

**TELECOM DISPUTES SETTLEMENT & APPELLATE TRIBUNAL
NEW DELHI**

Dated 2nd November,2012

Appeal No.17 of 2012

(M.A.No.558 of 2012)

Cellular Operators Association of India & Ors. ...Appellants

Vs.

Telecom Regulatory Authority of India ...Respondent

Appeal No.18 of 2012

(M.A.Nos.559 & 560 of 2012)

Association of Unified Telecom Services Providers
of India & Ors. ...Appellants

Vs.

Telecom Regulatory Authority of India ...Respondent

Appeal No.19 of 2012

(M.A.No.561 of 2012)

Bharat Sanchar Nigam Limited ...Appellant

Vs.

Telecom Regulatory Authority of India ...Respondent

BEFORE:

HON'BLE JUSTICE MR. S B SINHA, CHAIRPERSON

HON'BLE MR. P.K.RASTOGI, MEMBER

For Appellant : Mr. Abhishek Manu Singhvi, Sr. Advocate
Mr.Meet Malhotra,Sr.Advocate
(Appeal No. 17 of 2012) Mr.Manjul Bajpai,Advocate Mr.Shashwat
Bajpai,Advocate Mr.Sanjib
Panigrahi,Advocate

Mr.Ravi S.S.Chauhan,,Advocate
Mr.Prateek Dahiya,Advocate

(Appeal No. 18 of 2012)

Mr.Ramji Srinivasan,Sr.Advocate
Mr.Nakul Mohta,Advocate
Mr.Vivek Paul Oriel,Advocate

(Appeal No. 19 of 2012)

Ms.Maneesha Dhir,Advocate
Mr.K.P.S. Kohli,Advocate
Mr.Abhishek Kumar,Advocate,
Mr.Tarveen Singh Nanda,Advocate

For Respondent

: Mr. Rakesh Dwivedi, Sr. Advocate
Mr. Saket Singh, Advocate
Ms. Preetika Dwivedi, Advocate
Mr.Kumar Ranjan Mishra,Advocate

J U D G M E N T

1. These three Appeals involving the legality and validity of the directions dated 04.07.2011 issued by the Respondent herein being in question, the interim prayers made by these Appellants were heard together and are being disposed of by this common order.

2. The Appellants herein except the Appellant no. 1 in Appeal Nos. 17 and 18 of 2012 are licensees and provides telecommunication services to

their customers and are engaged in rendition of telecommunication services. They also are engaged in providing 'Value Added Service'.

3. The Respondent is an authority under the *Telecom Regulatory Authority of India Act, 1997*. In terms of the provisions contained in Section 11(1)(b) read with section 13(i) and (v) thereof, the Respondent has issued the following directions:

"9. Now, therefore, the Authority, in exercise of the powers conferred upon it under Section 13, read with sub clauses (i) and (v) of clause (b) of sub- section (1) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) and clause 11 of the Telecom Tariff Order, 1999 and for the reasons mentioned in paragraphs 5 to 8 above, and to ensure compliance of terms and conditions of license and to protect the interest of consumers, hereby directs all Access Service Providers (including M/s Bharat Sanchar Nigam Ltd. and M/s Mahanagar Telephone Nigam Ltd.) to ensure within thirty days of issue of this Direction that:

(i) *In all cases where the value added services are activated through Out Bound Dialer or service provider initiated call or during pre-call ring back announcements (both voice as well as automated) and where a consumer dials a specified telephone number or short code or a telephone number providing interactive session for subscribing to a Value Added Service, the service provider shall obtain confirmation from the consumer through consumer originated SMS or e-mail or FAX or in writing within twenty four hours of activation of the value added service and charge the consumer only if the confirmation is received from him for such value added service and shall discontinue such value added service if no confirmation is received from the consumer.*

(ii) *Every service provider shall, at least three days before the due date of renewal of a value added services, inform the consumer through SMS the due date for renewal of such service, the charges for renewal and toll free telephone number for unsubscribing the value added service; and*

(iii) If there is insufficient balance in the account of a consumer at the time of renewal of subscription to a value added service, the service provider shall send a request, through SMS, to the consumer to indicate his consent for continuing such service by sending an SMS as "yes" or "no" to a toll free number and if, in response to such request, the consumer indicates his explicit consent by conveying "yes", such value added service shall be renewed and such consumer shall be informed by the service provider through SMS that the charges for renewal of subscription of value added service shall be deducted from subsequent recharge."

4. Inter alia, on the premise that representations were made to the Respondent by the Appellants herein and several rounds of discussions had taken place on the alternate solutions offered by them, these appeals have been filed after about 412 days of delay from the date of issuance of the said directions.

5. The Appellants have filed applications for condonation of delay.

6. COAI & Ors. in support of their applications for condonation of delay have also filed additional affidavits and additional documents.
7. The Respondent has filed replies to the said applications.
8. The submissions of Dr. Abhishek Manu Singhvi, Mr. Ramji Srinivasan in support of their respective applications for condonation of delay as also on the merit of these appeals, shortly stated are as under:
 - a. The Appellants having been engaged in deliberation with the Respondent and having been induced to believe that their alternate suggestions would be taken into consideration, these appeals have been filed only when the Respondent herein has issued notices to show cause penal actions shall not be taken against them.
 - b. The Respondent having amended its earlier directions issued in April 2009 by an order dated 04.09.2009, the operators proceeded on the basis that their representations would be allowed.

- c. Having regard to the provisions contained in subclauses (i) & (v) of Clause b of Sub-section 1 of Section 11 of the *TRAI Act*, it must be held that the Respondent has no jurisdiction to issue the impugned direction as neither a Sub-clause (i) nor the Sub-clause (v) confers any power on the Respondent to issue the impugned directions as quality of service is confined to a network issue; whereas 'Voluntary Access Service' (VAS) is contractual in nature.
- d. Keeping in view the fact that SMSs are generated and received in English language the subscribers will have difficulties in implementing paragraph 9(i) of the Directions.
- e. The Respondent, in any event, ought not to have amended the September 2009 amendment so as to put the parties to a position which was obtaining prior to 24.09.2009.
- f. The impugned directions having been issued without any application of mind and/or having not considered the views of the operators should be given effect to.

9. Mr. Rakesh Dwivedi, learned senior counsel appearing on behalf of the Respondent, on the other hand, would urge:

- a. The operators having complied with subparagraphs (ii) and (iii) of paragraph 9 of the impugned direction, it is difficult to conceive as to why they could not have implemented sub-paragraph (i) of paragraph 9 thereof.
- b. The purported in house procedure said to have been adopted by the operators did not bring about any solution to the problem which the customers have been facing namely indirect imposition of VAS services on the customers.
- c. Having regard to the Regulations framed by the Respondent known of "*Quality of Service (Code of Practice For Metering And Billing Accuracy) Regulations 2006*" there is absolutely no reason as to why the direction dated 04.07.2011 could not be given effect to.
- d. Repeated filing of representations by itself cannot be a ground for condonation for delay of about 412 days.

e. Particularly in view of the fact that the Respondent herein by its letters dated 19.11.2011 and 31.05.2012 had asked the operators to implement to said direction.

10. The TRAI, on or about 21.03.2006 made the Quality of Service Regulations with a view to lay down the code for practice of Metering and Billing accuracy; Clauses 1.1, 1.2 and 1.3 whereof read as under:

“1.1: Before a customer is enrolled as a subscriber of any telecommunication service, he shall be provided in advance with detailed information relating to the tariff for using that service, in accordance with TRAI’s Direction No. 301-26/2003-TRAI (Eco) dated 2nd May, 2005 and No. 301-49/2005-Eco dated 16.09.22005. Further, the service provider should inform the customer in writing, within a week of activation of service, the complete details of his tariff plan. Such information shall be in the format “C” prescribed in TRAI Direction No. 301-26/2003-TRAI(Econ.) dated 2nd May, 2005. In addition, the following information shall also be provided:

- *Quantity related charges (e.g. the charge for each SMS message, or kilobytes of data transmitted)*

- *Accuracy of measurement of time, duration and of quantity, and also the resolution and rounding rules, including the underlying units, used when calculating the charges for an individual event or any aggregation of events*

- *Contractual terms and conditions for supply, restriction and cessation of Service*

1.2 *The information required in clause 1.1 shall be available on the Service Provider's web site, as prescribed in TRAI Direction No.301-26//2003-TRAI (Econ.) dated 2nd May, 2005.*

1.3 *Where a value-added service (e.g. download of content, such as a film clip or ring tone) or entry to an interactive service (such as a game) can be selected through a choice of the service user (e.g. by dialing a specific number)*

then the charge for the service must be provided to him before he commits to use the service."

11. With the said Regulations an Explanatory Memorandum was also issued; paragraph 4.4 whereof reads thus:

"4.4. Regarding Provision of Service at item 4.1(ii), the service providers had represented that SMS may be allowed as a medium for obtaining the consent of the customer for any service. The Authority has accepted this suggestion and SMS could be used as a medium for obtaining the consent of the customer for any service. Such consent through SMS should be explicit and there shall be no deemed consent i.e. consent through default, if no message is received by the service provider."

12. The operators themselves offered that the requirements of consent in writing be obtained from the customers through SMS.

13. Admittedly the confirmation with regard to VAS from the customers were being obtained on the basis of press of a button of a single digit number. At that juncture a large number of complaints were being received by the Respondent.

14. The operators through their associations or in their individual capacities made several representations e.g. on 19.07.2011, 25.07.2011, 03.08.2011 and 08.08.2011; whereafter the TRAI by a letter dated 19.09.2011 asked the Appellants to comply with its direction dated 04.07.2011.

15. The First Appellant again made representations vide its letters 21.09.2011, 05.10.2011, 19.12.2011, 20.04.2012.

16. However, during the period 19.09.2011 and 31.05.2012, the Respondent again issued a letter asking the Appellants to comply with its aforementioned direction, but in the meanwhile no coercive action had been taken.

17. The 1st Appellant again by a letter dated 27.06.2012 made representation whereafter the Respondent then issued the impugned show cause notice on 18.07.2012.

18. Vodafone, Airtel, Idea, Uninor, Aircel filed their responses there against the FirstAppellant also wrote a letter on or about 23.08.2012.

19. These appeals were thereafter filed.

20. It is difficult for us to accept the contentions of the Appellants that they were given to understand that the TRAI would amend its directions as was done by issuing the original directions of April 2009 by amending the same in September 2009.

21. The fact remains that there is no evidence brought on record to show that the TRAI at any point of time admittedly gave any assurance to the Appellants that its representations would be allowed either in part or in full.

22. It stands admitted that the TRAI vide its letters dated 19.07.2011 and 19.09.2011 asked the Appellants to comply with its directions.

23. It furthermore appears that the First Appellants of both Appeal No. 17 of 2012 and in Appeal No. 18 of 2012 assured the Respondent that the

operators have complied with the provisions of sub paragraphs (ii) and (iii) of paragraph 9 of the aforementioned directions.

24. The Appellants contend that keeping in view the fact that impugned directions are difficult to be complied with, they have had undertaken the matter relating to rendition of VAS to their customers in stead and in place of the agencies appointed by them. Furthermore, contention of the Appellants is that in the months of April, May and June 2012, the number of complaint has drastically come down.

25. On the other hand, the Respondent indisputably received a large number of complaints and got special audits conducted by the auditors of the operators themselves.

26. Our attention has been drawn to a chart filed by the Respondent being Annexure- I to its Reply from a perusal whereof it would appear that a large number of complaints were received by the operators themselves.

27. We may notice the data relating to some of the operators:

Verification of VAS complaints recived at Service Provider's end									
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Service Provider/ Auditor	No. of Complaints in 15 months approximate	Sample complaints taken for analysis	No. of complaints out of 3 where consumers have disputed activation	No. of cases out of 4 where refunds have been made	No. of cases out of 4 where VAS activated through OBD or press * to copy mode and complaint were made within 24 hours of activation	No. of cases out of 6 where refunds were not made	No. of cases out of 4 where records relating to explicitly consent were not available, other than the cases where log is more than 1 year old.	No. of cases out of 4 where VAS activated without explicit consent of the consumer	Whether the records relating to consent submitted for verification were in editable format
Vodafone/ Anil Ashok & Assoc.	3.5 lakhs	1238	105	73	2	1	35	35	yes
Aircel/ T R Chadda	33 lakhs	1166	820	530	635	170	0	0	Yes
Bharti/ Gianender & Assoc.	60 lakhs	1067	1067	480	122	57	43	43	Yes
BSNI/ S M Saini & Assoc.	51 lakhs	1098	1098	0	145	145	705	705 (cases where log not available are treated as without consent)	Yes
MTNL/ Chander Wadhwa & Co.	1.1 lakhs	534	529	0	39	39	0	0	yes
Idea/Bansal R Kumar & Assoc.	40 lakhs	1067	1067	800	3	0	0	0	No
Tata/ S K Mittal & Co.	9 lakhs	1067	890	726	66	12	0	1	yes
Reliance/ Peeyush Agrawal & Co.	4.12 lakhs	1067	968	356	631	384	0	0	No
Videocon/ Sanjay Gupta	9.9 lakhs	1067	1067	806	795	12	0	0	yes

& Co.									
Uninor/ Vijender Sharma & Assoc.	1.1 lakhs	14496	10438	1051	No data provided by SP	No data provided by SP	No data provided by SP	No data provided by SP	yes

28. From the said table, it would furthermore appear that except 'Idea' and 'Reliance' the records relating to the concerned operators submitted for verification were found to be in editable format which, according to the Respondent also show that according to them, the data can be edited.

29. It is not in dispute that the operators participated in the said special audit conducted by the Respondent.

30. Mr. Dwivedi would contend that endeavours should be made to implement the directions issued by the Respondent for a few months, so as to enable the Respondent to review the methodology suggested by the operators in the meanwhile.

31. The Appellants have been making Representations of the Representations without making a serious attempt to comply with the

entirety of the directions issued by the Respondent, the question for condonation of delay must be considered independently or not.

32. We have no doubt in our mind that the Appellants have not been able to demonstrate that they were given to understand by the Respondent that it shall allow the Representations filed by it.

33. It is, however, evident from the records that various alternative suggestions were being given to TRAI.

34. Meetings have also been held by and between the representatives of the Appellants and the Respondents for finding out a solution to the problem which the operators were said to be facing.

35. It has, however, be submitted by Mr. Dwivedi that only because the Respondent had been meeting the representatives of the 1st Petitioner Associations and/or operators, but no assurance was given one way or the other.

The said contention of Mr. Dwivedi appears to be reasonable in the facts and circumstances of the case.

36. In terms of Section 5 of the Limitation Act, delay in filing an appeal can be condoned only when there exists sufficient cause therefor as envisaged under Section 5 of the Limitation Act 1963.

It is a well settled principle of law that the provisions of section 5 must be construed having regard to Section 3 thereof.

In *Nasiruddin Vs. Sita Ram Agrawal* 2003 Vol 2 SCC page 577, the Apex Court has laid down the law in the following terms:

“On perusal of the said Section it is evident that the question of application of Section 5 would arise where any appeal or any application may be admitted after the prescribed period, if the appellant or the applicant satisfies the court that he had sufficient cause for not making the appeal or application within such period. Section 13(4) provides that in a suit for eviction on the ground set forth in clause (a) of sub-section (1), the tenant shall on the first date of hearing or on or before such date, the Court may on the application fixed in this behalf or within such time the tenant shall deposit in court or pay to the landlord in court as determined under sub-section (3) from the date of such determination or within such further time not exceeding three months as may be extended by the Court. Thus,

sub- section (4) itself provides for limitation of a specific period within which the deposit has to be made, which cannot be exceeding three months as extended by the Court."

37. While saying so we are not oblivious of the fact that the expression 'sufficient cause' should receive a liberal construction so as to advance substantial cause of justice but such a liberal approach would be given only when it is found that there is no negligence or inaction or want of bona fide on the part of applicant.

38. Apart from filing of a large number of representations no other or futher reason has been assigned.

Whether making of such representations only before a statutory authority which has issued a statutory direction, no other material has been brought on record.

39. Keeping in view the aforementioned legal position, we may notice the decisions upon which the learned senior counsel appearing on behalf of the Appellants have placed reliance.

In State (NCT of Delhi) Vs. Ahmed Jaan reported in 2008 (8)SCC page 582, the Apex Court opined that the court has to find out if the delay resulted from the cause which he had shown and whether the cause can be recorded in the peculiar circumstances of the case as sufficient.

40. In the aforementioned judgment it was observed that although no indulgence can be shown to the Government as an individual suitor, one cannot but take a practical view of the working of the Government without being unduly indulgent to the slow motion of its pace.

The said position, thus, does not hold good so far as the individual operators who are well advised by their legal team and/or by the lawyers are concerned.

41. It is not a case where the appellants can say or have said that they had committed a mistake in not filing an appeal within a reasonable time.

42. It is one thing to say that the manner of functioning of the Governmental institutions should be taken cognizance of as was observed in State (NCT of Delhi) but it is another thing to say that the Appellants herein can take any benefit thereof.

43. Reliance has also been placed by the learned counsel on State of Bihar Vs. Kameshwar Prasad Singh 2000, Vol (9) SCC page 94 wherein the Apex Court noticed a decision in Nandkishore Vs. State of Punjab in the following terms:

“In Nand Kishore v. State of Punjab [1995 (6) SCC 614] this Court under the peculiar circumstances of the case condoned the delay in approaching this Court of about 31 years years. In N. Balakrishnan v. M.Krishnamurthy [1998 (7) SCC 123] this Court held that the purpose of Limitation Act was not to destroy the rights. It is founded on public policy fixing a life span for the legal remedy for the general welfare. The primary function of a Court is to adjudicate disputes between the parties and to advance substantial justice. The time limit fixed for approaching the court in different situations is not because on the expiry of such time a bad cause would transform into a good cause. The object of providing legal remedy is to repair the damage caused by reason of legal injury. If the explanation given does not smack mala fides or is not shown to have been put forth as a part of dilatory strategy, the court must show utmost consideration to the suitor. In this context it was observed: (SCC p. 127, para 9)

"9. It is axiomatic that condonation of delay is a matter of discretion of the court. Section 5 of the Limitation Act does not say that such discretion can be exercised only if the delay is within a certain limit. Length of delay is no matter, acceptability of the explanation is the only criterion. Sometimes delay of the shortest range may be uncondonable due to a want of acceptable explanation whereas in certain other cases, delay of a very long range can be condoned as the explanation thereof is satisfactory. Once the court accepts the explanation as sufficient, it is the result of positive exercise of discretion and normally the superior court should not disturb such finding, much less in revisional jurisdiction, unless the exercise of discretion was on wholly untenable grounds or arbitrary or perverse. But it is a different matter when the first court refuses to condone the delay. In such cases, the superior court would be free to consider the cause shown for the delay afresh and it is open to such superior court to come to its own finding even untrammelled by the conclusion of the lower court."

44. In that case the Supreme Court opined that it generally adopts a liberal approach for condonation of delay therein. The Apex Court inter alia took into consideration the fact that interveners raised question that they were likely to be adversely affected without any fault on their part as

they were not aware of the judgment passed by the High Court which affected their interest.

45. It may be true that length of delay does not matter where acceptability of the explanation is the only criteria.

But there cannot also be any doubt or dispute that undue long delay in filing a statutory appeal would also be a relevant factor, which should be taken into consideration for the purpose of considering the question as to whether the applicant had been acting bona fide or not.

46. Attention of this Tribunal has been drawn to various paragraphs of the rejoinder to show that representations were being made to the Respondent herein so far as the progress of implementation of alternate solution which required a lot of development and integration is concerned.

We have noticed heretofore that at least on three occasions the TRAI had asked the operators to implement the Regulations in question.

47. The operators, however, have implemented only a part of the Regulations. There is, thus, no reason why they could not have approached this Tribunal.

The Appellant must be held to have known the consequences arising out of the non-compliance of the impugned directions. If they thought that the jurisdiction issue is involved, there is no reason as to why they would implement the order in part and would file representation before the same authority in respect of the rest.

The Respondent has been issuing regulations on good quality of service since 2006. The said Regulations have been acted upon.

If that be so, it is difficult to arrive at a conclusion that the case of the operators had been that the TRAI had issued the impugned direction without any proper analysis.

48. These appeals have been filed only when despite a long rope granted to the operators, the Respondent has issued the notices to show cause as to why criminal proceeding shall not be initiated against them.

If the Appellants thought that the TRAI had been acting without jurisdiction, it ought not to have entered into any deliberations with TRAI.

49. Mr. Srinivasan would furthermore relied upon a decision of the Supreme Court of India in State (NCT of Delhi) vs. Ahmed Jaan, reported in the year 2008, Vol. (14) SCC, page 582, wherein the Apex Court opined that the proof by sufficient cause is a condition precedent for exercise of the extraordinary discretion vested in the court.

50. The question which arose for consideration therein was as to whether the delay in filing and refiling of the revision petition by the Appellants before the Apex Court was supported by any reason.

In that case the High Court did not deal with those explanations and merely stated that delay had not been explained. It was in the aforementioned situation the delay was condoned.

51. Each case, therefore, must be considered having regard to the factual matrix involved therein.

Reliance has also been placed in a judgment of this Tribunal dated 31st May 2010 Bharat Sanchar Nigam Limited Vs. TRAI, wherein the counsel's mistake was considered to be a sufficient cause for condonation of delay therein. Even an oral application for condonation of delay was entertained.

52. It may, however, be noticed that the Apex Court in State of Tamil Nadu Vs. Seshachalam reported in 2007 (10) SCC page 137 held as under

“Some of the respondents might have filed representations but filing of representations alone would not save the period of limitation. Delay or latches is a relevant factor for a court of law to determine the question as to whether the claim made by an applicant deserves consideration. Delay and/or latches on the part of a Government servant may deprive him of the benefit which had been given to others. Article 14 of the Constitution of India would not, in a situation of that nature, be attracted as it is well known that law leans in favour of those who are alert and vigilant. Opinion of the High Court that GOMs No.126 dated 29.5.1998 gave a fresh lease of life having regard to the legitimate expectation, in our opinion, is based on a wrong premise. Legitimate expectation is a part of the principles of

natural justice. No fresh right can be created by invoking the doctrine of legitimate expectation. By reason thereof only the existing right is saved subject, of course, to the provisions of the statute. {See State of Himachal Pradesh & Anr. v. Kailash Chand Mahajan & Ors. }."

53. Yet again in *B. Madhuri Goud Vs. B. Damodar Reddy* 2012, Vol. 7, SCALE page 230, the Apex Court observed as under:

"In our view, if there was any iota of truth in the respondent's story that the certified copies of the documents were misplaced by the office of his counsel and the same were noticed by the counsel on 2.3.2010 while preparing arguments in A.S. No. 200/2001, the minimum which he was expected to do was to file an affidavit of the concerned advocate. Why he did not do so has not been explained by the respondent. Notwithstanding this, the learned Single Judge assumed that the counsel to whom the appellant is said to have handed over the documents was remiss in the performance of his duties and on that account, the same got tagged with another file resulting in the delay. This is evinced from the following observations made in the impugned order: "The explanation for the delay is that the petitioner has entrusted the bundle to his counsel so as to prefer an appeal, but the counsel seems to have kept the bundle in another bundle i.e., in A.S.No.200 of 2001 and the same was noticed when the said case came up for hearing. No doubt, there are some laches on the part of the counsel for the petitioner

in keeping the record in another bundle and in filing the appeal in time immediately after the judgment and decree of the trial Court, even though the petitioner has entrusted the bundle to him to enable him to file an appeal, but those laches cannot be attributable to the petitioner. For the laches committed by the counsel, the party cannot be made to suffer. Therefore, the delay has been satisfactorily explained."

In that case, the Supreme Court did not condone the delay.

54. For the following reasons, we are of the opinion the Appellants cannot be said to have acted bona fide and with due care and caution for the purpose of establishing 'sufficient cause' for condonation of 412 days delay.

The delay in filing of these appeals, in our opinion cannot be condoned. Consequently these appeals are dismissed.

55. Before, however, parting this case we may reiterate that Mr. Dwivedi very fairly stated that the Respondent would not take an adversarial stand and in the event the Appellants implement the impugned regulations within a reasonable time say for about three months, no coercive steps would be taken against them.

We think that the said suggestion is very fair and should be acted upon by the TRAI.

56. These appeals are, therefore, dismissed *with* the aforementioned observations with no order as to costs.

.....
(S.B.Sinha)
Chairperson

.....
(P.K. Rastogi)
Member

MM