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TELECOM REGULATORY AUTHORITY OF INDIA

NOTIFICATION

New Delhi, the 24th March, 2026

**THE TELECOMMUNICATION TARIFF (SEVENTY SECOND
AMENDMENT) ORDER, 2026**

(No. 01 of 2026)

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, 2026.
(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 a 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) If 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 simple interest on the outstanding amount of financial disincentive, at a rate which shall be two percent 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.

(D. Manoj)
Pr. 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	303-1/2000-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) dated 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 20.04.2012
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, 2026.

EXPLANATORY MEMORANDUM

Introduction and Background

1. Section 11(2) of the Telecom Regulatory Authority of India Act, 1997 empowers the Telecom Regulatory Authority of India (hereinafter referred to as the “Authority”) to notify rates for various telecommunication services. In exercise of these powers, the Authority has been notifying tariffs for telecommunication services including national roaming services.
2. The tariff regulation for the telecommunication services in India was initiated with the notification of Telecommunication Tariff Order, 1999 (hereinafter referred to as the “TTO, 1999”). This tariff order provided broad and long-term policy framework for telecommunication services in the country. The tariff reforms initiated vide TTO, 1999, aimed to provide a consistent and transparent framework for regulating tariffs in order to, *inter alia*, achieve affordable prices through regulation and/or competition; enhance transparency of subsidies and provide a basis for better targeting the policies to achieve social objectives; and improve the availability of services to the customer.
3. TRAI has moved over the years, from a stage of ‘fixation of tariff rates’ to stage of ‘forbearance with prior approval stage’ and finally to a stage of ‘forbearance regime with post-facto reporting obligation’ with regulatory oversight. At present, tariffs for telecommunication services are under forbearance except for Rural Fixed Line Services, National Roaming Services, Mobile Number Portability, Leased Circuits, Unstructured Supplementary Service Data (USSD).
4. Forbearance of tariff for a service denotes that TRAI has not, for the time being, notified any tariff for that particular telecommunication service and the service providers are free to fix tariff for such service with the prescribed reporting requirements. Tariff forbearance has never been and is not a permanent policy followed by TRAI. It is always open to the Authority to withdraw, wholly or partly, from the forbearance regime, including the option to change the reporting requirements, if the situation so demands. There are already precedents wherein the Authority had stepped in to determine tariff in respect of services, which were initially kept under forbearance.
5. A perusal of above provision shows that discretionary power has been conferred upon TRAI. However, the adoption of forbearance based on prevailing market scenario has had significant impact on the structure and functioning of the telecom market over the period.
6. The policy of forbearance has allowed telecom service providers the freedom to set tariffs. This has resulted in emergence of new and innovative products in the market that are designed to provide telecom services at affordable and competitive prices to the consumers. In this sense, forbearance has supported the broader policy objective of expanding digital connectivity and promoting a consumer-driven telecom ecosystem.
7. In light of the above, it is evident that while tariff forbearance provides flexibility and promotes competition and innovation, it does not confer any vested right upon service providers. Forbearance is a policy tool adopted by the Authority to serve broader public interest objectives and may be reviewed or modified at any time, depending on market conditions and emerging risks. Further, tariff forbearance does not imply regulatory inaction. The Authority may intervene at any time, by moving to a prior approval regime for tariff fixation.

8. The forbearance regime may result in anti-competitive practices in concentrated markets, where dominant operators could offer unsustainable low prices to eliminate smaller rivals, reducing competition and choice. This raises the probability of recoupment where dominant operators later hike prices to monopoly levels and recover losses.
9. Considering the above, the tariff filing cannot be regarded as a minor or technical requirement. Rather, it is a critical regulatory obligation that forms the backbone of the forbearance policy. Under this framework, the Authority mandates service providers to report new tariff offers or changes therein within seven working days of implementation.
10. In the year 2012, the Authority observed that the prescribed timelines for reporting tariff were not being taken very seriously by the service providers and were to the prejudice of those service providers who regularly filed their tariffs on time. The non-adherence of timelines in tariff reporting deprived 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 affected the interest of consumers. The Authority, therefore, 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. Accordingly, the sub-clause (iii) in Clause 7 was inserted.
11. Further, clause 7A was inserted specifying the financial disincentives payable by service providers for levy of excess Charges from consumers. Under this clause, it was decided that in cases where it came to notice of the Authority that excess charges have been levied in violation of the provisions of TTO, 1999 and other regulatory guidelines and the same was ordered to be refunded to the affected subscribers, the service providers shall, in addition to such refund, remit to TRAI, by way of financial disincentive, an amount not exceeding the total of such excess amount charged from subscribers.

Draft Telecommunication Tariff (72nd Amendment) Order:

12. With the intent to amend relevant regulatory provisions to strengthen the effectiveness of financial disincentives in ensuring regulatory compliance, the Authority has come up with this draft Telecommunication Tariff (72nd Amendment) Order. The draft consultation involved 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.
13. The Authority issued the draft Telecommunication Tariff (72nd Amendment) Order, 2025 on 16.10.2025. The draft proposed the following provisions on financial disincentive:

“(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.”

14. Stakeholders were invited to submit their comments on the draft TTO by 07.11.2025. In response to the draft consultation, comments were received from various stakeholders viz. telecom service providers, associations, and other stakeholders.

Examination of stakeholders’ comments and Telecommunication Tariff (72nd Amendment) Order

15. The Authority has examined the comments received from stakeholders on the proposed amendment to the financial disincentive framework. The comments received from the stakeholders on the draft TTO and the examination/ analysis of the Authority are given in the subsequent points.
16. In support of the draft Telecommunication Tariff (72nd Amendment) Order, one of the stakeholders has submitted that the proposed amendments are aimed at strengthening the existing regulatory framework by enhancing the effectiveness of financial disincentives as a tool for ensuring regulatory compliance. The stakeholder has also mentioned that the introduction of a graded financial disincentive structure is consistent with the principles of fairness and proportionality, as it seeks to align the quantum of disincentives with the gravity of the contravention rather than adopting a uniform or arbitrary approach.

17. A few of the stakeholders have further appreciated the proposal to prescribe a maximum ceiling on financial disincentives, implement graded disincentives based on the severity of non-compliance, and levy interest in cases of delayed payment. Additionally, the proposed deletion of Clause 7A has been viewed positively by the stakeholders, citing that it will remove regulatory overlap and avoid duplication, thereby simplifying compliance obligations.
18. On the other hand, some stakeholders have expressed concerns regarding the lack of transparency and justification for the proposed changes. In this regard, the Authority is of the view that introducing graded financial disincentives shall ensure that the penalty imposed is proportionate to the gravity of the contravention, the intent of the service provider, and the impact of the violation. Graded financial disincentive shall link the disincentive to the nature and seriousness of non-compliance, rather than applying a uniform penalty. Such an approach is essential to maintain the integrity of the regulatory framework and encouraging stakeholders to adhere to prescribed standards. Specifying a ceiling on the total financial disincentive helps prevent excessively high penalties or punitive outcomes, particularly in cases of minor or unintentional violations. A capped framework ensures that financial disincentives act as an effective deterrent without causing undue financial stress to service providers, especially smaller entities, thereby safeguarding service continuity and consumer interest. Further, the proposal to levy interest on delayed or non-payment of financial disincentives is intended to discourage intentional delays and ensure timely compliance with regulatory orders. This measure not only promotes timely and responsible financial conduct but also reinforces the importance of adhering to regulatory obligations. Similar approaches are already being followed in other regulations issued by the Authority and is also consistent with the framework prescribed under the Telecommunications Act, 2023.
19. A few stakeholders have expressed concern regarding effectiveness of the existing measures. In this regard, the Authority is of the opinion that the present order will strengthen the relevant regulatory provisions by enhancing the effectiveness of financial disincentives in securing compliance. The amendments, *inter alia*, provide for prescribing an appropriate ceiling, introducing a graded structure aligned with the gravity of the contravention, and levying interest in cases of delay in payment of financial disincentives. The Authority strongly feels that that tariff filing cannot be treated as a minor or merely procedural requirement. On the contrary, it constitutes a fundamental regulatory obligation and forms the backbone of the forbearance regime. Any lapse in timely and accurate reporting has wider implications, as it directly affects consumers and the orderly functioning of the market. Accordingly, stricter adherence to tariff reporting requirements is necessary to enable the Authority to examine tariffs against the core principles of transparency, non-discrimination, and non-predation without delay.
20. A few stakeholders have contended that the TRAI Act, 1997 does not confer upon the Authority any power to impose pecuniary penalties or financial disincentives by way of delegated legislation. In this regard, reference is drawn towards the TRAI Act, 1997 which confers power on the Authority not only to regulate but also to ensure the compliance of the provisions of the regulations and Tariff Orders. The word “ensure” has mandatory connotation, it means “make certain”. Furthermore, the Hon’ble Supreme Court, in its judgment dated the 17, August, 2007, in Civil Appeal No. 2104/2006 (Central Power Distribution Co. & Ors Vs. CERC & Anr), *inter alia*, held that “it is well settled that a power to regulate includes within it power to enforce”. The main purposes for enactment of the TRAI Act, 1997, as discernable from the preamble thereof, and as applicable to TRAI are (a) to regulate telecommunication

services : (b) to protect the interest of the service providers and consumers of telecommunication services; and (c) to ensure orderly growth of telecom sector. From the reading of the various provisions of TRAI Act, 1997 it is clear that protection of the interest of the consumers has been given paramount importance by the legislature.

21. Apart from casting duty on the Authority to protect the interest of the consumer, TRAI Act under section 11 (1)(d) confers power on TRAI to perform such other functions including such administrative and financial functions as may be necessary to carry out the provisions of the Act. There are a catena of judgments by the Supreme Court wherein the Hon'ble Court has repeatedly re-stated the proposition that legislation should be read and interpreted so as to further the purpose of its enactment and not in a manner that derogates from its main objectives. The Hon'ble Supreme Court in its judgment in the case of State of Karnataka Vs. Vishwabharthi House Building Co-operative Societies and Ors. [(2004) 5 SCC 430], has referred the judgment of Hon'ble Guwahati High Court in the case of Arabind Das Vs. State of Assam & Ors. [AIR 1981 Gau 18 (FB)] wherein it was, *inter alia*, held that where a statute gives a power, such power implies that legitimate steps may be taken to exercise that power even though these steps may not be clearly spelt out in the statute. The Hon'ble Court further held that in determining whether a power claimed by a statutory authority can be held to be incidental or ancillary to the powers specially conferred by the statute, the court must not only see whether the power may be derived by reasonable implication from the provisions of the statute, but also whether such powers are necessary for carrying out the purposes of the provision of the statute which confers power on the Authority in exercise of such powers.
22. It is also worthwhile to mention over here the judgment of the Hon'ble Supreme Court in U.P. Cooperative Cane Unions Federations Vs. West U.P. Sugar Mills Association & Ors. (AIR 2004 SC 3697) wherein the Hon'ble Court, *inter alia*, held that the word to regulate is a phrase of broad impact having a wide meaning comprehending all facets not only specifically enumerated in the Act, but also embraces within its fold the powers incidental to the regulation envisaged in good faith and its meaning has to be ascertained in the context in which it is being used and the purpose of the statute. The Hon'ble Court held that even when the power to fix tariff was not expressly given in the Act, the power to regulate the price of sugar cane would include in itself the power to fix tariff. In other words, even a power not explicitly vested with the Authority would be held so vested, if it was intrinsic to the exercise of larger, general power to regulate.
23. In view of the above, the Authority has power to impose financial disincentives on the service provider for non-compliance of the provisions of the regulations and tariff orders. It is also relevant to mention that the Authority has exercised this power by imposing financial disincentives for contravention of relevant provisions of telecommunications tariff orders.
24. A few stakeholders have submitted that the proposed enhancement of financial disincentives is disproportionate and that the existing ceilings and rates should either continue or be rationalised. In this regard, the Authority is of the view that the proposed structure is proportionate and essential for upholding TRAI's core mandate. The financial disincentive mechanism works on a seven-day reporting period, with escalating penalties to ensure prompt compliance. For the initial delay upto seven days, a financial disincentive of Rupees Ten Thousand will be applicable. For subsequent delay beyond seven days, an additional amount of Rupees Twenty Thousand will be applicable. This graduated approach provides clear grace periods while imposing progressively stronger deterrents. The Authority is further of the view that the financial disincentives are neither excessive nor arbitrary, these are directly calibrated

to the criticality of tariff reporting. Any delay in reporting tariff to the Authority could undermine the principles of tariff assessment viz. non-discrimination, non-predation and transparency. Since tariffs directly affect consumers nationwide, delays in reporting evade regulatory scrutiny, potentially enabling discriminatory practices, predation, and thereby widening of rural-urban digital divides. The Authority feels that this framework of financial disincentives would ensure timely compliance of reporting vital for affordability and competition.

25. Some stakeholders submitted that first-time or inadvertent delays should be viewed as minor procedural lapses and that financial disincentives should primarily apply in cases of repeated or deliberate non-compliance. In this regard, the order already contains a provision under which the Authority may waive the financial disincentive or impose a reduced amount, where it finds merit in the reasons furnished by the service provider. This clause will act as a safety valve in regulatory enforcement, as it will avoid one-size-fits-all penalties.
26. It further takes care of the suggestions made by the stakeholders that materiality, impact of non-compliance, and the compliance track record of service providers be considered while imposing the financial disincentive. This clause will allow waiving the financial disincentive entirely or reducing its amount if the service provider submits reasons that the Authority deems cogent. This balances strict compliance with fairness, preventing undue hardship on the service providers while maintaining regulatory goals.
27. Stakeholders have also emphasized the need to align the proposed framework with broader policy objectives such as the Jan Vishwas Bill, 2025 and the Ease of Doing Business agenda, clarifying that financial disincentives should not be revenue oriented. Additionally, they have suggested that factors such as materiality, impact of non-compliance, and the compliance track record of service providers be considered, with advisory or warning mechanisms preferred over financial disincentives in genuine cases. As regards alignment with the Jan Vishwas initiative and the Ease of Doing Business agenda, the Authority is of the view that a predictable, transparent, and proportionate enforcement framework enhances regulatory certainty and ultimately supports ease of doing business. The financial disincentive framework is not intended to be revenue-generating but is designed solely to promote timely compliance and ensure a regulatory oversight among service providers.
28. In view of the above, the Authority is of the opinion that introducing the three key measures viz. imposing financial disincentives in a graded manner based on the seriousness of the violation, specifying a maximum ceiling on the total amount of financial disincentive and levying interest in cases of delay or default in payment shall enhance the effectiveness of financial disincentives in ensuring regulatory compliance and improve enforcement while maintaining fairness and proportionality.
29. 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 regulation 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 aforementioned regulation and excess charges are detected under the provisions of the said regulations.
