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Letter No.: RP/ FY 21 – 22/ 062/993

Date: 08.12.2021

**Shri Amit Sharma**  
**Advisor (F&EA)**  
**Telecom Regulatory Authority of India,**  
Mahanagar Door Sanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi – 110 002.

**Subject: Inputs on the Draft Telecommunication Tariff (Sixty Sixth Amendment) Order, 2021**

Dear Sir

This is with reference to Draft Telecommunication Tariff (Sixty Sixth Amendment) Order 2021.

In this regard, please find enclosed our response to the Draft Telecommunication Tariff (Sixty Sixth Amendment) Order 2021.

As a practice, TRAI gives time to the stakeholders for counter comments on any consultation. Accordingly, we request the Authority to give a time of 10 days i.e. upto 18th December 21 for submitting counter comments on the draft TTO.

Hope the submission will merit your kind consideration.

Thanking you  
Sincerely yours  
**For Bharti Airtel Limited**

A handwritten signature in black ink, appearing to read 'Rahul Vatts', written over a light blue horizontal line.

Rahul Vatts  
Chief Regulatory Officer

## Response to Draft Telecommunication Tariff (Sixty Sixth Amendment) Order 2021.

### Background

With a view to ensure financial inclusion, the TRAI had introduced the Mobile Banking (Quality of Service) (Amendment) Regulations, 2013 and subsequently prescribed a **ceiling tariff of Rs. 1.50 per USSD session** for USSD-based mobile banking service and established a framework to facilitate the agents of the banks to interface with the access service providers for use of USSD to provide mobile banking services. Thereafter this was reduced to 50p per USSD session vide 61<sup>st</sup> Amendment to TTO 1999 dated 22.11.2016

Thus in a span of last 7 years, the tariff of USSD service for mobile banking has been reduced by around 67%, although there has not been any substantial increase in the uptake of the service in spite of such substantial reduction. This can be largely attributed to the ever evolving technological advancements in the digital world, increase in customer awareness, plethora of options available with the customer for mobile banking service, increase in customer adaption to smart phones which has resulted in customer using the mobile application of the banks to do banking transactions.

The Authority would also acknowledge that while fixing the tariff for USSD services for Mobile Banking in 2013 via 56<sup>th</sup> Amendment to the Telecommunication Tariff Order 1999, it had stated inter-alia as under:

*“The Authority is of the view that the B2C model is logical. It is only appropriate that the TSPs receive adequate recompense from the customer for the facility of the USSD communication channel that they provide to help the customer (subscriber) access mobile banking services.”*

TRAI had also opined that *from the experience of usage of short codes in SMS-base banking, it seems necessary to prescribe a ceiling tariff for USSD-based mobile banking service. Since the TSPs charge Rs. 3 per SMS, the usage has not picked up in the lower end of the customer segment.* Hence a ceiling of Rs. 1.50 per USSD session was thought reasonable **to compensate the TSPs to meet the expenses incurred in the use of USSD.**

The rationale given by TRAI towards reducing the USSD charged from the current 50p to zero is that in the age of bundled offerings, customers need to have separate monetary value to avail USSD service seems misplaced as there are packs which offer talk time value (in monetary terms) along with other benefits like reduced tariff, bundled data which can be used not only for USSD transactions but also for regular usage requirements.

The digitization of payments to enhance financial inclusion of the unbanked is a critical aspect towards the dream of Digital India and we at Airtel are already perusing the journey through Airtel Payments Bank and the results have been encouraging.

While we understand the importance of financial inclusion and the views of NPCI and RBI to work towards making the service affordable in order to increase the adaptability, the tariffs should be such that the TSPs are able to at least recover the cost of service provided to the customers. It also needs to be considered whether such an initiative would put additional burden on the telecom sector.

**In view of the above, we propose the following:**

- 1. The charges of USSD should be brought down in phases from current 50p to say 5-10p to ascertain and confirm any direct correlation between the revised pricing and uptake of the USSD services. Thereafter the charges can reviewed based on customer uptake of USSD services.**
- 2. In case the Authority plans to reduce charges of USSD service for mobile banking to zero, then the Authority may create a suitable mechanism for fair compensation of telcos by concerned sector/stakeholder.**

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