



**VIL Comments on Draft Regulation on
Review of the Quality of Service
(Code of Practice for Metering and Billing Accuracy) Regulations, 2023**

At the outset, we are thankful to TRAI for giving us this opportunity to provide our comments to the draft Regulation on “Review of the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023” and draft guidelines for this regulation.

Key Submissions

1. The metering and billing audit was quite useful in its initial 8-10 years but, has now fulfilled its purpose and is no more relevant in the present times. The Authority should deeply consider the relevance of this audit and should hold the same as redundant and allow self-regulation regime in this regard.
2. Implementation of this draft Regulation, 2023 in the present shape, will require significant high manpower across different functions, systems and storage capacities, resulting in huge financial burden on the TSPs.
3. The Authority can consider that metering and billing audit should only apply in a year, if a TSP has crossed certain threshold of complaints in 2 quarters of the preceding year.
4. **Self-evaluation:** This will be an additional activity which will add further complexity and challenges to the existing process and will also shorten the already crunched timelines. Thus, **self-evaluation should not be mandated under the Metering and Billing audit and respective clauses in the draft regulation should be deleted.**
5. **Unachievable Timelines:** The timelines provided under Draft Regulation 2023 to perform activities are way more stringent. As many activities are inter-dependent and linked to each other, such timelines are bound to lead to failure. It is **not possible to conclude all these activities for all the 22 Licensed Service Areas (LSAs), within a financial year.** In case, all these activities have to be completed within time, we strongly recommend that the said **audit should only happen for 25% LSAs (5-6 LSAs) within one year, with all LSAs to be completed in a block of 4 years.**
6. **Maintaining level playing field:** The data packs/services are offered under Access, VNO and ISP authorization. Substantial number of internet subscribers are served by the ISP licensees as well. This audit regulation covers audit of data services as well, and hence, **this regulation should also be applicable on ISP licensees as well, to maintain level playing field.** Suitable exclusion can be given to ISP licensees having miniscule subscribers considering materiality factor.

7. **Huge Financial Disincentives:** The audit process covers various aspects of Metering & Billing systems which calls for large scale compilation of information from across pan-India licensed service areas. These activities are time consuming and cannot be shortened in any manner. Thus, **the clause on provision for imposing financial disincentive for delay in submission of audit report and action taken report by TSPs and failure of the service provider to detect instances of overcharging and to refund the overcharged amounts to subscribers should be deleted.**
8. **Time required for Implementation:** The implementation of draft Regulation will require huge changes and upgradation in our systems as well as setting up of processes with cross-functional teams. Therefore, **the new audit scope should be made effective from the next financial year, starting after 3 (three) quarters from the date of notification of the new regulation.**
9. **Centralized Audits:** It not clear from the Draft Regulation, 2023 that the activities which get audited at centralized/distributed level, would not be required to be re-audited at LSA level. We request the Authority to define scope and process for audit of centralized/distributed metering and billing system, with an explicit confirmation that the activities being audited at centralized/distributed level would not be sought to be re-audited at LSA level.
10. **Appointment of Auditor by the Authority:** The auditor is appointed by TSP after extensive evaluation of the auditor about their expertise of systems of TSP. The cost to perform this audit is also mutually negotiated between the TSP and auditor. If the TRAI is to appoint the auditor and the cost is to be borne by the TSP, there will not be any chance of mutual negotiation Thus, TRAI should not appoint auditor for this activity and relevant clause should be removed.
11. **Uniform Distribution of LSAs throughout the four quarters of a financial year for audit:** Considering multiple activities in initial 2 quarters, the first 2 quarters will be challenging and it will not be feasible to cover even spread of LSAs in first 2 quarters. Therefore, choice of distribution of LSAs throughout the year, should be left to the discretion of TSPs.
12. **Workshop:** The TSPs would face considerable amount of issues and would need sufficient clarification to carry out these audits. Hence, we suggest that TRAI should arrange a workshop/session prior to audit and processes for better understanding of the activity and clarification required to implement the guidelines, if any.
13. **Regulatory Impact Assessment:** Considering enormous changes and various layers proposed in the draft regulation, 2023 and changing market dynamics, it is important to assess and establish the benefits of such regulations v/s the effort and financial burden it requires thereby also impacting ease of doing business. Therefore, Regulatory Impact Assessment should be carried out to understand the requirement of change in regulation and same should be shared before notifying the Regulation.



14. Submission/Recommendation: Conducting audit at multiple layers of various tariff vouchers will require additional manpower, increase in audit periodicity and may cause unnecessary delays in audit related activities and would be akin to over-regulation, therefore this should not be contemplated.

Hence, there is no requirement of audits of the Metering and Billing System and their accuracy in LSAs. Such intrusive regulatory framework is against a light-touch regulation policy, would severely impact ease of doing business and would be counterproductive.

Our detailed comments are as follows:

1. The “Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006” has been in place for more than 15 years and covers all the aspects of the audit activities. The regulation was put in place at a time when the industry was in nascent stage, with numerous categories and number of tariff offers that too different across LSAs, as well as initial elementary metering and billing systems.
2. At that stage, the Metering and Billing Regulation provided a good ground for setting very high benchmarks for charging accuracy to consumers. The regulation and ensuing audit was being followed diligently and it led to identification of issues and their correction in initial 7-10 years.
3. For past few years, industry has witnessed changed structure of tariff offerings like unlimited packs and state-of-the-art metering and billing systems deployed by the TSPs. It has also led to substantial reduction in the billing complaints from consumers.
4. Therefore, the metering and billing audits basis TRAI’s regulation is one of the key factor leading to present levels of accuracy of the metering and billing systems.
5. At Vi, we have robust internal checks and processes with respect to our metering and billing systems and their accuracies and same are being evaluated at regular intervals. Further, there are various checks and balances to ensure the correct configuration of tariffs, involving testing of tariff configurations across all the scenarios, before launching it in the market.
6. We make every effort to ensure that the billing is fault free, in our endeavour to provide flawless services to customers and enhance their experience of quality of services.
7. **Unlimited tariff offers:**
 - a. Further, it is important to consider the present trend of tariff structure prevailing in the market, which has drastically changed over past 5-6 years after launch of 4G services. The present tariff offers are unlimited in nature, as compared to pulse based charging when the existing regulation was prescribed. The flat tariffs have ushered in



a new era of telecom tariffing in the country, with data replacing the voice calls as central focus point of most tariff plans.

- b. Under such unlimited tariff offers, the customer pays one-time fixed charges and is not charged anything more under the regular consumption heads. Moreover, the need of talk-time recharges (top-up) is also fast reducing, due to which, cases of overcharging are also on way out.
 - c. The absence of metered calls/SMS/data under such tariff offers in the billing system, reduces the relevance of carrying out audit.
 - d. Further, with simplification of tariffs, we have observed almost 90% reduction in billing related complaints. Furthermore, there are no major instances of irregularity or overcharging emanating from the Metering and Billing Audits in last few years.
8. **All of the above indicates that the metering and billing audit was quite useful in its initial 8-10 years but, has now fulfilled its purpose and is no more relevant in the present times. It's high time that Authority should deeply consider the relevance of this audit and should hold the same as redundant and allow self-regulation regime in this regard. It has been years following the ex-ante approach and we have reached the stage where the market should be left to work on its own. It is recommended to take the ex-post approach in case of such system audits. Hence, alternatively, Authority can consider that metering and billing audit should only apply in a year, if a TSP has crossed certain threshold of complaints in 2 quarters of the preceding year.**
9. The existing Metering & Billing Audit process is already very extensive and voluminous comprising of various activities like appointment of auditor, on-boarding the auditor with systems and processes, conducting the audit, extraction of CDRs and other documents and their analysis, attending to observations, managing refunds (if any), preparation/submission of detailed audit reports as well as action taken reports separately for each licensed service area and preparation/submission of action taken reports for each service area separately. All these audit activities requires dedicated systems/processes and also occupy substantial manpower for audit's smooth functioning.
10. **Against Ease of Doing Business:** The periodicity of the audit proposed by TRAI is more or less similar to the concurrent audits of the banks. Such intrusive regulatory framework is against a light-touch regulation policy, would severely impact ease of doing business and would be counterproductive.
11. **Considering all above, we would like to most humbly submit that firstly, there is no need for any audit of metering and billing systems. Secondly, even if Authority feels that audit is needed, the instant draft regulation on "Quality of Service (Code of Practice for Metering and Billing Accuracy), Regulations, 2023" would only result in huge challenges, involving round the year concurrent audit activities, with enormous manpower/system requirements leading to financial burden.**

12. While we strongly recommend to the Authority that there is no need of any metering and billing audit however, we hereby provide our clause-wise comments to the draft Regulation 2023, given as follows.

13. Complexities and Challenges in Draft Regulation 2023:

a. Clause No. 5 (3), 6 (1), 6 (2) of Draft Regulation and Clause 3.1.6 of Draft Audit Guidelines - Self-evaluation:

- i. The multi layered activities under the ambit of audit as being proposed by TRAI, also mentions self-evaluation of metering and billing system. As understood from the draft regulation, the audit cannot start till this self-evaluation is carried out for each licensed service area.
- ii. Self-evaluation will be an additional activity which will add further complexity and challenges to the existing process and will also shorten the already crunched timelines. As TSPs carry out detailed checks during tariff configurations, this new activity will not be aligned with the various initiatives taken by TRAI for supporting ease of doing business.
- iii. Further, the draft regulation provides no clarity on the extent of the scope and process of self-evaluation thereby, leaving this requirement to subjective interpretations.
- iv. We would also like to draw your attention towards TRAI's direction issued on June 12, 2012 directed to record the steps taken to configure the new tariff plans. Also, the events during the said configuration of new tariff plans, is to be checked by the auditor as per existing Metering and Billing Regulation. Therefore, there is already a mechanism (direction) from TRAI w.r.t configuration of new tariff plans which is also to be checked by the auditor.
- v. This separate self-evaluation process proposed by TRAI in addition to the regular Metering & Billing audit done by the auditor, is definitely unnecessary duplication of the process and will make it cumbersome.
- vi. In our view, there should be focus on reduction in the number of activities under the audits being conducted, as these occupy considerable resources (both system and manpower) without commensurate benefits, instead of focusing on increasing the activities like self-evaluation.
- vii. Therefore, we would like to submit that the activity of self-evaluation should not be mandated under the Metering and Billing audit and respective clauses in the draft regulation should be deleted.

b. Unachievable Timelines:

- i. The timelines provided under Draft Regulation 2023 to perform specific activities are way more stringent than the timelines provided under existing regulation. As many activities are inter-dependent and linked to each other, stringent timelines are bound to lead to failure.
- ii. In our view, the activities and structure of the audit has to be looked from the prism of ease of doing business and sufficient timelines must be provided.
- iii. **Clause 5 (c) of Draft Regulation, 2023 – all of its Licensed Service Areas are audited for accuracy of metering and billing at least once in a financial year:**
 - The draft regulation prescribes multiple layers of activities/audits viz. self-evaluation, centralized/distributed audit followed by LSA audit, refund process, audit report preparation and submission, action taken report preparation and submission.
 - **It is not possible to conclude all these activities for all the 22 licensed service areas, within a financial year.**
 - **In case, the Authority feels all these activities have to be completed within time, we strongly recommend that the metering and billing audit should only happen for 25% LSAs (5-6 LSAs) within one year, with all LSAs to be completed in a block of 4 years.**
- iv. **Clause 5 (4) of Draft Regulation, 2023:**
 - Earlier, every TSP was provided 30 (thirty) days' time to provide the raw call data records to the auditor, required to conduct the audit.
 - In the present draft, the same timeline has been drastically reduced to 15 (fifteen) days without any corresponding reasoning. This reduced timeline of 15 days is grossly insufficient considering the enormous amount of CDRs and supporting documents.
 - **In our view, the timeline for this activity should be atleast 2 (two) months.**
- v. **Clause 5 (5) and 7 (1) of Draft Regulation, 2023 – Days should be changed to working days:**

- In addition to above points on timelines, other necessary documents/information required for audit, other than raw call data records, is required to be given within 7 (seven) days of receipt of request for such documents/information from the auditor.
 - As Authority has considered working days to be more suitable in other regulatory requirements like tariff reporting under Telecommunication Tariff Order 1999, all the 'Number of Days' based timelines under Metering and Billing Audit Regulation should also be changed to 'Number of Working Days' based with exclusion of the day of providing of requirement by Auditor as well as day of submission of information to Auditor.
 - Further, as this exercise will be carried out between TSP and Auditor appointed out by TSP, the working day should be as per the working days of the office of respective TSP.
- vi. **Clause 7 (2) - Action by service provider on the instances of overcharging noticed by it and reporting thereof:**
- As per new regulation, TSP is expected to carry out multiple activities like analysis, rectification, identification of affected subscribers and calculation of overcharged amount in 15 days, whereas the existing regulation provided 15 days for just analysing if the observation is correct or not.
 - The activities i.e. rectification of observation, identifying affected subscribers and calculating overcharged amount need substantial time of 6 weeks and cannot be completed within 15 days.
 - Therefore, we request TRAI to provide adequate and reasonable time of 6 weeks for completion of these activities.
- c. **Clause 2 (e) – Definition of over-charging:** This clause should be revised as:
- 'overcharging' means failure of service provider to meet the commitment of the tariff offered, which includes –*
- (i) a chargeable event for which the charge to the subscriber exceeds the rates specified in the tariff plan opted by the subscriber; and*
 - (ii) any other amount charged, which is not part of the tariff plan opted by the subscriber*
 - (iii) but it does not include any additional service subsequently opted by the subscriber.***

This is because a subscriber can opt for any VAS, OTT, content or other additional service which is not part of the tariff plan. Hence, such service, if chosen by the

subscriber should not be the case of overcharging.

- d. We further request that the metering and billing regulation should seek audit of information only for one quarter, that too for the recent most quarter. Seeking audit of information prior to a quarter will lead to delay and additional time and effort will be required by the TSP to provide the information. This aspect should be suitably and explicitly clarified in the regulation.
- e. We would also like to submit that it would not be feasible for us to share our internal system with auditors for testing. Rather, it should be conveyed to auditors to use/upgrade their own tools to match the IT capabilities. However, we will ascertain that wherever extended support is required to the auditors, the same is provided to them while sharing the required data, as is done presently.
- f. **Clause 13 - Retention of records:** In order to preserve the records, the TSPs will have to expand/increase their storage capacity. We will need to incur additional cost for the same. To avoid the same, we recommend that the duration of retention of these records should be limited to “one year” instead of “two years”.

14. Leads to Increase in Financial burden:

- a. It is apparent from the provisions of draft Regulation 2023 that it would become a huge multi-layered activity spread across the financial year. The regulation proposed by TRAI has been extended to multiple levels and will be carried out for the complete year for Pan-India cover of LSAs.
- b. In our view, implementation of this draft Regulation 2023 in the present shape, will require significant high manpower across different functions, systems and storage capacities, resulting in huge financial burden on the Service Providers. This is despite the fact that there is no commensurate benefit of such extensive audit activity.

15. Maintaining Level Playing Field (Clause 1 (2) of draft Regulation):

- a. The data packs/services are offered under Access, VNO and ISP authorization. Substantial number of internet subscribers are served by the ISP licensees as well.
- b. This Metering and Billing audit regulation covers audit of data services as well hence, this regulation should also be applicable on ISP licensees as well, to maintain level playing field. Suitable exclusion can be given to ISP licensees having miniscule subscribers considering materiality factor.



16. Huge Financial Disincentives:

- a. **Clause 9 of Draft Regulation, 2023 – Consequences for failure of the service provider to submit audit report or action taken report:**
 - i. We submit that it is Vi's utmost priority to ensure the compliance of various TRAI's regulations/directions/orders and other regulatory requirements.
 - ii. Since the audit process covers various aspects of Metering & Billing systems such as tariff information to customers, provision of services, test call set-up, CDRs ratings and accuracy of measurement, complaint management incl. Root Cause Analysis etc., it calls for large scale compilation of information from across pan-India licensed service areas, also involving information extraction from billing and related systems.
 - iii. All these activities are time consuming and need to be necessarily carried out for the completion of the audit and cannot be shortened in any manner.
 - iv. Further, the delays may not be alone on part of the TSP at all times and this could also happen at auditor end due to the complex nature of the audit in terms of understanding of various processes and data sources/ systems, selecting the tariff plans, providing sample cases for CDR rating, availability of preliminary observations for further discussion and closure, etc.
 - v. Therefore, it is recommended that the clause on provision for imposing financial disincentive for delay in submission of audit report and action taken report by TSPs should be deleted.
 - vi. In the event that the Authority seeks to continue with the financial disincentive approach, we believe that a reasonable graded approach within the present framework, may be desirable. The Authority needs to revisit the timelines as most of the times we require additional time to retrieve some CDRs in cases of refunds, wherein in some scenarios the subscribers may have deactivated/churned.
- b. **Clause 10 of Draft Regulation, 2023 – Consequences for failure of the service provider to detect instances of overcharging and to refund the overcharged amounts to subscribers:**
 - i. We would like to bring to your notice that the processing of refund generally revolves around a large volume of CDRs which has to be extracted from archived records of the TSPs and then further analyzed to determine the count of unique customers on Pan-India Level, who need to be given the refunds as well as the determination of the amount of refund.

- ii. Thus, refunding the overcharged amount to impacted customers takes time due to operational constraints, and there is no deliberate attempt to delay the refund to impacted customers by TSPs.
- iii. Further, it may not be possible for the service provider to identify the impacted customer, calculation of applicable refund amount and processing the refunds to them within the existing time period from the date of observation from the Auditor.
- iv. Therefore, such financial disincentives need to be reviewed and relaxed.

17. Time required for Implementation - Clause 1 (3) of Draft Regulation, 2023:

- a. The implementation of draft Regulation will require huge changes and upgradation in the TSP systems as well as setting up of processes with cross-functional teams. It will need substantial time for us to be ready for such implementation, post notification of the Regulation.
- b. We will require atleast 3 (three) quarters from the date of notification of new Regulation, to implement the same.
- c. Further, as the auditors are appointed for complete year and due to extensive co-ordination and sharing of data between TSP and auditor, it will not be possible to change scope of the audit in middle of the year. Therefore, the change in scope of the audit should come into place only from first day of the financial year, be it, 2024-25 or 2025-26.
- d. **Therefore, the new audit scope should be made effective from the next financial year, starting after 3 (three) quarters from the date of notification of the new regulation.**

18. Clarification Required:

- a. **Clause 5 (1) (a), (b) of Draft Regulation, 2023 – Centralized Audits:**
 - i. For any audit, it is important that the scope and processes are well-defined to ensure uniformity, non-arbitrariness and standard implementation in the audits being conducted by different TSPs. While, the process and practices for LSA wise audits have been in place and there is abundant clarity available, similarly, scope and process of centralized/distributed system audit will also need to be standardized and clarified.
 - ii. Additionally, it is also not clear from the Draft Regulation 2023 that the

activities which get audited at centralized/distributed level, would not be required to be re-audited at LSA level.

- iii. **Therefore, we request the Authority to define scope and process for audit of centralized/distributed metering and billing system, with an explicit confirmation that the activities being audited at centralized/distributed level would not be sought to be re-audited at LSA level.**
- iv. **We request such scope and process is shared for further deliberations, before finalization.**

b. **Clause 4 (2) – Appointment of Auditor by the Authority:**

- i. The auditor is appointed by the TSP after extensive evaluation of the auditor about their experience and expertise of different metering and billing systems of TSP. Further, the cost to perform this audit is also mutually negotiated between the TSP and the auditor.
- ii. If the TRAI is to appoint the auditor and the cost is to be borne by the TSP, there will not be any chance of mutual negotiation.
- iii. In our view, the TRAI should not appoint auditor for this activity and the clause should be removed.

c. **Clause 5.1 (d) – for the purposes of audit, Licensed Service Areas are uniformly distributed throughout the four quarters of a financial year:**

- i. Uniform distribution means that PAN India Licensee would have to complete 5 LSAs in 2 quarters each and 6 LSAs in remaining 2 quarters. Considering multiple activities in initial 2 quarters, i.e. empanelment of auditor by TRAI, appointment of auditor by TSP, self-evaluation, centralized/distributed audit followed by LSA audit, the first 2 quarters will be challenging and it will not be feasible to cover even spread of LSAs in first 2 quarters.
- ii. Therefore, choice of distribution of LSAs throughout the year, should be left to the discretion of TSPs and there should not be any requirement of uniform distribution throughout the four quarters of a financial year.

19. **Workshop:** As discussed above, the Authority has proposed huge changes pertaining to self-evaluation, timelines, centralized/distributed system audits in the draft regulation, 2023 and audit guidelines, the TSPs would face considerable amount of issues and would need sufficient clarification to carry out these audits. Hence, we suggest that TRAI should



arrange a workshop/session prior to audit and processes for better understanding of the activity and clarification required to implement the guidelines, if any.

20. Regulatory Impact Assessment:

- a. Considering enormous changes and various layers proposed in the draft regulation, 2023, changing market dynamics as explained in the start of our comments and no commensurate benefits from such audit activity, it is important to assess and establish the benefits of such regulations v/s the effort and financial burden it requires thereby also impacting ease of doing business.
- b. Therefore, we recommend that Regulatory Impact Assessment should be carried out to understand the requirement of change in regulation and same should be shared before notifying the Regulation.

21. Submission/Recommendation:

- a. Since, the change in tariff structure from per min / second charging has been replaced with unlimited / fixed daily / monthly entitlements, most of the tariffs are similar in nature barring the data component. Under such circumstances, considering the entire spectrum of tariff plan will not add any value, rather will be counter-productive.
- b. Also, **conducting audit at multiple layers of various tariff vouchers will require additional manpower, increase in audit periodicity and may cause unnecessary delays in audit related activities and would be akin to over-regulation, therefore this should not be contemplated.**
- c. **Hence, there is no requirement of audits of the Metering and Billing System and their accuracy in LSAs. Such intrusive regulatory framework is against a light-touch regulation policy, would severely impact ease of doing business and would be counterproductive.**

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