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StatConsumer Helpline Knowledge Resource Management Portal  
(SCHKRMP)  
(A National Nodal Agency)

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**Sub: Deceptive Trade Practices by telecom service providers in life time validity plans subscribed by pre-paid category of mobile users**

Sir,

The telecom service providers had launched a scheme "life time validity" plans for mobile subscribers wherein the mobile users were being offered free incoming calls for which no recharge for its validity was required against one time charge. It was ranging from various amounts varying from company to company, the most prominent being Rs. 999/-. The subscribers were required to recharge with talk time value recharge vouchers if the subscribers wish to use mobile for outgoing calls. While some companies like MTNL had a condition in the post paid category to use the connection for a minimum of Rs. 100/- in three months period and if the value of the consumption was less than Rs. 100/- in a quarter, the left over amount was being unused out of Rs. 100/- and was being paid by the subscribers accordingly. Many operators did not have any of such conditions.

However, of late it has come to our notice that the telecom companies have started charging Rs. 28/- to Rs. 35/- per month from the prepaid category of subscribers having "life time validity plans" despite the rest of licence period which are getting expired as late as in 2033 or so. This recharge is for keeping validity of the mobile connection else the connection gets deactivated. For talk time, the subscribers of such category are required to recharge with talk time recharge vouchers. We are yet not aware as to whether the subscribers in the category of post paid and enrolled under similar plans of life time validity are also being affected. We feel that such practices of the telecom companies amounts to Deceptive Trade Practices through which the subscribers are being deceived.

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The relevant regulations for the life time validity plans are clearly defined in the 43<sup>rd</sup> Amendment of Telecommunication tariff Orders by Telecom Regulatory Authority of India. The same are quoted below from explanatory memorandum which reads as:

*"As per the Telecommunication Tariff (31<sup>st</sup> Amendment) Order, 2004 notified on 7<sup>th</sup> July, 2004, no tariff item in a plan shall be increased at least for a period of six months from the date of enrolment of the subscriber to that plan. This amendment order also reiterates the right of a subscriber to choose any tariff plan at any time. These provisions are applicable for normal tariff plans offered by an operator. Because of the fact that operators have subsequently introduced tariff plans with specified longer period of validity including life time validity / unlimited validity, etc., it has become necessary to protect the interest of consumers against any hike in the tariff items during the period of validity of such plans particularly considering that such plans involve an upfront payment by the subscribers in lieu of longer period of validity. Since these schemes involve an upfront payment, the right of the subscriber to move to any other plan of his choice gets restricted to the extent that he has to forfeit the upfront payment made, unless appropriate exit options are provided. In this situation it is essential that the interests of subscribers are not adversely affected by any action of the service provider while the subscriber remains under any such tariff scheme."*

*"For any tariff plan, the Access Provider shall be free to reduce tariffs at any time. However, no tariff item in a tariff plan shall be increased by the access provider -*

- (a) In respect of tariff plans with prescribed periods of validity of more than six months including tariff plans with lifetime or unlimited validity and also involving an upfront payment to be made by the subscriber towards such validity period, during the entire period of validity specified in the tariff plan;*
- (b) In respect of other tariff plans, within six months from the date of enrolment of the subscriber; and,*
- (c) In the case of recharge coupons with a validity of more than six months under any tariff plan, during the entire period of validity of such recharge coupon.*

Further

*"A tariff plan once offered by an Access Provider shall be available to a subscriber for a minimum period of SIX MONTHS from the date of enrolment of the subscriber to that tariff plan. However, any tariff plan presented, marketed or offered as valid for any prescribed period exceeding six months or as having lifetime or unlimited validity in lieu of an upfront payment shall continue to be available to the subscriber for the duration of the period as prescribed in the plan and in the case of lifetime or unlimited validity plans, as long as the Service Provider is permitted to provide such telecom service under the current license or renewed license. In the case of plans with lifetime validity or unlimited validity, the service provider*



**shall also inform the subscribers of the month and year of expiry of his current license."**

The definition of the life time has also been defined i.e. the period up to which the licence is valid or for any extended period up to which licence gets extended. Most of the operators have validity of their licence till as long as 2031. Thus increasing the tariff or asking the subscribers to recharge the connection for Rs. 28/- or Rs. 35 every month (even the month has been stated to be of 28 days or so) is in violation of:

- 1. Telecommunication Tariff Orders of Telecom Regulatory Authority of India**
- 2. Consumer Protection Act, 1986**

In view of above, we are bringing such business practices to your kind notice and seek immediate and appropriate intervention of the Authority to protect the interest of the consumers and direct the telecom companies to follow the business in its true spirit in an ethical manner and withdraw any such conditions for the subscribers enrolled under "life time validity plans".

Thanking you,

Yours sincerely

*Suresh Misra*

(Suresh Misra)

Project Director



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