Government of India
Ministry of Communications & IT
Department of Telecommunications
(AS Cell)
Sanchar Bhawan, 20 Ashoka Road, New Delhi – 110 001.

File No: 800-02/2011-VAS **Dated:** 11th June' 2014

To

DDG(TERM), Delhi
Nehru Place, New Delhi – 110019

Subject: Confirmation sought on the subject matter of Customer Acquisition Form (CAF) non-compliance penalties.

Reference: letter No. 92-1/TERMD/2013/05/21 dated 23.09.2013 of TERM Delhi.

With regard to issues raised/confirmation sought in the letter dated 23.09.2013 of TERM unit Delhi, the views of Department of Telecom are as under:

(i) **Calculation of Interest on pending penalty amount- whether it is simple or monthly compounded interest**

As per licensing provisions, interest to be recovered from licensees is compounding interest on monthly resting basis against the delayed payments including payment of penalties imposed by TERM units in case of non-compliances observed during the CAF Audits.

(ii) **Calculation of penalty amounts when during audit some CAFs pertaining to pre-activated SIMs are also found**

In case during audits, some non-compliant CAFs corresponding to pre-activated SIMs are also found by TERM units alongwith other CAFs pertaining to other types of non-compliances, penalty on pre-activated SIM CAFs is to be imposed at the applicable rate of Rs. 50000 per CAF. Further, for imposing penalty on rest of the non-complaint cases on the basis of graded penalty structure, such pre-activated SIM CAFs are not to be included either in the monthly CAF sample called from the licensee or in the CAF non-compliant cases due to other reasons.

(P.C.Sharma)
Director (AS-II)

Copy to:

1. Sr. DDG (TERM), DoT, New Delhi
2. All DDsG TERM
3. DDG (LF-I)/ DDG(LF-II), DOT, New Delhi
4. DDG (A/C) to kindly bring in the notice of all CCAs.
5. Director(AS-I)/Director(AS-III)/Director (AS-IV)/ Director (AS-IV) DOT