUE OF CLEARANCE FOR INSTALLATION OF MOBILE TOWERS**  
(Effective from 01.08.2013)

1. The Indian telecom sector has witnessed phenomenal growth and mobile telephony in particular has revolutionized in the country over the past decade. Providing telephone coverage across the country has been one of DoT's top priority areas. Out of 921 million connections, 891 million are wireless, as on May 2013. The popularity of cell phone and wireless communication devices has resulted in a proliferation of cell towers across the country.
2. Fixation of standards for exposure limits of radio frequency field emissions from mobile base stations, monitoring their compliance, all radiation related technical issues, issues of Access Service Licence / Infrastructure Provider registration and SACFA clearance for frequency allocation at any location are dealt with by DoT.
3. India has adopted strict limit for radiation from Base Transceiver Station (BTS), as below, which is 1/10<sup>th</sup> of the International norms (ICNIRP):

Frequency in MHz	Power density limit
900	0.45 watt/m <sup>2</sup>
1800	0.9 watt/m <sup>2</sup>
2100 and above	1 watt/m <sup>2</sup>

4. Broad guidelines for issue of clearance for installation of mobile phone towers were issued on 23.08.2012 and later modified on 26.03.2013. Subsequently, on the basis of feedback received after deliberations made with the state government officials and various stake holders on 16.04.2013 and holding further consultations thereafter, the guidelines have been finalized for the state governments. These are detailed in A and B below. ***These guidelines are issued in supersession of all earlier guidelines on the subject.***

**A. Documents to be submitted by Telecom Service Providers/ Infrastructure Providers for obtaining clearance from local bodies / state governments for installation of mobile towers:**

- I. Copy of relevant license / Infrastructure Provider Registration Certificate from Department of Telecommunications.
- II. Data Sheet
  - a) Name of Service/Infrastructure Provider
  - b) Location
  - c) Tower Reference:
    - i) Height, ii) Weight iii) Ground/Roof Top iv) Pole/wall mounted v) Number of antennae
- III. Copy of SACFA clearance / copy of SACFA application for the said location submitted to WPC wing of DoT with registration number as

WPC acknowledgement along with undertaking that in case of any objection/ rejection, TSPs/ IPs will take corrective actions / remove the tower.

- IV. Copy of structural stability certificate for ground based tower. In case of roof top BTS towers, structural stability certificate for the building and tower based on written approvals of any authorized Structural Engineer of state/local bodies/Central Building Research Institute (CBRI), Roorkee/ IIT/NIT or any other agency authorized by local body.
- V. Copy of the type test certificate issued by Automotive Research Association of India (ARAI) to the manufacturers of the Diesel Generator (DG) Sets.
- VI. Copy of clearance from Fire Safety Department only in case for high rise buildings where Fire Clearance is mandatory.
- VII. For forest protected areas, the copy of clearance from State Environment & Forest Department, if applicable.
- VIII. The local bodies may also seek submission of the copy of No Objection Certificate (NOC) from Building Owner / entities having roof top rights or roof top tenants in case of roof based tower/ land owner in case of ground based tower, as the case may be. As per their rules in force, State Governments, at their discretion, may seek fresh NOC at the time of renewal of site (tenancy) contract for mobile tower.
- IX. Acknowledgement receipt issued by TERM Cells (DoT) of the self-certificate submitted by Telecom Service Provider/ Infrastructure Provider in respect of mobile tower/ BTS (ground based/ roof top/ Pole/ wall mounted) in the format as prescribed by TEC, DoT, establishing / certifying that all General Public areas around the tower will be within safe EMR exposure limit as per peak traffic measurement after the antennae starts radiating.

## **B. Action by State government/Local body**

- I. Nominal one time Administrative Fee as may be decided by the State Government to recover its costs on the issue of permission for installation of Tower.
- II. Single Window Clearance may be provided in a time bound manner to telecom service provider / Infrastructure provider by the local body / State Government. This will ensure issuance of faster clearances.
- III. Telecom towers have been given infrastructure status by Government of India vide gazette notification no 81 dated 28.03.2012. All benefits, as applicable to infrastructure industry, should be extended. Electricity connection may be provided to **BTS site on priority.**
- IV. Telecom installations are lifeline installations and a critical infrastructure in mobile communication. In order to avoid disruption in mobile communication, an essential service, sealing of BTS

towers / disconnection of electricity may not be resorted to without the consent of the respective TERM Cell of DoT in respect of the EMF related issues.

- V. State Governments along with DoT may organise public awareness programmes involving civil society members.
- VI. In order to effectively address **Public Grievances** relating to installation of towers and issues related to telecom infrastructure, State Governments may setup:
  - State Level Telecom Committee (STC) consisting of officers from TERM Cells, State Administration, representative(s) of concerned Telecom Service Provider(s) and eminent public persons etc.
  - District Level Telecom Committee (DTC) consisting of officers from District Administration, representative(s) of concerned Telecom Service Provider(s) and eminent public persons etc.

### **C. Action by DoT/ TERM Cells**

- I. Public awareness programme (Through DoT web portal / Govt. Publication).
- II. a) For all the existing as well as new BTSs / Towers, Telecom Service Providers are required to submit self-certificates periodically in the format as prescribed by TEC, DoT, in order to ensure that normally all general public areas around the site are within the safe EMR exposure limits. Any violation noticed attracts heavy penalties on Telecom Service Provider(s) and may also lead to shut down of BTS in case the violation persists.  
b) The TERM Cells have been given clear instructions with regard to the technical audit of BTS, including for radiation from towers within safe limits. These include roof top/ ground based/ pole mounted/ wall mounted towers. They will also verify antenna orientation, safe distance from the tower (exclusion zone) etc. Installation and augmentation of BTS and antenna is a continuous process. DoT is organizing frequent workshops for these officers to ensure observance of the latest guidelines issued by DoT on the subject of EMF radiation and public safety. Additional Guidelines for TERM Cells as follows:

**Additional Guidelines to TERM Cells for auditing BTS**

**For EMF radiation**

**(Effective from 01.08.2013)**

**\*\*\*\*\***

1. Instructions/guidelines have been issued to the TERM Cells for auditing the RF radiations from BTS for compliance to the prescribed norms. Following are additional guidelines to TERM Cells in the matter.
2. With a view to strengthen monitoring and compliance of safety aspects / provisions in regard to radio frequency emissions from mobile towers, TERM Cells may take the following also into account while conducting their audits for the purpose of ensuring that all general public areas are within safe EMF exposure limits as prescribed by DoT.
  - In case of both ground based towers & roof top towers, there shall be no building right in front of the antenna(e), of equivalent height taking into account the tilt of the lowest antenna on tower as per details in the table below. Further, the antennae at the same height only are to be counted, as the beam width of the mobile antennae, in the vertical direction, is very narrow.

<b>Number of antenna(e) pointed in the same direction</b>	<b>Building/Structure safe distance from the antenna(e) at the same height (in meters)</b>
1	20
2	35
4	45
6	55

- The distance figures in the above table are based on empirical estimation considering that all the antennae are emitting at their maximum RF power of 20 Watts and exactly in the same direction with same height (a worst case scenario). In practice, the values of safe distance of buildings will depend upon actual deployment scenarios and mostly, may be far less than depicted above.
3. Wall Mounted/Pole mounted Antenna:
    - Wherever the antennae are mounted on the wall of building or pole on/along the road, their height should be at least 5 meters above ground level /road level. However, such installations will have to comply with the radiation limits.
    - As far as safe distance of buildings from antenna is concerned, guidelines as given above will apply.

**\*\*\*\*\***

continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

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The Gazette of India

असाधारण  
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(आर्थिक कार्य विभाग)

(अवसंरचना अनुभाग)

अधिसूचना

नई दिल्ली, 1 अप्रैल, 2013

फा. सं. 13/6/2009-इफ्र. —सक्षम प्राधिकारी के अनुमोदन से एतद्वारा अवसंरचना के उप-क्षेत्रों की अद्यतन सुमेलित मास्टर सूची अधिसूचित की गई है (अनुबंध-1)। इससे 27-3-2012 की अधिसूचना में निम्नलिखित नए उप-क्षेत्र जोड़े जाएंगे :

- I. उप-क्षेत्र 'पत्तन' के अंतर्गत तलकर्षण
- II. पतले मसाले की पाइपलाइनें
- III. दूरसंचार और दूरसंचार सेवाएं

आशीष घजनी, निदेशक (अवसंरचना)



## अवसंरचना उप-क्षेत्रों की अपतन सुमेनित मास्टर सूची

क्र.सं.	श्रेणी	अवसंरचना उप-क्षेत्र
1.	परिवहन	<ul style="list-style-type: none"> <li>सड़कें और पुल</li> <li>पत्तन</li> <li>अन्तर्देशीय जलमार्ग</li> <li>एयरपोर्ट,</li> <li>रेलवे मार्ग, सुरंग, सेतु, पुल</li> <li>शहरी मोक परिवहन (शहरी सड़क परिवहन के मामले में पैकिंग स्ट्रक के सिव्य)</li> </ul>
2.	ऊर्जा	<ul style="list-style-type: none"> <li>विद्युत उत्पादन</li> <li>विद्युत पारेषण</li> <li>विद्युत वितरण</li> <li>तेल पाइपलाइनें</li> <li>तेल/बैस/द्रवीभूत प्राकृतिक गैस (एलएनजी) भंडारण सुविधा</li> <li>गैस पाइपलाइनें</li> </ul>
3.	जल और स्वच्छता	<ul style="list-style-type: none"> <li>वेस अपशिष्ट प्रक्षेप</li> <li>जल आपूर्ति पाइपलाइनें</li> <li>जल शोधन संयंत्र</li> <li>संयोजक संयोजन, प्रबंधन तथा निपटारा इणाली सिमेंट (बॉथ, बेनत, तटबंध आदि)</li> <li>स्टोर्म वाटर निकाली प्रणाली</li> <li>प्रतने मसाने की पाइपलाइनें</li> </ul>
4.	संचार	<ul style="list-style-type: none"> <li>दूरसंचार (फिबर्स ऑप्टिक नेटवर्क)</li> <li>दूरसंचार टावर</li> <li>दूरसंचार और दूरसंचार सेवाएं</li> </ul>
5.	सामाजिक तथा धार्मिक अवसंरचना	<ul style="list-style-type: none"> <li>शिक्षण संस्थान (केपिटल स्ट्रक)</li> <li>अस्पताल (केपिटल स्ट्रक)</li> <li>1 मिलियन से अधिक आबादी वाले शहरों से बाहर अवस्थित तीन-सितारा अथवा उच्चतर श्रेणी के वर्गीकृत होटल</li> <li>औद्योगिक पार्क, फुडपार्क, पर्यटन सुविधाएं तथा कृषि बाजार हेतु सड़की अवसंरचना</li> <li>उद्योग (पूरी निर्देश)</li> <li>कृषि तथा समकाली उत्पाद हेतु शीत भंडारण सहित कटाई उपरान्त भण्डारण अवसंरचना</li> <li>टर्किनल बाजार</li> <li>मूड-परिक्षण प्रयोगशालाएं</li> <li>शीत श्रृंखला</li> </ul>

<sup>1</sup> तसकर्मण शामिल है।

<sup>2</sup> मोडिंग/अपमोडिंग इमिलिती, सुदेथनी तथा अकनी सीसी सड़क इमिलिती अवसंरचना शामिल है।

<sup>3</sup> कच्चे तेल का अद्वयपूर्ण भंडारण शामिल है।

<sup>4</sup> शहरी गैस संचितरण नेटवर्क शामिल है।

<sup>5</sup> आपुतिक फाइबर/वायरलेस नेटवर्क, ओ ब्राडबैंड/इंटरनेट उपनवष कराते हैं, शामिल हैं।

<sup>6</sup> चिकित्सा कालेज, पैर-चिकित्सा प्रशिक्षण संस्थान तथा नैदानिक केंद्र शामिल हैं।

<sup>7</sup> कृषि तथा समकाली उत्पाद, जल उत्पाद तथा मांस के परिरक्षण अथवा भण्डारण हेतु खेत स्तर की पी-कुलिंग हेतु शीत कक्ष सुविधा शामिल है।

**MINISTRY OF FINANCE**  
(Department of Economic Affairs)  
(Infrastructure Section)

**NOTIFICATION**

New Delhi, the 1<sup>st</sup> April, 2013

F. No. 13/6/2009-INF.—With the approval of the competent authority, an updated Harmonized Master list of Infrastructure Sub-sectors is hereby notified (Annexure-I). This adds the following new sub-sectors to the notification dated 27-3-2012 :

- i. Capital Dredging, under the sub-sector 'Ports'.
- ii. Slurry Pipelines
- iii. Telecommunication & Telecom Services

ASHISH VACHANI, Director (Infra)

Annexure-I

**Updated Harmonised Master List of Infrastructure Sub-Sectors**

S.No	Category	Infrastructure Sub-sectors
1	Transport	<ul style="list-style-type: none"> <li>• Road and bridges</li> <li>• Ports<sup>1</sup></li> <li>• Inland Waterways</li> <li>• Airports</li> <li>• Railway Track, tunnels, viaducts, bridges<sup>2</sup></li> <li>• Urban Public Transport (except rolling stock in case of urban road transport)</li> </ul>
2.	Energy	<ul style="list-style-type: none"> <li>• Electricity Generation</li> <li>• Electricity Transmission</li> <li>• Electricity Distribution</li> <li>• Oil pipelines</li> <li>• Oil/Gas/Liquefied Natural Gas (LNG) storage facility<sup>3</sup></li> <li>• Gas pipelines<sup>4</sup></li> </ul>
3	Water & Sanitation	<ul style="list-style-type: none"> <li>• Solid Waste Management</li> <li>• Water supply pipelines</li> <li>• Water treatment plants</li> <li>• Sewage collection, treatment and disposal system</li> <li>• Irrigation (dams, channels, embankments, etc.)</li> <li>• Storm Water Drainage System</li> <li>• Slurry Pipelines</li> </ul>
4.	Communication	<ul style="list-style-type: none"> <li>• Telecommunication (Fixed network)<sup>5</sup></li> <li>• Telecommunication towers</li> <li>• Telecommunication &amp; Telecom Services</li> </ul>
5.	Social and Commercial Infrastructure	<ul style="list-style-type: none"> <li>• Education Institutions (capital stock)</li> <li>• Hospitals (capital stock)<sup>6</sup></li> <li>• Three-star or higher category classified hotels located outside cities with population of more than 1 million.</li> <li>• Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets.</li> <li>• Fertilizer (Capital Investment)</li> <li>• Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage</li> <li>• Terminal markets</li> <li>• Soil-testing laboratories</li> <li>• Cold chain<sup>7</sup></li> </ul>

- <sup>1</sup> Includes Capital Dredging.
- <sup>2</sup> Includes supporting terminal infrastructure such as loading/unloading terminals, stations and buildings.
- <sup>3</sup> Includes strategic storage of crude oil.
- <sup>4</sup> Includes city gas distribution network.
- <sup>5</sup> Includes optic fibre/wire/cable networks which provide broadband/internet.
- <sup>6</sup> Includes Medical Colleges, Para Medical Training Institutes and Diagnostic Centres.
- <sup>7</sup> Includes cold room facility for farm level pre-cooling, for preservation or storage of agriculture and allied produce, marine products and meat.