



*Draft Reporting System on Accounting Separation (Amendment) Regulations, 2025
'Comments by Tata Teleservices Limited &
Tata Teleservices (Maharashtra) Limited*

At the outset, Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited [together called "TTL"] once again express our sincere gratitude to Telecom Regulatory Authority of India (TRAI) for releasing Draft Reporting System on Accounting Separation (Amendment) Regulations, 2025 and calling for stake holders' comments.

After a detailed examination of the proposed amendments in Accounting Separation Regulations, 2016, our comments and observations are provided below for your kind consideration:

1. Graded Financial Disincentive for Delay in Submission

Draft Provision:

The proposed amendment introduces a graded financial disincentive of ₹20,000 per day for the first seven days of delay and ₹40,000 per day thereafter, subject to a maximum cap of ₹10 lakh per instance.

TTL Response:

TTL has always ensured timely filing of all required reports and submissions, and any rare delay, if at all, has been due to genuine administrative or technical reasons such as dependencies on statutory audits, reconciliation of financial data, or system-related constraints.

Such procedural delays have no impact on customers or service quality, and therefore, imposing monetary penalties serves no constructive regulatory purpose. The current penalty framework is already sufficient to ensure compliance and deterrence.

TTL firmly believes that no penalty should be imposed on TSP's for delay in submission. Instead, the Authority may consider discontinuing the existing penalty structure.

2. Repeated Defaults in Consecutive Years

Draft Provision:

For repeated defaults in consecutive years, the draft proposes a graded penalty of ₹50,000 per day for the first seven days and ₹75,000 per day thereafter, with a maximum cap of ₹25 lakh per instance.

TTL Response:

TTL has consistently complied with TRAI's reporting timelines, and there have been no instances of consecutive-year delays attributable to negligence or non-cooperation. While TTL disagrees with the proposed enhancement of penalties for repeated defaults but as a deterrence existing penalty may be continued with due consideration on the reasons for the repeat delay.

Given that the existing penalty provisions are already stringent, the proposed enhancement would only lead to undue financial burden without improving compliance outcomes.

TTL therefore submits that no increase in penalty should be imposed on TSPs for repeated defaults in consecutive years.

3. Penalty for False or Misleading Reporting

Draft Provision:

The draft regulation proposes a penalty of up to 1% of the service provider's turnover for submission of false or misleading information, in contrast to the existing provision which limits the penalty to ₹10 lakh.

TTL Response:

While TTL fully supports the principle of accuracy, integrity, and reliability in financial reporting, TTL strongly disagrees with the proposal to impose any monetary penalty. The proposed provision of up to 1% of turnover is excessively stringent and disproportionate, particularly when minor, technical, or clerical errors could attract such punitive financial consequences.

Given the complexity and scale of telecom operations, unintentional discrepancies are often procedural rather than deliberate. Imposing such financial penalties in such cases would be unjustified

TTL therefore submits that no penalty should be prescribed for unintentional errors. Instead, the Authority may consider advisory or corrective measures to address such instances, allowing sufficient flexibility for genuine and justifiable circumstances. This approach would promote compliance in a constructive manner without imposing undue financial burden on service providers.

4. Interest on Delayed Payment of Financial Disincentive

Draft Provision:

The draft introduces an interest clause stipulating that any delay in payment of financial disincentive shall attract interest at 2% above SBI's one-year MCLR, with any part of a month treated as a full month.

TTL Response:

TTL respectfully submits that the introduction of an interest clause on delayed payment of financial disincentives is unwarranted and unjustified and therefore should not be incorporated in the regulations.

1. Dual Financial Penalty:

Financial disincentives already act as a deterrent and penalty for non-compliance. The addition of an interest component amounts to double penalization for the same instance, in addition to delay in penalty payment. Additionally, proposed changes are not consistent with existing regulation.

2. Nature of Delays:

Any delay in submission or payment is rarely intentional. Such instances usually arise from procedural, system-related, or audit-linked dependencies—such as finalization of accounts, reconciliation of segmental data, or reliance on external audit timelines.

In light of the above, TTL firmly believes that the interest clause should be entirely withdrawn, as it serves no constructive purpose and only increases the compliance cost without improving regulatory outcomes.

5. Opportunity for Representation

Draft Provision:

The draft regulation retains the clause that TRAI shall not impose any penalty without giving the service provider a reasonable opportunity to present its case.

TTL Response:

TTL fully supports the continuation of this clause. It ensures due process and provides service providers with an opportunity to explain the circumstances of non-compliance or delay before any penalty is imposed. This is consistent with the principles of fairness, transparency, and natural justice. TTL strongly support Authority view to continue with this provision.

TTL appreciates the Authority's continued efforts to strengthen the regulatory reporting framework and supports all measures aimed at enhancing accountability and transparency in the telecom sector. We would like to submit that any delay in the submission of reports is never intentional and, therefore, such instances may be considered for the imposition of financial disincentive only as a deterrent, without any additional interest component.

We understand that, as a regulator, TRAI's objective has always been to enhance customer experience and safeguard the interests of all stakeholders. In this spirit, we respectfully urge the Authority to ensure that the compliance mechanisms remain fair and proportionate, and do not result in undue financial hardship, particularly in cases where delays or deviations are unintentional or procedural in nature.

We request the Authority to kindly consider our above comments while finalizing the Reporting System on Accounting Separation (Amendment) Regulations, 2025.