

No. 416-1/2004-FN

Dated 21st March, 2005.

To

Chairman & Managing Director,
Videsh Sanchar Nigam Limited,
Videsh Sanchar Bhavan,
Mahatam Gandhi Road,
Mumbai-400 001.

Subject:- Direction under Section 13 read with Section 11(1)(b) (i), & (iv) of the TRAI ACT 1997 (as amended by TRAI Amendment Act, 2000) - Discontinuation of various Calling Card "Tata Indicom Outbound Prepaid Calling Cards" by VSNL

WHEREAS a show cause notice was issued to VSNL on 22nd February, 2005 on the above subject;

WHEREAS VSNL vide its letter dated 7th march, 2005 furnished its reply to the various points mentioned in the 'show cause notice' dated 22.2.2005;

WHEREAS on the examination of the reply dated 7.3.2005 furnished by VSNL, it is found that the same is not satisfactory, for as per clauses 2.2 of Scope of ILD, NLD and UAS Licence, VSNL being a NLD/ILD Operator, cannot offer their above said services directly to subscribers; only Access Providers i.e. Basic Service/Cellular Mobile Service/Unified Access Service Providers can offer their services directly to subscriber; the calls using these cards are possible from M/s Tata Teleservices Fixed and Tata Teleservices CDMA Mobile Services.;

WHEREAS VSNL is providing NLD service through their Intelligent Network, originating access provider viz. M/s Tata Teleservices Ltd will not be able to provide B number (called party number) to security agencies;

WHEREAS NLDO is entitled for only carriage charges, which are regulated by TRAI; the adjusted gross revenue (AGR) of NLDO is derived only from the revenue in respect of carriage charges whereas the sale of Calling Card Service includes various components;

WHEREAS as a part of financial relief package, the Government has exempt VSNL from payment of Licence fee as an NLDO;

WHEREAS VSNL is taking advantage of the relief package, by the sale of Calling Card which generates additional revenue for VSNL.

AND WHEREAS in view of above stated facts, selling of International Calling Cards viz. "Tata Indicom Outbound Prepaid Calling Cards" is not consistent with the present licensing and regulatory regime;

In view of the above stated facts you are directed under Section 13 read with Section 11(1)(b) (i), & (iv) of the TRAI ACT 1997 to stop the sale of the cards immediately and the sale of cards can be continued only after obtaining the approval of the Licensor. You are required to send compliance within 3 days from the date of issue of the direction.

This issues with the approval of the Authority.

(R.K. Bhatnagar)
Advisor (FN)

Copy to:

Shri A. Sud, Chief Officer – Corporate Affairs, M/s Tata Teleservices Ltd., VSNL Bhavan, 1st Floor, Opp. Savitri Cinema, Greater Kailash, Part –I, New Delhi-110048. (Fax No. 55558908/09)
They should indicate the payments received from VSNL on monthly basis through sale of NLD/ILD cards by VSNL.

Copy for information to DDG (BS), Department of Telecommunication, Sanchar Bhavan, Ashoka Road, Parliament Street, New Delhi.