

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA  
UNSTARRED QUESTION NO.5340  
TO BE ANSWERED ON 28<sup>th</sup> MARCH, 2018  
PREDATORY PRICING RULES**

5340. SHRI PRABHAKAR REDDY KOTHA:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government is aware that Telecom Service Providers (TSPs) are adopting commercial techniques to lure the customers and resorting to different plan system under same plan and if so, the details thereof;
- (b) the remedial measures taken by the Telecom Regulatory Authority of India (TRAI) to curtail such irregularities;
- (c) whether the TRAI proposes to lay down predatory pricing rules to bring transparency in tariff assessment of TSPs in view of the in-fight between them on disruptive pricing;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government proposes to take action against TSPs resorting to illegal practice of predatory pricing and if so, the details thereof and if not, the reasons therefor?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &  
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS  
(SHRI MANOJ SINHA)**

(a) to (e) As per the existing tariff framework, tariff for telecommunication access service is under forbearance except for National Roaming and Rural Fixed Line Services. Telecom Service Providers (TSPs) have flexibility to design their products to suit consumer demand. TSPs have such plans on offer which provide subscribers a wide choice of telecom products and/or services as per their need.

Offering different plans with various combinations of tariff components by a telecom company is not prohibited under present regulatory norms prescribed by Telecom Regulatory Authority of India (TRAI), provided they are consistent with regulatory guidelines issued from time to time.

TRAI has reiterated the regulatory principles of non-predatory, non-discrimination and transparency in Tariff offers vide Telecommunication Tariff (63rd Amendment) Order, 2018 on 16th February, 2018. These amendments will be beneficial for the consumers, telecom service providers and the regulator.

As such, the transparency in tariff offers will be objectively observed by the telecom service providers vis-à-vis the guiding principles of transparency. Similarly, TRAI will also examine the tariffs of telecom service providers on the touchstone of accessibility, accuracy, comparability and completeness. It will also take in account whether tariffs are distinct and identifiable, explicit and non-misleading, simple and unambiguous etc. This would ensure transparent offering of telecom tariffs to consumers.

Further, the definition on Non-discrimination provides a clear benchmark to telecom service providers to bring tariff offers to consumers on non-discriminatory basis.

Contd...2/-

The amendments relating to the definitions of Significant Market Player (SMP), Predatory Pricing etc. would ensure fair play and healthy competition amongst the telecom service providers. This in turn would result in more 'value for money' for consumers.

The amendments provide greater clarity on aforementioned regulatory principles of enabling telecom service providers for designing their tariff in more innovative manner and also smoothly comply with the regulatory principles.

Further TRAI has written to operators to observe these principles while offering Tariffs to customers. They have been also asked to report all retail tariffs to TRAI and publish them transparently on their websites.

\*\*\*\*\*