



08<sup>th</sup> August 2024

**Shri Akhilesh Kumar Trivedi,**  
**Advisor (NSL)**  
**Telecom Regulatory Authority of India**  
05th Floor, Tower-F, World Trade Centre  
Nauroji Nagar, New Delhi-110029

**Subject: Consultation Paper on the Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023.**

Dear Sir,

This is in reference to the consultation paper issued by the authority on July 11, 2024, on the Framework for Service Authorizations to be Granted Under the Telecommunications Act, 2023.

In this regard, we, Tata Teleservices Limited (TTSL) and Tata Teleservices (Maharashtra) Limited [together called "TTL"] hereby enclose our response to the questions raised in your above-mentioned Consultation Paper.

We believe TTL response will be given due consideration.

Thanking you and assuring you of our best attention always.

**Thanking you,**

**Yours sincerely**

**Mukesh Dhingra**  
**General Manager – Corporate Regulatory Affairs**  
**Tata Teleservices Limited**  
**And**  
**Authorized Signatory**  
**For Tata Teleservices (Maharashtra) Limited**



*Consultation Paper on the  
“Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023”  
Comments by Tata Teleservices Limited & Tata Teleservices (Maharashtra) Limited*

At the outset, Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited [together called “TTL”] express our sincere gratitude to Telecom Regulatory Authority of India (TRAI) for releasing the Consultation Paper on the “**Framework for Service Authorisations to be Granted Under the Telecommunications Act, 2023**” for the stake holders’ comments.

TTL’s response to the various issues raised in the Consultation Paper is as follows:

**Q1. For the purpose of granting authorisations under Section 3(1) of the Telecommunications Act, 2023, whether the Central Government should issue an authorisation to the applicant entity, as is the international practice in several countries, in place of the extant practice of the Central Government entering into a license agreement with the applicant entity? In such a case, whether any safeguards are required to protect the reasonable interests of authorized entities? Kindly provide a detailed response with justifications.**

**Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.**

**TTL Response to Q1 & Q2:** The Telecommunications Act, 2023 empowers the Central Government to issue Authorisation(s) and the practice of entering into a license agreement, as under the earlier Indian Telegraph Act 1885, seems to have been done away with. That being said, it would appear that only the nomenclature has changed but the underlying nature of the grant of permission to provide telecommunication services will remain the same. This is evident from DoT’s reference dated 21.06.2024, whereby it has requested TRAI to recommend terms and conditions, including fees and charges, for grant of the authorisation to provide telecom services under the new Act.

However, TTL understands that the two-fold objective of introducing the Authorisation regime in place of the licensing regime is to: (a) simplify and avoid the various interpretational and other issues that arose in respect of the present licenses; and (b) avoid the various inherent inconsistencies between the general conditions of the license and the specific conditions under the individual service authorisations. Unless this objective is achieved in the Authorisation regime, replacing the earlier licensing regime will not serve the purpose. It is only if the document/permission granting the Authorisation meets this objective, that it shall be preferable to the earlier licensing arrangement.



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Thus, TTL is of the view that the Central Government should issue a simple, clear and concise Authorisation without any ambiguity as to its terms and conditions to the applicant company under the Telecommunications Act, 2023.

TTL also believes that it will be appropriate to issue the Authorisation with a service area, period of validity, and applicable fees only. All other terms and conditions may form part of the rules to be made under the Telecommunications Act, 2023.

**Q3. In case it is decided to implement the authorisation structure proposed in the Q2 above,**

**(a) Which essential aspects of authorisation should be included in authorisation documents?**

**(b) What should be the broad category of rules, under which, terms and conditions of various authorisations could be prescribed?**

**(c) Whether it would be appropriate to incorporate the information currently provided through the extant Guidelines for Grant of Unified License and Unified License for VNO, which included, inter-alia, the information on the application process for the license, eligibility conditions for obtaining the license, conditions for transfer/ Merger of the license etc., in the General Rules under the Telecommunications Act, 2023?**

**(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules? Kindly provide a detailed response with justifications.**

**TTL Response:**

(a) The following should be part of the authorisation document:

- Service Area
- Scope of the Service
- Date of Authorization
- Validity period

(b) The following should be the broad categories of the terms and conditions to be specified in the Rules to be made under the Telecommunications Act, 2023.:

- General Conditions
- Commercial Conditions
- Financial Conditions
- Technical Conditions
- Operating Conditions
- Security Conditions
- Spectrum Allotment



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- (c) It would be appropriate to include the information currently provided through the guidelines for Guidelines Grant of Unified License and Unified License for VNO in the General Rules under the Telecommunications Act, 2023.
- (d) While it would be appropriate to bring all aspects, including technical and commercial, under the Rules themselves with no requirement for separate guidelines, if guidelines have to be issued, these may cover the following aspects:
- Subscriber reporting and verification
  - EMF
  - Carbon Footprint
  - Allocation of numbering resources

**Q4. In view of the provisions of the Telecommunications Act, 2023, what safeguards are required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers, while at the same time making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time? Kindly provide a detailed response with justifications.**

**TTL Response:** The current Licensing regime is unilateral in nature and amendments were issued without considering the views and objections of the Licensees. This has led to frequent changes in the License Agreement and consequently to litigations. As a result, there has been considerable regulatory uncertainty, which has made it difficult for service providers to align their network/business to the changed regulatory environment.

In light of the above, TTL is of the view that ideally there should be long-term certainty on the commercial and financial conditions without regular changes etc. Any changes on the other aspects in the authorization and/or the Rules under the Act, should be in consultation with the service providers and not unilateral, and should only be carried out if necessitated in public/national interest.

We also suggest that to keep pace with the technology and take advantage of the same for delivering world-class services to customers, the Authorization should be a live document, incorporating changes to align with the future trends in technology.

**Q5. In addition to the service-specific authorisations at service area level, whether there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication services with pan-India service area under the Telecommunications Act, 2023? Kindly justify your response.**

**TTL Response:** TTL is of the view that there is a need for introducing National level unified service authorisation for providing end to end telecommunication services pan-India services under the Telecommunication Act 2023.



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This will avoid the need for taking multiple service specific and area specific authorizations, thus, rationalising compliances and allowing for ease of business. This will also ensure efficiency of operations and seamless provision of services to customers. Further, it will allow for easy oversight by the Licensor and TRAI.

With technological advances like Cloud, IoT, and AI, the provision of service at the national level is possible, and the operators are gradually moving toward this. This has blurred the boundaries, and it is high time we have a national level license to provide end-to-end telecommunication services.

**Q6. In case it is decided to introduce a unified service authorisation at National level for the provision of end-to-end telecommunication services-**

- (a) What should be the scope of service under such an authorisation?**
- (b) What terms and conditions (technical, operational, security related, etc.) should be made applicable to such an authorisation?**
- (c) Would there be a need to retain some of the conditions or obligations to be fulfilled at the telecom circle/ Metro area level for such an authorisation?**
- (d) Should assignment of terrestrial access and backhaul spectrum be continued at the telecom circle/ Metro area level for such an authorisation?**
- (e) Any other suggestion to protect the interest of other authorised entities/ smaller players upon the introduction of such an authorisation.**

**Kindly provide a detailed response with justification.**

**TTL Response:**

- (a) The scope of the National level authorisation should be to provide end to end telecommunication services (Access, Carrier) through any mode medium (terrestrial, wireless, VSAT or Space).
- (b) The technical, operational and security related terms, as they are applicable under the present UL, may also be made applicable to the national level unified service authorization with suitable modifications for meeting present technology.
- (c) There should be no obligations to be fulfilled at the telecom circle/ Metro level except necessary security related measures. Market dynamics are currently strong enough to ensure that service providers provide world class services and as such, unnecessary obligations and compliance requirements, which lead to numerous litigations, should be avoided at circle level.
- (d) The assignment of terrestrial access and backhaul spectrum should be continued at the telecom circle/ Metro level for efficient utilisation of the scarce resources.



(e) NA

**Q7. Within the scope of Internet Service authorisation under the Telecommunications Act, 2023, whether there is a need for including the provision of leased circuits/ Virtual Private Networks within its service area? Kindly provide a detailed response with justifications.**

**TTL Response:** There is no case for including the provision of leased circuits/ Virtual Private Networks in the scope of Internet Service Authorisation and doing so will severely adversely impact the financial viability of long-distance authorizations such as NLD.

Currently Access and National Long distance service providers are permitted to provide these services within the defined geographies. Allowing the ISP to provide the same will be detrimental to the current Access and National Long distance service providers interest who have invested significant money to create the required infrastructure. They are still to recover their costs.

**Q8. In case it is decided to enhance the scope of Internet Service authorisation as indicated in the Q7 above, -**

- (a) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on Internet Service authorisation?**
- (b) Any other suggestion to protect the reasonable interests of other authorised entities upon such an enhancement in the scope of service. Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q9. Whether there is need for merging the scopes of the extant National Long Distance (NLD) Service authorization and International Long Distance (ILD) Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**TTL Response:** TTL is of the view that the scope of the National Long Distance Service Authorisation and International Long Distance Service Authorisation should be merged. Going by the current scope of the NLD and ILD, there is similarity between them except the area of operations in as much as NLD can serve within the national boundaries and ILD can services beyond the boundaries of the country. Merging them into a single authorisation will ensure cost and operational effectiveness for the authorised entity, which will ultimately benefit the end consumer by ensuring better provision of services.

**Q10. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorisation namely Long-Distance Service authorisation under the Telecommunications Act, 2023,**



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- (c) What should be the scope of service under the proposed Long Distance Service authorisation?
- (d) What terms and conditions (technical, operational, security related, etc.) should be made applicable on the proposed Long Distance Service authorisation?
- (e) (c) Any other suggestions to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation?

Kindly provide a detailed response with justifications.

**TTL Response:**

- (a) The scope of services under the Long-Distance Service Authorisation should be the combined scope of services under the current ILD and NLD licenses should form the combined.
- (b) The current terms and conditions of the individual NLD and ILD licenses should be made applicable to the Long-Distance Service Authorisation.

**Q11. Whether there is need for merging the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q12. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorisation namely Satellite-based Telecommunication Service authorisation under the Telecommunications Act, 2023,**

- (a) What should be the scope of service under the proposed Satellite-based Telecommunication Service authorisation?
- (b) What should be terms and conditions (technical, operational, security related, etc.) that should be made applicable on the proposed Satellite [1] based Telecommunication Service authorisation?
- (c) Any other suggestion to protect the reasonable interests of other authorised entities upon the introduction of such an authorisation? Kindly provide a detailed response with justifications.

**TTL Response:** No Comments

**Q13. Whether there is a need for merging the scopes of the extant Infrastructure Provider-I (IP-I) and DCIP authorization (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**



**TTL Response:** IP-1 (Infrastructure Provider-1) should not be clubbed with DCIP (Digital Connectivity Infrastructure Provider) authorisation as recommended by TRAI. The clubbing will be detrimental to the present IP-I registration holders as they will have to migrate to an authorisation, which will have financial and other compliance related obligations. IP-I registration holders provide infrastructure to help the service providers in rolling out services faster. IP-1 is thus a catalyst to the growth of telecom sector and bringing it under the authorisation regime, will make it unviable.

Instead, we suggest that scope of the IP-I should be enlarged to include provision of the active infrastructure to Telecom Service Providers.

**Q14. In case it is decided to merge the scopes of the extant IP-I and DCIP (as recommended by TRAI) into a single authorisation under the Telecommunications Act, 2023, -**

- (a) What should be the scope under the proposed authorisation?
- (b) What terms and conditions should be made applicable to the proposed authorisation? Kindly provide a detailed response with justifications.

**TTL Response:** No Comments

**Q15. Whether there is a need for clubbing the scopes of some of the other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations? If yes, in your opinion, the scopes of which authorisations should be clubbed together? For each of such proposed (resultant) authorisations, -**

- (a) What should be the scope of the service?
- (b) What should be the service area?
- (c) What terms and conditions (technical, operational, security, etc.) should be made applicable? Kindly provide a detailed response with justification.

**TTL Response:** No Comments

**Q16. Whether there a need for removing some of the existing authorizations, which may have become redundant? If yes, kindly provide the details with justification.**

**TTL Response:** No Comments

**Q17. Whether there is a need for introducing certain new authorisations or sub [1] categories of authorisations under the Telecommunications Act, 2023? If yes, -**

- (a) For which type of services, new authorisations or sub-categories of authorisations should be introduced?
- (b) What should be the respective scopes of such authorisations?
- (c) What should be the respective service areas for such authorisations?





**(d) What terms and conditions (general, technical, operational, Security, etc.) should be made applicable for such authorisations, kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q18. In view of the provisions of the Telecommunications Act, 2023 and technological/market developments, -**

- (a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License?**
- (b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License? Kindly provide a detailed response with justifications.**

**TTL Response:**

- (a) TTL is of the view that there is an urgent need to make changes in the scope of the Licenses.
- (b) We propose taking out wireline services (voice and broadband) from the scope of licensed telecommunication services and instead wireline services may be treated as telecom infrastructure. This will take wireline services out of AGR based licensing regime. We understand that DoT and TRAI in any case have been deliberating the removal of licensee fees (LFs) from the fixed-line broadband internet services, including the IPTV service.
- (c) Further, services/solutions, which use telecom connectivity services as an input service but provide some other services, similar in nature to the licensed telecom services, should be kept outside the ambit of the licensing regime.

**Proposed changes in scope of Wireline Voice Services:**

**(a)Internet Telephony:** Cloud adoption is the next wave in telecom sector and hence, the scope of Internet telephony services should be modified to give full flexibility to all users to use their Fixed line number over any access medium including Internet. Globally this is operational, and India also should adopt this. Current regulation restricts the use of fixed line numbers within limited premise over Internet telephony. Further, the revised 2021 OSP Guidelines should be extended to all types of Enterprise Customers.

**(b)Network Centralization:** In the coming years, we are likely to see Network centralization to reduce costs and increase control and monitoring. The introduction of Internet **Protocol (IP)**



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platforms like IP Multimedia Subsystem (IMS) will lead to centralized architecture for Call control. Hence, the concept of “local Handover” of calls or Short Distance Charging Ara (SDCA) based call routing should be removed. The inter operator traffic exchange should be enabled for limited preferred Point of Interconnect (POI) locations. This will ease the network architecture and help in reducing costs. This will also help to launch wireline voice services in tier 3, 4 and beyond towns.

As regards the general conditions, TTL suggests that necessary modifications should be made in the terms and conditions to ensure clarity in respect of marketing, billing and collection services by agents, franchises etc. for the Authorized entity.

**Q19. In view of the provisions of the Telecommunications Act, 2023 and technological/market developments, -**

**(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO?**

**(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License for VNO? Kindly provide a detailed response with justifications.**

**TTL Response:** Same as response to Q18.

**Q20. Whether the Access Service VNOs should be permitted to parent with multiple NSOs holding Access Service authorisation for providing wireless access service? If yes, what conditions should be included in the authorisation framework to mitigate any possible adverse outcomes of such a provision? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q21. Considering that there are certain overlaps in the set of services under various authorisations, would it be appropriate to permit service-specific parenting of VNOs with Network Service Operators (NSOs) in place of the extant authorisation-specific parenting? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q22. In view of the provisions of the Telecommunications Act, 2023 and technological/market developments, -**



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(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.?

(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding extant standalone licenses/ authorizations/ registrations/ NOC etc.? Kindly provide a detailed response with justifications.

**TTL Response:** No Comments

**Q23.** In view of the provisions of the Telecommunications Act, 2023 and market developments, whether there is a need to make some changes in the respective scopes and terms and conditions associated with the following service authorisations, recently recommended by TRAI:

- (a) Digital Connectivity Infrastructure Provider (DCIP) Authorization (under Unified License)
- (b) IXP Authorization (under Unified License)
- (c) Content Delivery Network (CDN) Registration
- (d) Satellite Earth Station Gateway (SESG) License If yes, kindly provide a detailed response with justifications in respect of each of the above authorisations.

**TTL Response:** No Comments

**Q24.** In view of the provisions of the Telecommunications Act, 2023 and market developments, any further inputs on the following issues under consultation, may be provided with detailed justifications:

- (a) Data Communication Services Between Aircraft and Ground Stations Provided by Organizations Other Than Airports Authority of India.
- (b) Review of Terms and Conditions of PMRTS and CMRTS Licenses; and
- (c) Connectivity to Access Service VNOs from more than one NSO.

**TTL Response:** No Comments

**Q25.** Whether there is a need for introducing any changes in the authorisation framework to improve the ease of doing business? If yes, kindly provide a detailed response with justifications.

**TTL Response:**

- A. Subscriber verification and activation process for Wireline customers:** DoT has issued various guidelines simplifying the verification and activation process and



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requirements for mobile customers. Similar specific guidelines etc. should also be introduced for Wireline Enterprise customers.

**B. Marketing and Billing:** Necessary modifications should be made in the applicable terms and conditions to ensure clarity in respect of marketing, billing and collection services by agents, franchises etc. for the Authorized entity.

**C. Removal of LF on Wireline business:** DoT and TRAI have already been deliberating the removal of licensee fees (LFs) from the fixed-line broadband internet services. The Authorisation framework should be modified suitably to remove LF liability in revenue from wireline business.

**Q26. In view of the provisions of the Telecommunications Act, 2023 and market/ technological developments, whether there is a need to make some changes in the extant terms and conditions, related to ownership of network and equipment, contained in the extant Unified License? If yes, please provide the details along with justifications.**

**TTL Response:** TTL suggests that Active Infrastructure Sharing between Authorised entities should be permitted.

Sharing of active infrastructure in the core networks of wireline telecom operators shall enable the delivery of low-cost voice, data, and internet products which are essential for this sector to sustain and flourish. The recommended active Network elements proposed to be included for sharing between TSPs are as under:

- a) **Core Voice Platforms:** including Switches (IMS, NGN), SBC, MGW, MGCF, AGCF, and associated voice network infrastructure.
- b) **Core Data and Internet Platforms:** including Service delivery nodes and respective media such as Internet Gateways, Routers, Switches, STP, IN, SMSC, MPLS, AAA, CDN, etc.
- c) **Private Network, URLCC:** Ultra reliable Low Latency communication network, which has slicing capability.
- d) **Cloud Infrastructure:** Sharing of Cloud Infrastructure with other Telcos or cloud infra providers
- e) **Cloud Based Telecom Infrastructure:** Use of Private or Public Cloud Infra for Telecom networks of wireline telecom operators Like IMS, SBCs, SMSCs, NMS, EMS etc.

**Q27. Whether any modifications are required to be made in the extant PM-WANI framework to encourage the proliferation of Wi-Fi hotspots in the country? If yes, kindly provide a detailed response with justifications.**

**TTL Response:** No Comments



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**Q28. What should be the broad framework including the specific terms and conditions that should be made applicable for captive authorisations, which are issued on a case-to-case basis? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q29. What amendments are required to be incorporated in the terms and conditions of authorisations for providing telecommunications services using satellite-based resources in light of the policy/ Act in the Space Sector? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q30. Whether the provisions of any other Policy/ Act in the related sectors need to be considered while framing terms and conditions for the new authorisation regime? If yes, kindly provide a detailed response with justification.**

**TTL Response:** No Comments

**Q31. What conditions should be made applicable for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**Q32. What procedure should be followed for the migration of the existing licensees to the new authorisation regime under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**TTL Response to Qs 31 & 32:** The existing conditions and procedure, as applicable for migration from UASL to UL, should be continued and made applicable to the migration from existing licenses to the new Authorisation regime under the Telecommunications Act ,2023.

However, if the licensee does not want to migrate to the Authorisation regime under the Telecommunication Act, 2023, it should be allowed to operate under its existing licence till it's expiry on the subsisting terms and conditions. This position should not be altered.

**Q33. Do you agree that new guidelines for the transfer/ merger of authorisations under the Telecommunications Act, 2023 should be formulated after putting in place a framework for the authorisations to be granted under the Telecommunications Act, 2023? Kindly provide a detailed response with justifications.**

**TTL Response:** No Comments

**Q34. Whether there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in the Second**



**Schedule of the Telecommunications Act, 2023? If yes, kindly provide a detailed response with justifications.**

**TTL Response:**

TTL is of the view that there is a need to formulate guidelines for deciding on the types of violations of terms and conditions which would fall under each category as defined in Second Schedule of the Telecommunications Act 2023. This is necessary to avoid excessive discretion and arbitrariness on the part of the adjudicating authority. While this issue requires a separate detailed consultation, some suggestions for the guidelines are as under:

- A. Penalty should be levied only if violation is intentional and leads to unfair advantage for the TSP.
- B. DoT must rationalize penalty norms for TSPs as at present, penalties for various violations are excessive. Penalty for violations should not be automatic and instead should be dealt on a case-to-case basis with technical checks. Presently, in the absence of any laid down guidelines, TSPs are often imposed the maximum penalty even if violations are of a minor nature. For instance, the CAF penalties presently imposed by DoT are excessive and in cases, penalise the TSP for fraud done on them by the end user.
- C. DoT should streamline the process and rationalize the penalty structure. In doing so, DoT should consider –(i) classifying penalties into two buckets – (a) minor violations; and (b) major violations. There can be a list of violations that would fall in each of the two categories; (ii) there should be a reasonable maximum cap on the penalty under both categories; (iii) first time violations should not attract penalty at all; (iv) penalty should be imposed per violation and not per subscriber.
- D. Penalty by TERM cells for alleged faulty/incomplete Customer Acquisition Forms (CAFs) should be removed altogether as no security issues are created because of alleged deficiencies in CAF and new secure methods have been devised for customer acquisition.
- E. Penalties for failure to complete roll out obligations should also be removed.
- F. Currently the license provides for a maximum penalty of Rs. 50 Crore for all deviations/violations. It needs to be brought down to Rs.1 Crore. The officials take a very defensive stand of levying maximum penalty of Rs.50 Crore even for minor deviation which leads to protracted litigations. As has been announced time and again by DoT, it may devise a suitable matrix, linking the penalty to the severity of the incident and recurrence of the violation for imposition of financial penalties.
- G. Issue guidelines to ensure a common interpretation of circulars/regulations by different CCAs/TERM Cells.



**Q35. Are there any other inputs/ suggestions relevant to the subject? Kindly provide a detailed response with justifications.**

**TTL Response:**

- A. **Multiple Audits:** TSPs are audited by CCAs, Special Auditor appointed by DoT as well as CAG. In addition, TSPs are required to file AGR statement audited by Statutory Auditor of the company. As in case of Income Tax and GST, DoT/Govt may limit audits to the submission of reports audited by the Statutory Auditor and dispense with other audits. This is also in line with observation made by Hon’ble Telecom minister that the sector has matured and does not require regulatory audits.
- B. **Adjustment of payments made to DoT:** TTL suggests that:
- LF/SUC excess payment in one technology should be adjusted against LF/SUC dues in other technology from the date of actual payment, e.g. between CDMA and GSM.
  - Excess payment in one circle/licence should be adjusted against dues in other circle/Licence from the date of actual payment, e.g., refund in Delhi circle should be adjusted towards shortfall in Karnataka from the date of actual payment.
  - When there are allocations of central income and other such items, final assessment may result in revised allocations. TSPs should be allowed to submit revised returns and allocate payments between circles/NLD/ILD as appropriate (as long as TSP is a single company).
  - All monies are paid to DoT, whether they are circle wise/technology wise, either for LF and/or SUC. In its assessment of shortfall and imposition of interest, penalty etc., DoT should consider all payments together and avoid artificial segregation of these payments towards LF, SUC etc. to declare a shortfall.
  - One country-One assessment: There should be a single centralised AGR filing and assessment for all circles (As long as TSP is a single entity)

**Q36. In case it is decided to introduce a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the: -**

- I. **Amount of application processing fees**
- II. **Amount of entry fees**
- III. **Provisions of bank guarantees**
- IV. **Definitions of GR, ApGR and AGR**
- V. **Rate of authorisation fee**
- VI. **Minimum equity and networth of the Authorised entity Please support your response with proper justification.**

**TTL Response:** TTL is of the opinion that the conditions presently applicable to the grant of UL (All Services) should be made applicable to the grant of the Unified Service Authorisation for the provision of end-to-end telecommunication service pan India, with the following modifications:



## Definitions of GR, ApGR and AGR

1. **Applicable Gross Revenue (ApGR):** The definition of ApGR is that “ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

(i) Revenue from operations other than telecom activities/operations”

Above para has not been elaborated like the one done for ‘Other Income’ in Annexure - VIII. TSPs may have Revenue from both Telecom & Non-Telecom activities. Drawing a clear line with examples of activities/operations that will form part of telecom revenue and non-telecom revenue will help TSPs, Auditors and DoT officers while maintaining books of accounts, calculating ApGR and auditing later. Therefore, in our view the various reductions to arrive at the ApGR should be properly defined and amenable to easy interpretation so as to pose fewer problems in application, reduce disputes and minimize incentives for reduction of liability through creative accounting practices.

Key principles of the proposed definition: (i) the definition of revenue base must enable a uniform, transparent and simple procedure for verification of revenue and (ii) it should be comprehensive so as to discourage designing of tariff packages and schemes primarily for the purpose of reducing LF liability and so as to minimize the exercise of discretion at the level of the assessing authority.

Accordingly, we suggest the following:

- A. The statement “Revenue from **operations** other than telecom activities/operations” is to be elaborated with examples. The litmus test should be whether a telecom authorisation/license is needed for earning such revenue.

To avoid any ambiguity on the classification of revenue under non-telecom activities, DoT should provide a positive list of such activities like it has given the list of other income which will not form part of ApGR.

Some examples of activities which do not require a telecom authorisation/license and can be carried out by a non-telecom company, and are thus, to be reduced from GR while calculating ApGR are given below:

- I. **Trading of telecom equipment/appliances which does not require a telecom licence:** Like routers, customer end equipment, mobile handsets, EPABX etc.
- II. **Software based products or applications:** Like CRM, Financial and accounting, HRMS, Oracle, SAP, etc.
- III. **Software as a service (SaaS):** Like Web conferencing, office software applications provided by Zoom, Google, Microsoft etc.
- IV. **Infra as a service (IaaS):** Like Virtual machines, cloud storage, cloud network, firewall offered by Microsoft, Amazon, Google Cloud etc.
- V. **IT/ITES, Managed services and System Integration services:** like – Software and Hardware implementation, configuration, integration and 24x7 management with support services such as data backup services,





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- Disaster Recovery services, Managed security services, hosted contact center etc.
- VI. **Network Managed services:** like – SDWAN, Managed LAN-WAN, Managed WiFi, Managed CPEs etc.
  - VII. **Any credits for IND AS notional entries:** Book Entries to comply with accounting standards mandated under Companies Act 2013.
  - VIII. **Management Support and Consultancy services:**
  - IX. **Reimbursement of any expenses incurred on behalf of another entity:** Reimbursement is not an income. Reimbursement of expenses received by TSP from other TSP/s or for that matter from anybody is not an income.
  - X. **Rental Income from non-telecom activities:** like space rental for office, warehouse etc if provided by one TSP to another TSP/non-TSP.
  - XI. **Credit to Expenses:** Like Notice Pay Recovery - Notice pay recovery for not serving the full notice period as per the employment is common across industries.

As the list can be endless, DoT may provide a sample list of items and end with a note that ‘those activities/operations that can be provided by any company without having telecom license will be categorized as Revenue from operations other than telecom activities/operations’

- B. In cases where telecom services are bundled with non-telecom services and offered to the subscriber, revenue segregation between telecom and non-telecom services by TSPs should be acceptable as per Audited AGR and only revenue pertaining to telecom services should be subjected to AGR.

As per DoT’s clarification dated 17.07.2023, all activities covered under scope of license will be classified as Telecom activities. This is not a balanced view as there are many non-telecom activities mentioned in the license are also provided by non-licensed operators such as “Voice Mail, Audiotex services, Video Conferencing, Videotex, E-Mail etc.” Such non licensed operators are not required to pay LF on these revenues and accordingly this leads to excess burden on Telcos making them non-competitive in the market.

Also, through these guidelines dated 17.07.2023 DoT has increased scope of licence for AGR to include activities ancillary to telecom activities. This is contrary to the spirit of Telecom Relief package introduced by GOI in Oct’21 and making Telco to pay LF on such ancillary services

- 2. **Applicable Gross Revenue (ApGR): “Other Income”:** The list of other income which have been allowed to be reduced from GR to arrive at ApGR is not comprehensive in nature and many items of other income have been excluded which are in no manner linked to provision of telecom services. These items should be included in ‘Other Income’ in clear terms for e.g. Capital receipts, scrap sale, notional income etc.
- 3. **Adjusted Gross Revenue (AGR) para (a): “Pass through Charges”:**



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Lease and Port charges should also be allowed as a specific deduction under the definition of AGR. It is pertinent to note that the recipient licensee accounts the Lease and Port charges as its revenue and pays LF on the same. Thus, the paying licensee should be allowed to deduct these from its computation of AGR and not be liable to pay LF on the same.

Please appreciate that Lease line charges are basically bulk PSTN charges and therefore, these charges should be deducted from ApGR to arrive at AGR.

Currently, for claiming AGR deductions, the licensee is required to submit operators invoice along with proof of payments, TDS and settlement sheets as well as 30 column annexure AO/AG to each CCA office across 20 circles. Thereafter, each CCA office verifies these documents before allowing the deductions to the licensee. It is pertinent to note that these claims for deductions are already audited & certified by company’s Statutory Auditors. Hence, burdensome submission of voluminous documents & subsequent verification by CCA can be avoided and only the Statutory Auditor’s verification & certification should suffice.

**Q37. In case it is decided to enhance the scope of Internet Service authorization as indicated in the Q7 above, what should be the:**

- I. Amount of application processing fees
  - II. Amount of entry fees
  - III. Provisions of bank guarantees
  - IV. Definitions of GR, ApGR and AGR
  - V. Rate of authorisation fee (vi) Minimum equity and networth of the Authorised entity
- Please support your response with proper justification.

**TTL Response:** No Comments

**Q38. In case it is decided to merge the scopes of the extant NLD Service authorization and ILD Service authorization into a single authorization namely Long-Distance Service authorization under the Telecommunications Act, 2023, what should be the: -**

- I. Amount of application processing fees
- II. Amount of entry fees
- III. Provisions of bank guarantees
- IV. Definitions of GR, ApGR and AGR (v) Rate of authorisation fee
- V. Minimum equity and networth of the Authorised entity Please support your response with proper justification.

**TTL Response:** TTL is of the view that the conditions that are currently applicable for the UL – NLD Authorisation should be made applicable for the combined Long Distance Service Authorization under Telecommunication Act 2023.



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**Q39. In case it is decided to merge the scopes of the extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization under the Telecommunications Act, 2023, what should be the: -**

- I. Amount of application processing fees
- II. Amount of entry fees
- III. Provisions of bank guarantees
- IV. Definitions of GR, ApGR and AGR
- V. Rate of authorisation fee
- VI. Minimum equity and networth of the Authorised entity Please support your response with proper justification.

**TTL Response:** No Comments

**Q40. In case you are of the opinion that there is a need for clubbing the scopes of some other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations, what should be the:**

- I. Amount of application processing fees
- II. Amount of entry fees
- III. Provisions of bank guarantees
- IV. Definitions of GR, ApGR and AGR
- V. Rate of authorisation fee
- VI. Minimum equity and networth of the Authorised entity Please support your response with proper justification.

**TTL Response:** No Comments

**Q41. In case you are of the opinion there is a need to introduce certain new authorisations or sub-categories of authorisations under the Telecommunications Act, 2023, what should be the: -**

- I. Amount of application processing fees
- II. Amount of entry fees
- III. Provisions of bank guarantees
- IV. Definitions of GR, ApGR and AGR
- V. Rate of authorisation fee
- VI. Minimum equity and networth of the Authorised entity Please support your response with proper justification.

**TTL Response:** No Comments

**Q42. What should be the amount of application processing fees for the various service authorisations including VNOs, other than the merged/clubbed/new service**



authorisations? Please provide your response for each of the service authorisation separately.

**TTL Response:** No Comments

**Q43. Whether the amount of entry fee and provisions for bank guarantee for various service authorisations including VNOs, other than the merged/clubbed/new service authorisations, should be:**

- I. kept the same as existing for the various service authorisations under the UL/UL(VNO) license
- II. kept the same as recommended by the Authority for the various service authorisations under the UL/UL(VNO) license, vide its Recommendations dated 19.09.2023
- III. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees Please support your response with proper justification separately for each authorisation.

**TTL Response:** TTL is of the opinion that DoT should follow TRAI’s Recommendation dated 19.03.2023 in this regard.

**Q44. Whether there is a need to review any of the other financial conditions for the various service authorisations including VNOs, other than the merged/clubbed/new service authorisations? Please provide your response for each service authorisation separately with detailed justification.**

**TTL Response:**

1. **Single AGR:** It is submitted that the format of AGR has been designed circle/license wise. This requires the entire non-telecom revenues viz. interest, dividend etc. to be first allocated to these circle/licenses against the Gross Revenue and then exclusion of these items. This requires unnecessary time and effort consuming workings to arrive at the ApGR. Instead, a single Gross Revenue and ApGR format/statement should be permitted and then that ApGR should be shown with the circle/license wise details.
2. **Removal of USO Levy:** The current LF is 8% (even for Wireline service providers) which includes a 5% Universal Service Obligation (USO) Fee. With every TSP (both Mobile and Wireline service providers) now reaching the rural areas, the concept of USO levy has lost its relevance and hence this should be removed.
3. **Rationalization of License Fees and Taxes:** TTL proposes rationalization of taxes and License Fee (LF). TTL suggests reduction in license fee to Zero for the Wireline Services and 3% for Wireless Services from the current 8% of the Applicable Gross Revenue, (ApGR). Wireline is the backbone of any economy to wither fast changing technology in Wireless that is coupled with investments whenever the change in technology takes place. At the same time, upfront investment in wirelines services including laying of fibre across the length and breadth of the country involves significant investment and



realization is over very long period. Therefore, It is requested to bring down the license fee to zero percentage of ApGR for those services that are delivered through Wireline. In fact, the Government in the right earnest abolished Spectrum Usage Charges for auctioned spectrum and allowed surrender of spectrum encouraging investment in growth of Wireless services. Once invested in Wireline/fibre network, it is not possible to exit easily as the entire investment is sunk upfront by the Telecom Operator. Wireline is the backbone to enable various services including Wireless connectivity. Similarly, Wireline services require significant push from the Government by bringing down the LF to zero percentage. TRAI in its recommendation on “*Roadmap to Promote Broadband Connectivity and Enhanced Broadband Speed*” dated August 31, 2021, has recommended to provide incentive on LF exemption for proliferation of fixed line broadband. This will ensure that the rural geographies will get its due share of Wireline based connectivity that is missing currently.

**4. Heavy financial burden on telecom sector (GST 18%, License Fee 8%):** The Indian telecom sector, especially Wireline based services, continue to reel under heavy financial burden of taxes and levies. Government announced several measures, including abolishing of SUC to the operators rendering services using spectrum through Wireless technology. However, no financial relief has been given to the Wireline service providers. As they are under a tremendous financial burden, they need Government support. To revitalize growth and to meet the Government’s Digital Push and its “Broadband For All” target, there is an immediate need to provide financial relief and incentives to the wireline based services. In this context, our suggestions are as follows:

**a) Reduction in GST & simplified compliances:** We suggest revisit and lowering the GST rate from current 18% to 5% as telecommunications being an essential service. We also suggest refund of accumulated GST credit or permission to use, accumulated GST credit for repaying DoT liabilities (LF/SUC) and allowing payment of GST (RCM) on LF by using GST credit instead of current requirement of cash payment.

**b) Simplifying GST related compliances:**

**(I.) Eligibility of credit – tax actually paid to the government (Section 16(2) (c) of CGST Act):** The condition prescribed under this Section requires that the tax charged has been actually paid to the government for admissibility to the Credit. In the absence of any prescribed mechanism to know whether the vendor has actually paid tax, it causes undue hassles and hardships to the honest taxpayers. This condition of availment of credit may be removed.

**(II.) Requirement of state wise Trial Balance (‘TB’) by Government authorities:** As per the licensing conditions, TSPs are mandated to maintain Licensed Service Area (LSA) wise books of accounts/Trial Balance. Therefore, for a LSA like Delhi, which comprises of parts of U.P & Haryana States, while the License requires the TSP to maintain one set of books for



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the Delhi LSA, the GST authorities are insisting on submission of State wise trial balances for purposes of audit verification. Even the requirements prescribed under GST nowhere states that the TB should be at state level. In fact, the provisions of other laws, including Income Tax Act, 1961 and Companies Act, 2013 require maintenance of a TB at company level and do not require or mandate state wise TBs. In case of Telecom sector, since revenue is recognized LSA-wise, a clarification may be issued by GST authorities, for not insisting on state-wise TB during GST audit.

- c) We request TRAI to recommend removal of GST on License Fees as charging GST on the licence fee amounts to dual levy and severely affects the cash flow of TSPs.
- d) We also request TRAI to recommend that the Government exempt GST on “Right of Way” granted by the Central Government / State Government and Development Authorities (Pre GST-Issue).

**Q45. In case it is decided to merge the scopes of the extant IP-I Registration and the Digital Connectivity Infrastructure Provider (DCIP) authorization into a single authorization under the Telecommunications Act, 2023, what should be the: -**

- I. Amount of application processing fees**
- II. Amount of entry fees**
- iii. Any other Fees/Charge**
- III. Minimum equity and networth etc. of the Authorised entity. Please support your response with proper justification.**

**TTL Response:** No Comments

**Q46. For MNP license and CMRTS authorisation, should the amount of entry fee and provisions of bank guarantees be:**

- I. kept same as existing for the respective license/authorisation.**
- II. kept the same as recommended by the Authority vide its Recommendations dated 19.09.2023**
- III. or some other provisions may be made for the purpose of Entry Fee and Bank Guarantees Please support your response with proper justification separately for each authorisation.**

**TTL Response:** No Comments

**Q47. For other standalone licenses/ registrations/ authorisations/ permissions, should the existing framework for financial conditions be continued? Please provide detailed justification.**

**TTL Response:** No Comments



**Q48. If answer to question above is no, what should be the new/revised financial requirement viz. bank guarantee/ entry fee/ processing fee/ authorisation fees/ registration fees or any other charge/ fees? Please provide detailed justification in support of your response for each other license/ registration/ authorisation/ permission separately.**

**TTL Response:** No Comments

**Q49. In case of the merged M2M-WPAN/WLAN service authorisation, what should be the processing fees or any other applicable fees/ charges. Please support your response with proper justification.**

**TTL Response:** No Comments

**Q50. In the interest of ease of doing business, is there a need to replace the Affidavit to be submitted with quarterly payment of license fee and spectrum usage charges with a Self-Certificate (with similar content)? Please justify your response.**

**TTL Response:** Yes, the current practice of filing affidavit with the quarterly payment of license fee and spectrum charges should be replaced with self-certifications on company's letter head with similar content.

The present Affidavit does not per se serve any purpose except that it creates additional burden on the service provider to purchase stamp paper, printing the defined content and getting it notarized. In any case, the service provider has to submit an audited certificate of statement of revenue and license fee to the Licensor at the end of the FY and it is this document that DoT considers for assessment and reconciliation of LF/SUC

**Q51. Is there a need to revise/ modify/simplify any of the existing formats of Statement of Revenue Share and License Fee for each license/authorisation (as detailed at Annexure 3.2)? In case the answer to the question is yes, please provide the list of items to be included or to be deleted from the formats along with detailed justification for the inclusion/deletion.**

**TTL Response:** No comments.

**Q52. In case of a unified service authorisation for the provision of end-to-end telecommunication services with pan-India service area, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**TTL Response:** No comments

**Q53. In case the scope of Internet Service authorization is enhanced, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**



**TTL Response:** No Comments

**Q54. In case of merged extant NLD Service authorization and ILD Service authorization into a single authorization namely Long-Distance Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**TTL Response:** No comments

**Q55. In case of merged extant GMPCS authorization and Commercial VSAT CUG Service authorization into a single authorization namely Satellite-based Telecommunication Service authorization, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**TTL Response:** No Comments

**Q56. In case you have proposed to club the scope of some of other authorizations OR introduce certain new authorisations/ sub-categories of authorisations, what should be the format of Statement of Revenue Share and License Fee for each of these authorisations? Please support your response with justification.**

**TTL Response:** No Comments

**Q57. Whether there is a need to review/ simplify the norms for the preparation of annual financial statements (that is, the statements of Revenue and License Fee) of the various service authorizations under UL, UL(VNO) and MNP licenses? Please give detailed response with proper justification for each authorization/license separately.**

**TTL Response:** Please refer to response given against Q.44.

**Q58. In case of migration, how the entry fee already paid by the company be calculated/ prescribed for the relevant authorisation(s)? Please provide detailed justification in support of your response.**

**TTL Response:** No comments

**Q59. Should the application processing fee be applicable in case of migration. In case the response is yes, what should be amount of application processing fee? Please give reason(s) in support of your answer.**

**TTL Response:** No, there should not be any application processing fee in case of migration as the entity has already paid the processing fee once to get the license.





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**Q60. What should be terms and conditions of security interest which Government may prescribe? Please provide detailed response.**

**TTL Response:**

**Q61. Whether there are any other issues/ suggestions relevant to the fees and charges for the authorisations to provide telecommunication services? The same may be submitted with proper explanation and justification.**

**TTL Response:** No comments