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800- 32/ 2011-VAS
Government of India
Ministry of Communications & Information Technology
Department of Telecommunications
(Access Services Cell)
Sanchar Bhawan, 20, Ashoka Road, New Delhi – 110 001

Dated: 07 November'2012

To

All DDsG TERM Cells

Subject: Scheme of Financial Penalty for violation of terms and conditions of License Agreement and instructions in respect of Subscriber Verification Failure Cases.

Ref:

(i) Letter No. 800-52/2008-VAS-III(Part) Dated 24.12.2008
(ii) Letter No. 800-20/2010-VAS dated 03.02.2011.
(iii) Letter No. 800-20/2010-VAS dated 07.02.2011.
(iv) TDSAT judgment dated 12.04.2012 in petition No. 252 of 2011.

The Hon'ble TDSAT in its judgment dated 12.04.2012 in petition No. 252 of 2011 (COAI & Ors. Vs. DoT & Anr.) has inter-alia concluded in para 332 as under:

> "(xi) The financial penalty should be calculated on the principles as it is followed in the Income Tax system, i.e. rate of financial penalty to be calculated separately for each slab and the total amount of penalty arrived at."

2. Accordingly, it has been decided that all the penalties on the Licensees in respect of the customer acquisition forms (CAFs) failed in the audits shall be calculated on the basis of the above-said judgment of TDSAT, until further orders.

3. Rest of the instructions in this regard shall remain unchanged. The date from which the order is to be implemented is under consideration. Pending final decision in the matter the order of the TDSAT may be applied provisionally for the audit sample picked up for the month of May 2012 onwards till further orders.

7.11.2012
(A.K.Tirkey)
ADG(AS-II)

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1. DDG(Security TERM), DOT
2. Director (AS-III)/Director (AS-IV), DOT