Draft for Comments of the Stakeholders

TELECOM REGULATORY AUTHORITY OF INDIA

DRAFT

THE TELECOMMUNICATION TARIFF (SEVENTY SECOND AMENDMENT) ORDER, 2025

(_______________OF 2025)

New Delhi

16th October, 2025

Tower-F, NBCC World Trade Center

Nauroji Nagar

New Delhi – 110029

Website: www.trai.gov.in

Stakeholders are requested to furnish their written comments on the Draft Telecommunication Tariff (Seventy Second Amendment) Order, 2025 by 31st October, 2025.

The inputs/ comments may be sent, preferably in electronic form, to Shri Vijay Kumar, Advisor (Financial & Economic Analysis), TRAI on the email ID: fa@trai.gov.in, which will be posted on TRAI's website (www.trai.gov.in).

For any clarification/information, Shri Vijay Kumar, Advisor (F&EA), TRAI, may be contacted at Tel. No. +91 11 20907773.

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TELECOM REGULATORY AUTHORITY OF INDIA

DRAFT NOTIFICATION

New Delhi, the……………., **2025**

THE TELECOMMUNICATION TARIFF (SEVENTY SECOND AMENDMENT) ORDER, 2025

(No……..**of 2025)**

F. No. M-6/(2)/2023-FEA-I------ In exercise of the powers conferred upon it under sub-section (2) of section 11, read with sub-clause (i) of clause (b) of sub-section (1) of the said section, of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), the Telecom Regulatory Authority of India hereby makes the following Order further to amend the Telecommunication Tariff Order, 1999, namely: -

1. (1) This Order may be called the Telecommunication Tariff (Seventy Second Amendment) Order, 2025.

   (2) It shall come into force from the date of its publication in the Official Gazette.

2. In clause 7 of the Telecommunication Tariff Order, 1999 (hereinafter referred to as the principal tariff order),-

   (a) for sub-clause (iii), the following sub-clause shall be substituted namely:-

   "(iii) If any service provider fails to comply with the Reporting Requirement, it shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay, by way of financial disincentive, an amount of ten thousand rupees for every day of delay for the first seven days and, in case the contravention continues beyond seven days, an additional amount of twenty thousand rupees for each subsequent day of delay during which the default continues, subject to a maximum of five lakh rupees, as the Authority may, by order, direct:

Provided that no order for payment of any amount by way of financial disincentive shall be made by the Authority, unless the service provider has been given a reasonable opportunity of representing against the contravention of the tariff order observed by the Authority:

Provided further that the Authority may waive the financial disincentive or impose a lower amount of financial disincentive where it finds merit in the reasons furnished by the service provider ;

(b) after sub-clause (iii), the following sub-clause shall be inserted, namely:-

"(iv) In case a service provider fails to pay the amount of financial disincentive under sub-clause (iii) within the period stipulated in the order for payment of financial disincentive, it shall be liable to pay interest on the outstanding amount of financial disincentive, at a rate which shall be two percent (2%) above the one year Marginal Cost of Lending Rate of State Bank of India applicable at the beginning of the Financial Year in which last day of the stipulated period falls.

Explanation: For the purposes of this sub-clause, a part of the month shall be reckoned as a full calendar month for the purpose of calculation of interest and a month shall be reckoned as an English calendar month."

3. Clause 7A of the principal tariff order shall be deleted.

(Vijay Kumar)
Advisor (F&EA)

Note.1. – The Telecommunication Tariff Order, 1999 was published in the Gazette of India, Extraordinary, Part III, Section 4 under notification No. 99/3 dated 9th March, 1999, and subsequently amended as given below:-

Amendment No.	**Notification No. and Date**
1st	301-4/99-TRAI (Econ) dated 30.03.1999
2nd	301-4/99-TRAI(Econ) dated 31.05.1999
3rd	301-4/99-TRAI(Econ) dated 31.05.1999
4th	301-4/99-TRAI(Econ) dated 28.07.1999
5th	301-4/99-TRAI(Econ) dated 17.09.1999
6th	301-4/99-TRAI(Econ) dated 30.09.1999
7th	301-8/2000-TRAI(Econ) dated 30.03.2000
8th	301-8/2000-TRAI(Econ) dated 31.07.2000
9th	301-8/2000-TRAI(Econ) dated 28.08.2000
10th	306-1/99-TRAI(Econ) dated 09.11.2000
11th	310-1(5)/TRAI-2000 dated 25.01.2001
12th	301-9/2000-TRAI(Econ) dated 25.01.2001
13th	303-4/TRAI-2001 dated 01.05.2001
14th	306-2/TRAI-2001 dated 24.05.2001
15th	310-1(5)/TRAI-2000 dated 20.07.2001
16th	310-5(17)/2001-TRAI(Econ)dated 14.08.2001
17th	301/2/2002-TRAI(Econ) dated 22.01.2002
18th	303/3/2002-TRAI(Econ) dated 30.01.2002
19th	303/3/2002-TRAI(Econ) dated 28.02.2002
20th	312-7/2001-TRAI(Econ) 14.03.2002
21st	301-6/2002-TRAI(Econ) dated 13.06.2002
22nd	312-5/2002-TRAI(Eco) dated 04.07.2002
23rd	303/8/2002-TRAI(Econ) dated 06.09.2002
24th	306-2/2003-Econ dated 24.01.2003

25th	306-2/2003-Econ dated 12.03.2003
26th	306-2/2003-Econ dated 27.03.2003
27th	303/6/2003-TRAI(Econ) dated 25.04.2003
28th	301-51/2003-Econ dated 05.11.2003
29th	301-56/2003-Econ dated 03.12.2003
30th	301-4/2004(Econ) dated 16.01.2004
31st	301-2/2004-Eco dated 07.07.2004
32nd	301-37/2004-Eco dated 07.10.2004
33rd	301-31/2004-Eco dated 08.12.2004
34th	310-3(1)/2003-Eco dated 11.03.2005
35th	310-3(1)/2003-Eco dated 31.03.2005
36th	312-7/2003-Eco dated 21.04.2005
37th	312-7/2003-Eco dated 02.05.2005
38th	312-7/2003-Eco dated 02.06.2005
39th	310-3(1)/2003-Eco dated 08.09.2005
40th	310-3(1)/2003-Eco dated 16.09.2005
41st	310-3(1)/2003-Eco dated 29.11.2005
42nd	301-34/2005-Eco dated 07.03.2006
43rd	301-2/2006-Eco dated 21.03.2006
44th	301-34/2006-Eco dated 24.01.2007
45th	301-18/2007-Eco dated 05.06.2007
46th	301-36/2007-Eco dated 24.01.2008
47th	301-14/2008-Eco dated 17.03.2008
48th	301-31/2007-Eco dated 01.09.2008
49th	301-25/2009-ER dated 20.11.2009
50th	301-24/2012-ER dated 19.04.2012
51st	301-26/2011-ER dated 19.04.2012
52nd	301-41/2012-F&EA dated 19.09.2012
53rd	301-39/2012-F&EA dated 01.10.2012
54th	301-59/2012-F&EA dated 05.11.2012
55th	301-10/2012-F&EA dated 17.06.2013
56th	301-26/2012-ER dated 26.11.2013
57th	312-2/2013-F&EA dated 14.07.2014
58th	312-2/2013-F&EA dated 01.08.2014
59th	310-5 (2)/2013-F&EA dated 21.11.2014

60th	301-16/2014-F&EA dated 09.04.2015
61st	301-30/2016-F&EA dated 22.11.2016
62nd	301-30/2016-F&EA dated 27.12.2016
63rd	312-1/2017-F&EA dated 16.02.2018
64th	301-20/2018-F&EA dated 24.09.2018
65th	301-03/2020-F&EA dated 03.06.2020
66th	C-3/7/(5)/2021-FEA-1 dated 27.01.2022
67th	C-3/7/(5)/2021-FEA-1 dated 31.03.2022
68th	C/(5)/2021-FEA-II dated 07.04.2022
69th	C/(2)/2021-FEA-I dated 06.12.2022
70th	RG-13/1/(1)/2023-ADV_FEA-I dated 23.12.2024
71st	RG-(6)/2024-FEA-II dated 16.06.2025

Note 2. – The Explanatory Memorandum explains the objects and reasons for the Telecommunication Tariff (Seventy Second Amendment) Order, 2025.

EXPLANATORY MEMORANDUM

1. From the preamble of TRAI Act, it is understood that the basis of setting up of the TRAI is to regulate the telecom sector and protect the interests of stakeholders. The functions of TRAI have been mentioned under section 11 of the Act, where the core regulatory functions involve matters like inter-connection, ensuring quality of service and tariff regulation. The function of TRAI related to tariff is reproduced as follows:

> *"(2) Notwithstanding anything contained in the Indian Telegraph Act, 1885 (13 of 1885), the Authority may, from time to time, by order, notify in the Official Gazette the rates at which the telecommunication services within India and outside India shall be provided under this Act including the rates at which messages shall be transmitted to any country outside India:*
>
> *Provided that the Authority may notify different rates for different persons or class of persons for similar telecommunication services and where different rates are fixed as aforesaid the Authority shall record the reasons therefor."*

2. TRAI, as sector regulator, has played an important role in the orderly growth of the telecom sector through timely interventions in the form of regulations, orders and directions etc. and making suitable recommendations to the Government.

3. The Telecommunication Tariff (52nd Amendment) Order, dated 19.09.2012, provided that that the service providers shall report tariff to the Authority within seven working days from the date of implementation after conducting a self-check to ensure consistency of the tariff with regulatory guidelines.

4. It was observed that the prescribed timelines for reporting tariff were not taken very seriously by the service providers which was to the prejudice of those service providers who regularly file their tariff plans on time. The non-adherence of timelines in tariff reporting deprives the Authority of the timely opportunity to

intervene in case the tariff in question was found to be inconsistent with regulatory guidelines and/or adversely affect the interest of consumers. The Authority, therefore, had decided to introduce a financial disincentive for each day of delay of a tariff report subject to a cap of Rs 2 lakhs for each instance of delay.

5. The present order aims to amend the relevant regulatory provisions to enhance the effectiveness of financial disincentives in ensuring regulatory compliance. This involves a consideration for prescribing a maximum ceiling, implementing financial disincentive in a graded manner in consonance with gravity of contravention, and imposing interest on default in payment of financial disincentive.

5.1 <u>Financial disincentive in a Graded Manner:</u>

i. The imposition of financial disincentives in a graded manner is a structured approach designed to ensure compliance with regulatory provisions. This methodology seeks to balance the severity of the disincentive with the gravity of the contravention, fostering both accountability and fairness in enforcement. Such an approach is essential to maintain the integrity of the regulatory framework and encouraging stakeholders to adhere to prescribed standards.

ii. The gradation of financial disincentives is desirable for ensuring that it is proportionate to the severity of the contravention, the intent of the contravener, and the impact of the contravention. Graded financial disincentives could be a more nuanced and fair approach to enforcement, considering the context and circumstances surrounding each case.

iii. It is noteworthy that in many other regulations and orders issued by TRAI recently, graded financial disincentive for contraventions of a particular provision has been imposed.

iv. The concept of graded penalties also broadly aligns with the provisions of the "Telecommunications Act, 2023," which categorizes civil penalties based on the seriousness of violations.

5.2 <u>Ceiling on the total amount of financial disincentive:</u>

i. Introducing a ceiling on the total financial disincentive amount prevents the possibility of imposing excessively high disincentives, which may disproportionately burden service providers, especially for inadvertent or minor violations. Excessive disincentive may lead to operational and financial distress, particularly for smaller service providers, potentially affecting service quality and consumer interest.

ii. A capped disincentive framework helps in mitigating such risks, ensuring that disincentives serve as a deterrent without jeopardizing the financial stability of the regulated entities.

iii. The newly introduced Telecommunication Act, 2023, also specifies a maximum penalty limit.

5.3 <u>Failure to pay financial disincentive within the stipulated time:</u>

i. The imposition of interest on delayed/non-payments of financial disincentives serves as a significant deterrent against intentional delays by service providers. By introducing a financial disincentive in the form of accruing interest, the mechanism ensures accountability and discourages any deliberate postponement of payments, which might otherwise occur without tangible consequences. This measure not only promotes timely and responsible financial conduct but also reinforces the importance of adhering to regulatory obligations. Furthermore, such a provision contributes to overall financial discipline and operational stability within the sector. It ensures that service providers obey their commitments in compliance with the Authority's orders and ensures the effective enforcement of regulatory frameworks.

ii. It is noteworthy that in many other regulations issued by TRAI recently, an interest is leviable on the financial disincentives in case a service provider fails to pay financial disincentive within the stipulated time.

iii. Similarly, the Department of Telecommunications (DoT) broadly follows a comparable approach regarding the delayed payment of license fees and other dues.

6. In alignment with the above approach, it is proposed to amend the existing provisions of financial disincentives as detailed in Table 1.

Table 1: Substitution of Clause 7 (iii) and insertion of Clause 7(iv) in principal tariff order

Existing	Proposed Amendment
7 (iii) If any service provider fails to comply with the Reporting Requirement, it shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay five thousand rupees, by way of financial disincentive, for every day of delay subject to maximum of two lakh rupees as the Authority may by order direct.	**7 (iii)** If any service provider fails to comply with the Reporting Requirement, it shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay, by way of financial disincentive, an amount of ten thousand rupees for every day of delay for the first seven days and in case the contravention continues beyond seven days, an additional amount of twenty thousand rupees for each subsequent day of delay, during which the default continues, subject to a maximum of five lakh rupees, as the Authority may, by order, direct.;

	Provided that no order for payment of any amount by way of financial disincentive shall be made by the Authority, unless the service provider has been given a reasonable opportunity of representing against the contravention of the tariff order observed by the Authority: Provided further that the Authority reserves the right not to impose any financial disincentive or to impose a lower amount of financial disincentive than the amount payable under this sub-clause, where it finds merit in the reasons furnished by the service provider and in the interest of regulatory compliance. (b) after sub-clause(iii), the following sub-clause shall be inserted, namely:- (iv) In case a service provider fails to pay the amount of financial disincentive under sub-clause (iii) within the period stipulated in the order for payment of financial disincentive, it shall be liable to pay interest, on the outstanding amount of financial disincentive, at a rate which shall be two percent (2%) above the one year Marginal Cost of Lending Rate of State Bank of India applicable on the beginning of the Financial Year in which last day of the stipulated period falls. Explanation: For the purposes of this sub-clause, a part of the month shall be reckoned as a full calendar month for the purpose of calculation of interest and

	a month shall be reckoned as an English calendar month.

7. Deletion of Clause 7A of Principal Tariff order: The Authority is of the view that due to the existence of similar financial disincentive provision under clause 9(2) of Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023 (03 of 2023) and to avoid possibility of duplicacy or missing out of imposition of financial disincentive by both the provisions, it will be prudent to do away with Clause 7A of the principal tariff order. This is a pragmatic approach since the Metering and Billing Audit is conducted through the said regulation and excess charges are detected received under the provisions of the said regulations.

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