Government of India
Ministry of Communications
Department of Telecommunications
DG Telecom HQ

No.: 24-40/2023-DGT/2-Part(1) Dated : 09-05-2024

To

LSA Head(s) of all field units

Subject : Instructions for Sampling Methodology in monthly/quarterly subscriber verification audit by LSA field units

LSA field units are conducting monthly CAF audit or quarterly CAF audit to ensure bona-fide usage of telecom services including adequate verification of customer and monitoring of compliance of KYC framework and various instructions issued from time to time. Presently, LSA field units are conducting monthly CAF verification audit of 0.1% of subscriber database (except J&K, Assam and NE LSAs where CAF verification audit of 0.2% of subscriber database conducted on quarterly basis). In addition to this, additional 0.01% of bulk samples are also audited by LSAs.

2. In order to reduce the compliance burden on Licensees under Ease of Doing Business, the sampling methodology for monthly and quarterly subscriber verification audit has been reviewed on basis of comprehensive analysis in respect of CAFs audited by LSAs in monthly/quarterly CAF audit during the last one year.

3. The Sampling methodology for monthly/quarterly subscriber verification audit shall be as follows :

a. **For monthly audit in all LSAs (except J&K, Assam and NE LSAs)**

KYC Type	Category of Subscriber	Sample Size	Sampling Criteria
Paper	Individual	0.1%	Out of total samples, 25% of samples shall be taken from activations after 01.01.2023.
e-KYC	Individual	0.01%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
DKYC/ Self-KYC	Individual	0.1%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
All	Bulk	1%	1% of sample size shall be calculated from no. of unique CAFs filled by customer(s) to acquire bulk connections. Out of total samples, 25% of samples shall be taken from activations after 01.01.2023.
All	Business connections	0.01%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
All	M2M	0.01%	Out of total samples, 25% of samples shall be taken from activations during recent three months.

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b. **For quarterly audit in J&K, Assam and NE LSAs**

KYC Type	Category of Subscriber	Sample Size	Sampling Criteria
Paper	Individual	0.2%	Out of total samples, 25% of samples shall be taken from activations after 01.01.2023.
e-KYC	Individual	0.02%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
DKYC/ Self-KYC	Individual	0.2%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
All	Bulk	2%	2% of sample size shall be calculated from no. of unique CAFs filled by customer(s) to acquire bulk connections. Out of total samples, 25% of samples shall be taken from activations after 01.01.2023.
All	Business connections	0.01%	Out of total samples, 25% of samples shall be taken from activations during recent three months.
All	M2M	0.01%	Out of total samples, 25% of samples shall be taken from activations during recent three months.

4. The requisite samples for monthly/quarterly audit shall be separately generated by LSAs from each type of subscriber database in the proportionate manner. The total sample size for audit month/quarter shall be sum of all proportionate samples. The penalty calculation shall be done on total sample size considering non-compliance in all proportionate samples and only one Demand Note (DN) shall be issued for each audit.

5. Minimum of 100 samples shall be taken for monthly/quarterly audit by LSA field units if total sample size for a TSP is less than 100. LSA field units can select 100 samples from each type of subscriber database in the proportionate manner.

6. Whenever total subscriber database of a TSP is less than 100, LSAs shall carry out the audit by considering the total subscriber database as sample count. After auditing the entire subscriber database of such TSP, LSAs shall carry out audit of only new subscribers added which have not been audited earlier.

7. These instructions supersedes all the earlier instructions issued on the Sampling methodology for monthly/quarterly subscriber verification audit.

8. These instructions shall be applicable for monthly/quarterly subscriber verification audit conducted by LSAs on subscriber database submitted by TSPs in the month of May-2024 i.e. database upto 30.04.2024.

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9. LSA(s) shall bring these instructions into the notice of all Licensees.

This is issued with the approval of Competent Authority.

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Copy to :

i. DDG (AS), DoT HQ for kind information please.