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TELECOM REGULATORY AUTHORITY OF INDIA

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For Immediate release **Website :- www.trai.gov.in**

"Indian Telecom Services Performance Indicator Report" for the Quarter ending September 2010.

The TRAI today released the **"Indian Telecom Services Performance Indicator Report"** for the Quarter ending September 2010. This Report provides a broad perspective of the Telecom Services and presents the key parameters and growth trends for the Telecom Services as well as Cable TV, DTH & Radio Broadcasting services in India for the period covering July to September 2010, and is compiled on the basis of information furnished by the Service Providers.

Executive Summary of the Report is enclosed. The complete Report is available on TRAI's website www.trai.gov.in.

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Authorised to issue.

(Raj Pal)
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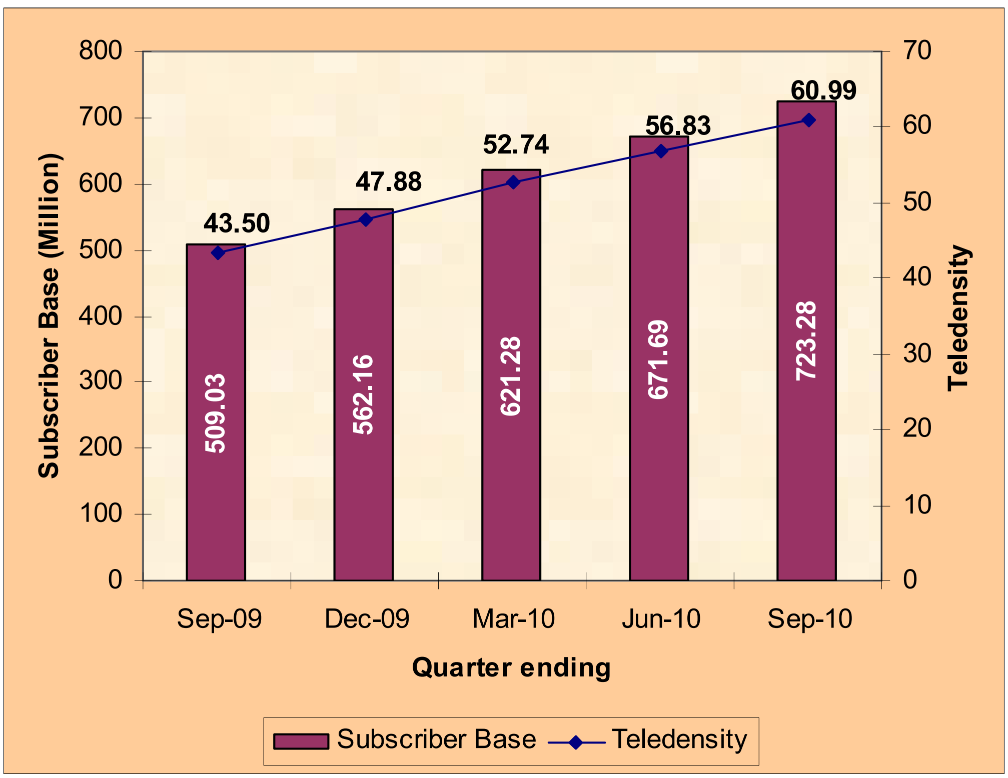
The Indian Telecom Services Performance Indicators
July - September 2010

Executive Summary

1. The number of telephone subscribers in India increased from 671.69 million in Jun-10 to 723.28 million at the end of Sep-10, registering a sequential growth of 7.68% over the previous quarter as against 8.11% during the QE Jun-10. This reflects year-on-year (Y-O-Y) growth of 42.09% over the same quarter of last year. The overall Teledensity in India has reached 60.99 as on 30th September 2010.

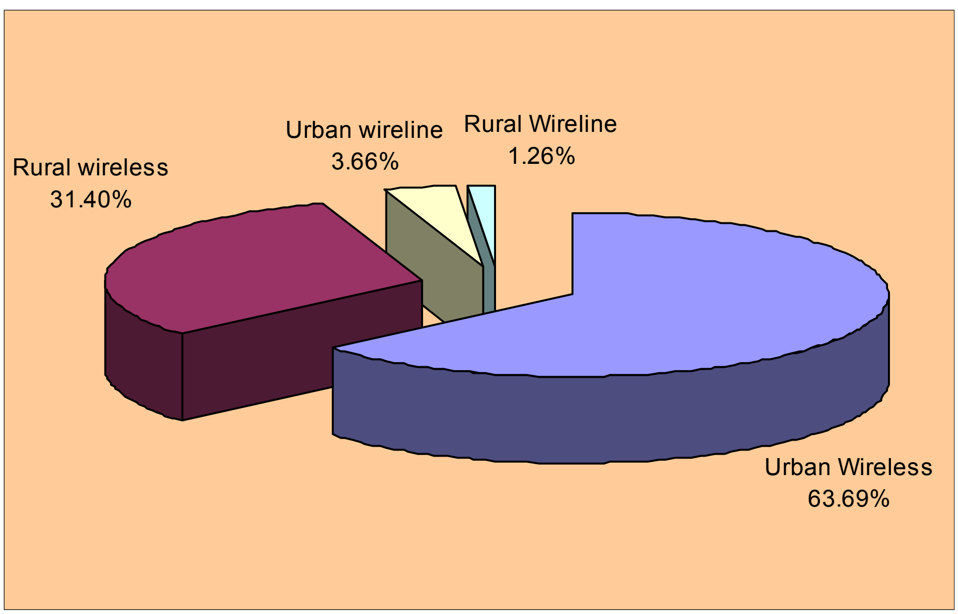
Trends in Telephone subscribers and Teledensity in India



2. Subscription in Urban Areas grew from 452.59 million in Jun-10 to 487.07 million at the end of Sep-10, taking the Urban Teledensity from 128.20 to 137.25. Rural subscription increased from 219.09 million to 236.21 million, and the Rural Teledensity increased from 26.43 to 28.42. The share of Rural subscribers has increased slightly to 32.66% in total subscription from 32.62% in Jun-10.

3. About 66.83% of the total net additions have been in Urban areas as compared to 63.47% in the previous quarter. Rural subscription recorded a decline in rate of growth during the quarter, from 9.18% in Jun-10 to 7.81% in Sep-10. Rate of growth for Urban subscription increased marginally from 7.61% in QE Jun-10 to 7.62% in QE Sep-10.

Composition of Telephone Subscribers



4. With 52.21 million net additions during the quarter, total wireless (GSM + CDMA) subscriber base registered a growth of 8.21% over the previous quarter and increased from 635.51 million at the end of Jun-10 to 687.71 million at the end of Sep-10. The year-on-year (Y-O-Y) growth over the same quarter of last year is 45.79%. Wireless Teledensity reached 57.99.

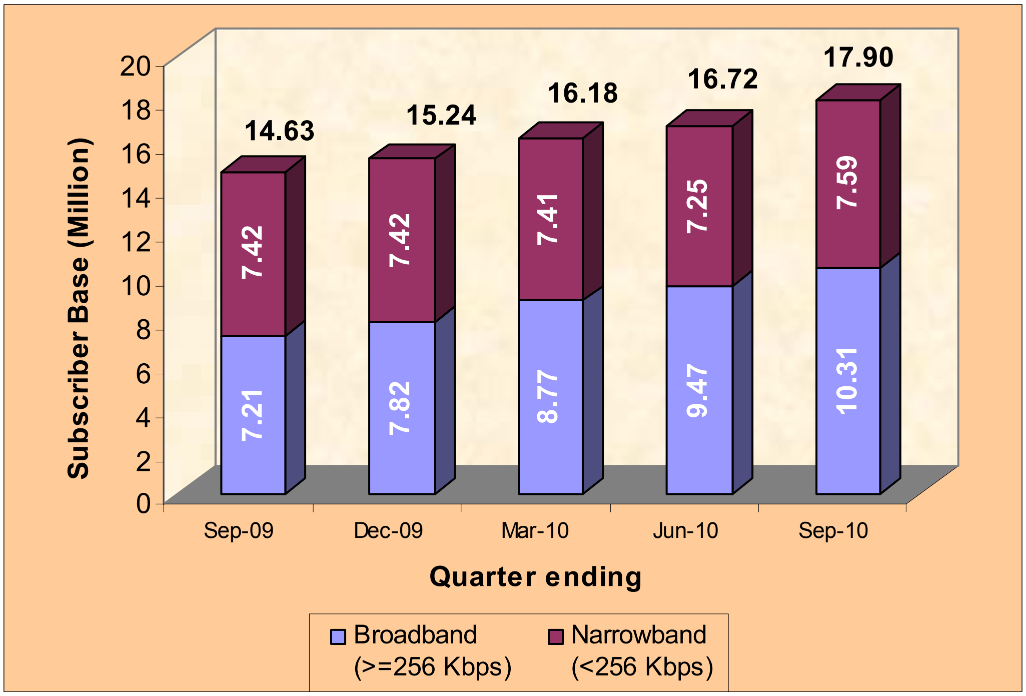
5. Wireline subscriber base further declined from 36.18 million at the end of Jun-10 to 35.57 million at the end of Sep-10, bringing down the wireline Teledensity from 3.06 in Jun-10 to 3.00 end of Sep-10.

6. Internet subscribers increased from 16.72 million at the end of Jun-10 to 17.90 million at the end of Sep-10, registering a quarterly growth rate of 7.02%. Top 10 ISPs together hold 95% of the total Internet subscriber base.

7. Number of Broadband subscribers increased from 9.47 million at the end of Jun-10 to 10.30 million at the end of Sep-10, registering a quarterly growth of 8.79% and Y-O-Y growth of 42.93%. The growth in the number of Broadband subscribers during the quarter and also on Y-O-Y basis is more or less similar to the growth in the over all telephone subscribers base.

8. Share of Broadband subscription in total Internet subscription increased from 56.7% in Jun-10 to 57.6% in Sep-10. 86.89% of the Broadband subscribers are using Digital Subscriber Line (DSL) technology.

Trends in Internet/Broadband subscription



9. Average Revenue Per User (ARPU) for GSM-Full Mobility service declined by 10.16%, from ₹122 in QE Jun-10 to ₹110 in QE Sep-10, with Y-O-Y decrease of 33.1%.

10. MOU per subscriber for GSM – full mobility service declined by 8.1%, from 401 in QE Jun-10 to 368 in QE Sep-10. The Outgoing MOUs (177) declined by 9.35% and Incoming MOUs (191) by 6.97%.

11. ARPU for CDMA – full mobility service declined by 1.34%, from ₹74 in QE Jun-10 to ₹73 in QE Sep-10. ARPU for CDMA has declined by 17.5% on Y-O-Y basis.

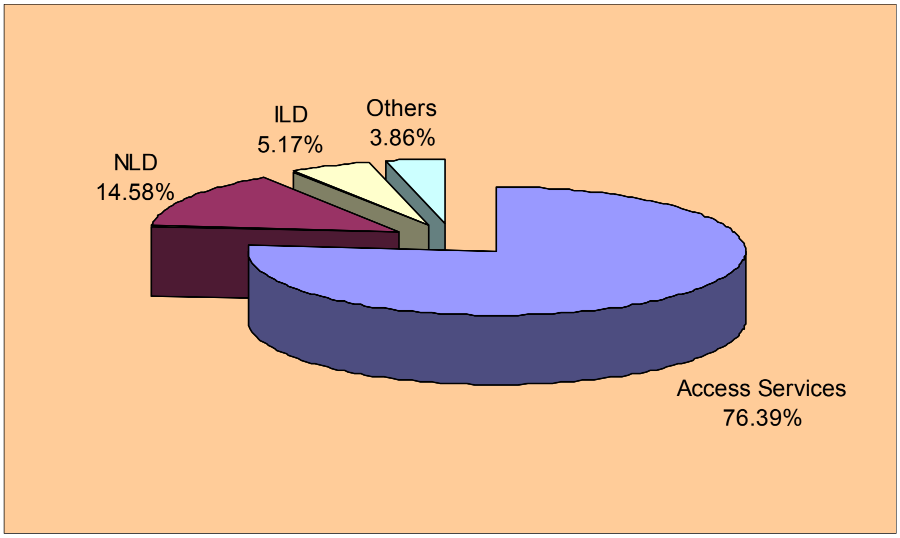
12. MOU per subscriber for CDMA-full mobility service declined by 5.26% from 299 in QE Jun-10 to 283 in QE Sep-10. The Outgoing MOUs (138) marginally declined by 5.21% while Incoming MOUs (145) declined by 5.30%.

13. Gross Revenue (GR) and Adjusted Gross Revenue (AGR) of Telecom Sector for the QE Sep-10 has been ₹41,895.95 Crore and ₹29,736.20 Crore respectively. There has been an increase of 1.22% in GR while AGR declined by 2.45% as compared to previous quarter. The year-on-year (Y-O-Y) growth for Sep-10 over the same quarter in last year has been 7.83% and 2.13%. Pass-through charges accounted for 29.02% of the GR for the quarter ending Sep-10. The quarterly and the year-on-year (Y-O-Y) growth rates of pass-through charges for QE Sep-10 are 11.45% and 24.85% respectively.

14. Average licence fee as percentage of AGR is 8.31% in QE Sep-10 as against 8.10% in previous quarter. The quarterly and the year-on-year (Y-O-Y) growth rates of the average licence fee for QE Sep-10 are 0.19% and 0.91% respectively.

15. Access services contributed 76.39% of the total revenue of telecom services. In Access services GR, AGR & License Fee declined by 1.51%, 4.46% & 0.84% respectively, and Spectrum charges increased by 14.93% in the quarter ending Sep-10 vis-à-vis previous quarter.

Composition of Gross Revenue



16. The performance of wireline service providers, in terms of various Quality of Service (QoS) parameters, in comparison to that in the previous quarter is summarized as under:

Parameters showing Improvement in QoS	Parameters showing deterioration in QoS	Parameters showing no change in QoS
• % Fault repaired within 3 days • Answer to Seizure Ratio (ASR) • Point of Interconnection (POI) Congestion (No. of PoIs not meeting the benchmark) • Period of applying credit/ waiver/ adjustment to customer's account from the date of resolution of complaints	• Fault incidences per 100 subs/month • % Fault repaired by next working day • % Fault repaired within 5 days • Call completion rate (in local network) • Resolution of billing/charging /Credit & validity complaints • Time Taken for	• Mean time to Repair (MTTR) • Metering and billing credibility - post paid

• Accessibility of call centre/ customer care • %age of calls answered by the operators (voice to voice) within 60 sec. • Termination / Closure of service 100% within 7 days	Refund of deposits after closures	

17. The performance of wireless service providers in terms of QoS during the quarter vis-à-vis that in previous quarter is depicted as under:

Parameters showing Improvement in QoS	**Parameters showing deterioration in QoS**
• BTSs Accumulated downtime (not available for service) • Call Set-up Success Rate (within licensee's own network) • SDCCH/ Paging Chl. Congestion • TCH Congestion • Call Drop Rate • Connection with good voice quality • Point of Interconnection (POI) Congestion (No. of POIs not meeting the benchmark) • Metering and billing credibility - post paid • Metering and billing credibility - pre paid • Resolution of billing/ charging/ validity complaints • Period of applying credit/ waiver/ adjustment to customer's account from the date of resolution of complaints • Accessibility of call centre/ customer care • %age requests for Termination / Closure of service complied within 7 days • Time taken for refund of deposits after closures	• Worst affected BTSs due to downtime • Worst affected cells having more than 3% TCH drop (call drop) rate • %age of calls answered by the operators (voice to voice) within 60 sec.

18. Total Number of channels registered with Ministry of I&B increased from 515 in Jun-10 to 526 in Sep-10. There are 154 pay TV channels in existence, as reported by 24 broadcasters/their distributors, as on QE Sep-10.

19. Maximum number of TV channels being carried by any of the reported MSOs is 319 whereas in the conventional analogue form, maximum number of channels being carried by the reported MSOs is 100 channels.

20. The number of private FM Radio stations in operation remained as 248 at the end of Sep-10.

21. Besides the free DTH service of Doordarshan, there are 6 private DTH licensees, offering their services to the DTH subscribers. As on 30.9.2010, their reported subscriber base is 26.44 million.

22. Number of Set Top Boxes (STBs) installed in CAS notified areas of Delhi, Mumbai, Kolkata and Chennai increased from 7,70,519 in Jun-10 to 7,75,876 in Sep-10.

Snapshot

(Data As on 30th September 2010)	
Telecom Subscribers (Wireless +Wireline)	
Total Subscribers	723.28 Million
% change over the previous quarter	7.68%
Urban Subscribers	487.07 Million (67.34%)
Rural Subscribers	236.21 Million (32.66%)
Teledensity	60.99
Urban Teledensity	137.25
Rural Teledensity	28.42
Wireless Subscribers	
Total Wireless Subscribers	687.71 Million
% change over the previous quarter	8.21%
Urban Subscribers	460.63 Million (66.98%)
Rural Subscribers	227.08 Million (33.02%)
GSM Subscribers	578.49 Million (84.12%)
CDMA Subscribers	109.22 Million (15.88%)
Teledensity	57.99
Urban Teledensity	129.80
Rural Teledensity	27.32
Wireline Subscribers	
Total Wireline Subscribers	35.57 Million
% change over the previous quarter	-1.70%
Urban Subscribers	26.44 Million (74.34%)
Rural Subscribers	9.13 Million (25.66%)
Teledensity	3.00
Urban Teledensity	7.45
Rural Teledensity	1.10
Village Public Telephones (VPT)	0.57 Million
Public Call Office (PCO)	3.52 Million
Internet & Broadband Subscribers	
Total Internet Subscribers	17.90 Million
% change over the previous quarter	7.02%
Broadband Subscribers	10.31 Million

Broadcasting & Cable Services	
Total Number of Registered Channels with I&B Ministry	526
Number of Pay Channels	154
Number of private FM Radio Stations	248
DTH Subscribers registered with Pvt. SPs	26.44 Million
Number of Set Top Boxes in CAS areas	775,876
Telecom Financial Data (for the QE Sep-10)	
Gross Revenue during the quarter	₹ 41,895.95 Crore
% change in GR over the previous quarter	1.22%
Share of Public sector undertaking's in GR	18.21%
Adjusted Gross Revenue (AGR)	₹ 29,736.20 Crores
% change in AGR over the previous quarter	-2.45%
Revenue & Usage Parameters (for the QE Sep-10)	
Average Revenue Per User (ARPU) GSM	₹ 110
Average Revenue Per User (ARPU) CDMA	₹ 73
Minutes of Usage (MOU) GSM	368 Minutes
Minutes of Usage (MOU) CDMA	283 Minutes
Minutes of Usage for Internet Telephony	159.12 Million