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TRAI/FY25-26/058

07th November 2025

Shri Vijay Kumar,
Advisor (Financial & Economic Analysis)
Telecom Regulatory Authority of India,
World Trade Centre, Nauroji Nagar,
New Delhi – 110029

Subject: Bharti Airtel's Comments on Draft 72nd Amendment to the Telecom Tariff Order (TTO) 1999.

Reference: Draft 72nd Amendment to the Telecom Tariff Order (TTO) issued by TRAI on 16.10.2025.

Dear Sir,

This is in reference to the Draft amendment to the Telecom Tariff Order (TTO) issued by TRAI on 16.10.2025.

In this regard, please find enclosed our comments regarding the 72nd Amendment to the Telecom Tariff Order 2025, for your kind consideration.

Thanking You,

Yours Sincerely,

For **Bharti Airtel Limited**

A handwritten signature in blue ink, appearing to read 'Rahul Vatts', written over a light blue horizontal line.

Rahul Vatts

Chief Regulatory Officer

CC: Shri. Atul Kumar Chaudhary, Secretary, TRAI, New Delhi - 110029

Shri. D. Manoj, Principal Advisor (F&EA), TRAI, New Delhi – 110029

Executive Summary:

Airtel thanks the Authority for giving it the opportunity to comment on this important *Draft 72nd Amendment to the Telecom Tariff Order (TTO) 1999*.

Airtel is fully aligned with the goals of transparency and accountability. **Our exemplary record on compliance with the reporting requirements under the TTO, since its inception in 1999, demonstrates our commitment.** However, it is simultaneously necessary to ensure that any framework is consistent with the principles of fairness and proportionality.

The Draft Amendment, in its present form, goes against the Government's stated objective of Ease of Doing Business, and would seriously undermine regulatory stability and investor confidence in the sector. Moreover, it is also opposed to Government's ongoing initiatives aimed at decriminalization, simplification, and reduction of compliance costs under the Jan Vishwas (Amendment of Provisions) Bill, 2023 and the forthcoming Jan Vishwas Bill 2.0. Thus, there is a need for balanced recalibration of the proposed financial disincentive ("FD") framework.

It may also be pertinent to highlight here that the Draft Amendment is purported to be made under Section 11(2) read with Section 11(1)(b)(i) of the TRAI Act. However, these provisions only empower the Authority to issue regulations/tariff orders, not to impose FD for non-compliance of the same. Hence, **the extant provision for imposition of FD itself goes beyond the mandate of the parent statute – the further enhancement of the same may thus be excessive and arbitrary.** However, without prejudice, we have also provided our comments on the Draft Amendment.

The sections that follow elaborate on Airtel's assertions.

(A) No Justification for Amendment:

Reporting requirements have been a cornerstone of tariff regulation, since the inception of the TTO in 1999 – designed to protect consumer interests and to enable prompt intervention by the Authority in cases of potential non-conformance or consumer harm. FDs for delayed tariff reporting were only introduced vide the 52nd Amendment to the TTO in 2012, to promote timely compliance and regulatory oversight. Currently, the TTO provides for an FD of ₹5,000 per day, capped at ₹2 lakh, for delays in reporting new/modified tariffs.

We understand that there have been no instances of delayed reporting by any TSP. This exemplary track record is ample evidence that **the sector has fully internalized the importance of timely reporting, and that the current regulatory framework is already effective in ensuring compliance.**

Given the above, there appears to be no regulatory justification for enhancing the quantum of FDs for delayed reporting or introducing provisions for imposition of interest at exorbitant rates – as proposed in the Draft Amendment.

The only rationale provided by the Authority for the proposed changes is to *“enhance the effectiveness of financial disincentives in ensuring regulatory compliance”*. **There is neither any further justification nor any past data points (e.g. the number of instances of delayed reporting), which would support this steep and disproportionate increase in FD and imposition of interest at usurious rates.**

In absence of any demonstrable evidence of systemic non-compliance or material regulatory harm, such enhancement appears arbitrary and disproportionate. Effective regulation should be evidence-based and guided by actual risk assessment rather than speculative deterrence. Excessive financial penalties could lead to regulatory overreach, defeating the broader policy objective of predictability and stability essential for long-term investment in the sector.

(B) FD as Last Resort:

FD, under the extant TTO as well as in the Draft Amendment, appears to be an immediate recourse – for every instance of delay or error, without distinguishing between inadvertent and willful omissions/errors leading to non-compliance. It also does not factor in the past conduct of the TSP. Further, no opportunity is given to the TSP to take corrective measures before initiating punitive action. Such an approach is inconsistent with the principle of proportionality.

Instead, trust-based compliance and regulatory efficiency would promote Ease of Doing Business. Thus, punitive provisions should remain a measure of last resort rather than a default enforcement tool. Minor procedural lapses may be forgone, and a graded FD framework may be adopted, in order to ensure a higher level of compliance with material requirements.

It may be noted that even the new Telecom Act provides for a graded system of penalties for breach of terms and conditions of license/authorisation – with only a written warning for non-severe cases. Moreover, a provision for voluntary undertaking has been introduced, providing operators an opportunity to disclose contraventions – which acts as a bar on any proceedings by DoT. In fact, an operator may submit a voluntary undertaking even during the course of proceedings, and it then acts as a mitigation measure while determining the penalty. It is evident from the above; that the objective of the Government is to enhance the overall level of compliance, and not penalize operators for each and every case of non-compliance.

A one-size-fits-all punitive approach may therefore not only be inconsistent with legislative intent but could also erode the spirit of cooperative regulation that has underpinned the telecom sector’s success. Encouraging voluntary correction and providing an opportunity for self-disclosure would lead to a more sustainable and responsible compliance culture.

We suggest that a similar approach may be adopted in case of TTO as well:

- There should be no FD for any inadvertent error/omission.
- A formal advisory/warning should be issued in case of any such recurrence within 2 years of the first instance.
- FD should only be used as a last resort, and only in cases of wilful and/or repeated non-compliance which have a material impact on decision-making by the Authority.
- The materiality and scale of impact of the non-compliance as well as the track record of the TSP should be factored while determining the quantum of FD.

This calibrated, risk-based approach would ensure that the regulatory objectives of accuracy and reliability are achieved, without discouraging good-faith operators through excessive or disproportionate sanctions.

Conclusion & Recommendations:

In view of the foregoing submissions, Airtel submits that the Draft Amendment should be dropped.

It further recommends the following:

- (i) The framework should be aligned with the Government's ongoing reform agenda under the Telecom Act and the Jan Vishwas Bill – with focus on simplification, proportionality, and predictability.
- (ii) Penalties, if any, should depend on intent, materiality, and past record of compliance, rather than automatic triggers.
- (iii) There should be a graded enforcement structure, beginning with advisories/warnings before any FD is considered.