To,

Shri Neeraj Mittal

Secretary, Ministry of Communications

Government of India

10th October, 2025

In Re: Submission of Comments from Public on The *Telecommunications (Regulation of Restructuring or Acquisition of Authorized Entities) Rules, 2025.*

Respected Sir,

This letter is in reference to the circular issued by the Department of Telecommunications, Ministry of Communications, Government of India, inviting comments from the public on the Telecommunications (Regulation of Restructuring or Acquisition of Authorized Entities) Rules, 2025. In furtherance of our commitment to contributing to the legal, regulatory, and technological discourse in the country, and working for public welfare in the capacity of law students, the team at the Cell for Law and Technology ("CLT"), National Law Institute University, Bhopal, hereby submits its suggestions in response to the draft rules.

First and foremost, the government's initiative to involve public opinion in drafting these rules is highly commendable, exemplifying participatory governance. The draft rules address a critical area by establishing clear guidelines around mergers, acquisitions, and restructuring, ensuring compliance with spectrum and market norms, shareholder disclosures, and settlement of dues. By requiring prior approval for significant transactions and setting robust standards, the draft rules foster a stable and predictable environment that supports fair competition and protects consumer interests. In doing so, they significantly enhance the resilience and integrity of India's telecom sector during this phase of rapid transformation.

The proposed draft has been thoroughly analysed, and the CLT team has identified a number of key points for consideration, which we have compiled as detailed comments under each mission of the policy. We hope these submissions will contribute meaningfully to the ongoing discussions on creating a transparent, fair, and well-regulated framework for restructuring and acquisition activities within India's telecommunications sector

Thank you for your consideration.

Warm Regards,
Dr. Atul Kumar Pandey
(Professor of Cyber Law; Head, Department of Cyber Law; Faculty in Charge, Cell for Law and Technology)

The team which has been instrumental in putting forward this suggestion comprises of the following members of the Cell for Law and Technology, NLIU Bhopal:

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COMMENTS ON THE
DRAFT TELECOMMUNICATIONS (REGULATION OF RESTRUCTURING OR ACQUISITION OF AUTHORIZED ENTITIES) RULES, 2025

Rule No.	Sub-Rule (if any)	Provision	Issues Identified	Proposed Solutions
2		Compliance Framework	1. Lack of precise definitions for key terms like authorised entity, promoter, and breach. 2. Potential overstepping of the Telecom Act, 2023. 3. Incomplete framework for due process and appeals. 4. Duplication with the IT Act, DPDP Act, TRAI, and RBI norms. 5. Uniform compliance obligations for all entities.	1. This creates uncertainty over who falls within the regulatory ambit and what actions constitute violations, leading to overreach and inconsistent enforcement. 2. Some provisions (e.g., on Telecommunication Identifier User Entities) appear to expand the rule's scope beyond what the parent Act authorises, raising constitutional validity concerns. 3. The rules mandate adjudication but lack clarity on procedure, timelines, notice, hearing rights, and appellate mechanisms, making enforcement arbitrary and undermining fairness. 4. Overlapping jurisdictions create confusion, regulatory friction, and compliance uncertainty for telecom and

				digital service providers. 5. The rules do not differentiate between the scale or risk profile of operators, leaving gaps in efficiency and fairness within the regulatory design.
3		Disclosure of Shareholding and Control	1. Unclear demarcation between DoT, TRAI, and MeitY roles which creates policy conflict and fragmented regulation of telecom and digital communications. 2. Central Government retains wide discretionary powers (authorisations, compliance, appeals) which weakens regulatory independence and investor confidence. 3. “Breaches to be dealt with through adjudication” lacks procedural clarity and independence. 4. Insufficient focus on rural connectivity and affordability. 5. Ambiguity on whether OTT platforms fall under telecom licensing. 6. Limited framework for infrastructure sharing, passive network use, and small players’	1. Define statutory boundaries for each regulator; establish coordination committee for unified decisions. 2. Empower TRAI or create a semi-autonomous Telecom Regulatory Board for enforcement and appeals. 3. Clearly define procedure, forum hierarchy, and appellate routes to avoid dual jurisdiction. 4. Mandate universal service obligations and targeted rural infrastructure funding. 5. Clearly define the scope of OTT regulation to protect innovation and user freedom. 6. Introduce light-touch licensing and infrastructure-sharing guidelines to promote fair access. 7. Include clear national security exception criteria and

			entry. 7. Rules prioritize security restrictions without defined proportionality tests.	mandatory review by a high-level committee.
4		Disclosure of Direct and Indirect Shareholding and Control	1. Inconsistency in defining indirect control: The rule requires disclosure on both direct and indirect ownership; but the definition of what is indirect control is vague (e.g. using a voting agreement, beneficial ownership, or board influence). This can result in poor reporting and ultimate control concealment. 2. Frequency and periodicity of disclosure: The provision fails to indicate whether disclosures have to be made during restructuring or on a periodic basis thereafter. This brings the confusion of staying up to date on control information. 3. Absence of compliance with the rules of SEBI and Companies Act: Listed entities already comply with strong shareholding disclosure provisions of the SAST and LODR Regulations of SEBI.	1. Define indirect control: Propose quantitative and qualitative criteria (e.g. 1015 beneficial ownership or special voting rights) (introduce) such as in Competition Act, 2002. 2. Event based and annual updates: Mandate all authorised entities update DoT where there is any material change of control or foreign ownership, and submit an annual consolidated shareholding return. 3. Align with SEBI standards: Develop a single disclosure template that will be accepted by SEBI and DoT of listed entities to minimize duplication. 4. Introduce single-window digital approval: Design an integrated FDI-DoT disclosure and approval portal within Digital Telecom Compliance System to facilitate quick

			Overlapping, conflicting requirements by DoT can add to the compliance load. 4. FEMA and FDI policy conflict: The foreign investment limit provision mentions government-stipulated limits but fails to harmonise well with the existing FEMA and DPIIT policies, creating double clearances and regulatory issues.	processing of regulations.
5		Need for Prior Written Approval of DoT for Restructuring or Acquisition	1. Deemed approval risk: The rule provides a deemed approval where DoT fails to act within 60 days and this may lead to a circumstance where a sensitive transaction is cleared without her undertaking due diligence especially in cases of a foreign entity or market concentration risk. 2. Lack of digital filing and standardized forms: The rule also refers to a prescribed form yet nothing is said to require an electronic filing process or on-line tracking and this makes it bureaucratically heavy. 3. Concurrent jurisdiction between DoT and NCLT: Although the prior approval by	1. Substitute the term deemed approval with conditional approval: Add one more element to this that approvals will not be considered effective until there is an express compliance verification by DoT in the specified time interval. 2. Create the electronic submission and tracking system: Build an establishment based on a Telecom Transaction Approval Portal that is centralized, has automatic acknowledgment, time-stamped submissions and real-time status reporting. 3. Align DoT-NCLT processes: make changes to the

			DoT is compulsory, NCLT determines mergers on its own under the Companies Act, 2013. This two-fold examination can be a source of delays and inconsistent results. 4. Absence of appellate or redressal process: No reference has been made about how the applicants can appeal or seek review in case the DoT denies or deferral approval.	coordination regulations to permit parallel processing, where DoT comments are incorporated into the proceedings of the NCLT. 4. Introduce the mechanism of appeal and grievance: Provide the possibility of recourse regarding the Telecommunications (Adjudication and Appeal) Rules, 2025, or authorize TRAI to intervene in the procedural conflict between the parties and DoT.
6		Acquisition or Restructuring Should Not Result in Concentration of Market Share	1. Rigid 50% ceiling market share: The requirement disallows any other party to surpass 50 percent market share after the merger. This tough limit can discourage required consolidations in financially stricken markets and is inconsistent with the dynamic character of telecom competition. 2. Absence of clarity regarding calculation of market share: It talks of usage base as well as revenue base as possible ways of measurement but does not	1. Use adaptable thresholds: Instead of maintaining the constant 50% limit, adopt a dynamic limit (say, 55-60) of TRAI periodically on market evaluations or at the discretion of DoT where consolidation is to be carried out. 2. Standardize calculational methodology: Have a clear definition of market share based on TRAI views of Average Gross Revenue (AGR) or subscriber-based measure and make standardized templates of

			state which one is to be considered first which makes it unclear in compliance evaluation. 3. No amnesty to financially unstable operators: The rule does not allow a leeway to service to save insolvent operators through mergers even in cases where competition issues are minimal. 4. Inherent lack of coordination with the competition structure of TRAI: The regulation puts the responsibility of market concentration with DoT without incorporating the data or competition analysis of TRAI, which can result in duplication or inconsistency.	operator self-reporting. 3. Add exemption to distress mergers: Authorize the temporary exemption of DoT in cases where a merger is necessary to avoid service disruption or in cases that safeguard consumer interest in financial distress. 4. Mandate joint consultation with TRAI: Require that DoT request a formal competition assessment report of TRAI to approve any merger or acquisition more than 40 percent within a particular circle or service area.
7		Resulting spectrum holding cannot exceed specified limits	1. In clause 1, key terms like “service area” and “area of operation” and “applicable NIA” are not clearly defined, making the rule hard to interpret. 2. Clause 2 lacks a clear process for how companies or DoT should check and confirm spectrum limits before or after	1. Add definitions for these terms within the rule, ensuring that every company and reader can easily understand the exact scope and application of the spectrum limit. 2. Specify a clear verification procedure requiring companies to submit spectrum details to DoT before approval and re-

			approval. 3. The clauses 1 & 2 are lengthy and overlap, making it unclear which rules apply to restructuring and which to acquisition. 4. In clause 3, there's no explanation as to how or when payments for non-access spectrum must be made, leading to possible delay or confusion.	confirm compliance afterward, ensuring transparent monitoring and timely corrective measures if limits are exceeded. 3. Reorganise the text into separate, concise parts, one for restructuring and one for acquisition, so readers can easily follow their obligations without confusion or repeated cross-reference between clauses. 4. Add a short timeline and payment procedure for non-access spectrum obligations to guide companies on when and how to pay, ensuring consistency and avoiding unnecessary disputes or delays.
8		Liberalisation of access spectrum	1. The rule refers to many documents, rules, notifications, orders, or instructions, without specifying which one governs liberalisation. 2. There is no mention of what happens if an entity applies for restructuring or acquisition without completing liberalisation.	1. Create a consolidated DoT guideline listing all current liberalisation requirements in one document, so authorised entities can easily locate, follow, and comply with the correct procedure without regulatory confusion. 2. Add a clear consequence, such as rejection or suspension

				of the application, so companies understand that completing liberalisation is a mandatory pre-condition for approval under these rules.
9		Payment of spectrum charges on total spectrum holding	1. In clause 2, Entities with turnover below fifty crores face the same compliance burden as larger corporations. 2. The rule doesn't specify the timeline within which DoT must calculate or communicate payable spectrum charges.	1. Introduce a simplified submission process or relaxed documentation requirements for small entities, ensuring proportional compliance without discouraging smaller players from restructuring or acquiring spectrum. 2. Fix a defined timeline, such as 30 days, for DoT to determine and notify spectrum charges, ensuring procedural certainty avoiding delays in restructuring or acquisition approvals.
10		Payment of all pending dues	1. Clause 3 of the section states that DOT can even review the dues of the telecom companies which have already completed their restructuring, but the clause does not specify the penalty or the time line for such companies which are already done with restructuring, it creates a discretionary situation.	1. To provide the specific timeline and Penalties for the companies which have a Completed their restructuring but still Have not paid their dues. 2.Rather then putting a mandatory requirement of

			2. Most of the telecom companies do restructuring because of the financial hardships, but this section creates a chilling effect on telecom companies to pay all the dues at the time of restructuring, which acts as a financial bar. This provision in future will demotivate companies to restructure they would rather prefer to dissolve their corporations .	paying all the dues prior to restructuring, there can be a specific time slot, After the restructuring to pay the Unpaid dues.
11		Particulars of scheme	1. Clause ii of the section creates a situation of deemed fiction meaning the restructured authority will have deemed liability to that of the authorised entities but the section does not specify which organization will have authority if both the the entities are authorized entities	1. Rather then mentioning the vague terms the section can specify the liability of one of the party
12		Conditions for grant of approval for restructuring or acquisition of authorised entity	1. Clause c creates bar on the organisation to only acquire or merge if they hold the same or common authorization	1. Rather then putting pre-restructuring condition, the government can put post re-structuring condition, that is to acquire the same authorization with in the stipulated timeline

13		Transfer of the authorisation.	1. Unlike Rule 5, this rule does not clarify what happens if DoT does not respond within 60 days. Companies are left uncertain. 2. The 60 days time limit does not align well with the one-year window for restructuring under Rule 11. 3. Transfer is allowed only between entities offering the same service type, which could affect and restrict the legitimate mergers. 4. It is unclear whether operations can continue while DoT reviews the transfer.	1. A deemed approval clause can be added so as to have a predictability regarding when companies can proceed . 2. Clarify that the process under Rule 13 works within the one-year window of Rule 11. 3. Provide flexibility for mergers between related or complementary services,provided that DoT approves it. DoT could allow the merger first and require the resulting entity to obtain the required authorisation within a fixed post-restructuring period. 4. Include a short term clause confirming service continuity during the transfer process to prevent disruption for consumers.
14		Restructuring and acquisitions not covered by Chapter 3.	1. 50 crore is small for telecom services, even small ISPs would need approval.This could create unnecessary administrative work for both DoT and companies 2. No clear definition of 'change in control' could lead to inconsistent approval. 3. No clear mention of a time	1. Raise the turnover threshold to a more realistic level. 2. Clearly define 'change in control' in line with SEBI or CCI norms. 3. A set time frame can be added like Rule 5. A deemed-approval clause should be considered in case DoT fails to act within the allotted time so

			limit could create uncertainty and delays. 4. Such changes are already reviewed by SEBI and CCI. It poses a risk of duplication of efforts. 5. Vague reference to mutatis mutandis makes it unclear which other rules apply.	as to bring fairness and efficiency. 4. An inter-regulatory framework can be proposed through which DoT can coordinate with SEBI and CCI. This would facilitate smooth approvals, minimise duplication and ensure control where telecom-specific issues are at stake(such as spectrum or security).
15	(1)	15.1. Any submission or application under these rules, shall be processed by the DOT on the basis of the statements, averments, representations and submissions made by the applicant and on the basis of the supporting documents so provided.	1. No obligation to verify the submissions against its own databases which may be incorrect or even misleading information to be processed, undermining regulatory oversight. 2. No clear guidelines for assessment of documents may lead to approvals being granted on inaccurate data, which could later be revoked under Section 15(2) causing procedural ambiguity. 3. Lack of verification measures may cause delays or errors in approvals, ultimately defeating the purpose of smooth restructuring and causing legal	1. We propose the DOT to become an active regulator. It should be explicitly authorise and obligate to conduct basic verification checks against its own databases before granting approval. 2. To ensure transparency and prevent arbitrary decisions, the DOT should publish clear and objective guidelines and checklists for assessment of all applications. 3. A formal clarification/rectification procedure should be established which requires DOT to notify applicants of any clerical errors and grant a reasonable time period to

			or operational complications.	address them before any adverse action is taken.
	(2)	15.2. If, at any time, any of the statements, averments, representations or submissions made by an applicant is found to be incorrect, any approvals, including deemed approvals, shall stand revoked ab initio.	1. Extreme penalty of revocation ab initio for any incorrect statement, regardless of whether the inaccuracy was material to the approval decision is not just. A minor, trivial error in an unrelated document can be used to void the entire license. 2. Intention of the entity matters here. It places fraud, misrepresentation and an innocent, clerical error at the same pedestal. This may result in injustice to the innocent entities being punished under the same provision. 3. The phrase "at any time" creates perpetual uncertainty, allowing the DOT to revoke an approval years after it was granted based on a long-dormant error. This prevents finality and undermines business confidence. 4. The rule mandates automatic revocation without providing any opportunity for the entity to correct an inadvertent error or	1. Void ab initio must be contingent on the inaccuracy being material to the grant of approval. 2. Upholding the idea of justice and fairness, the rule should specify that void ab initio applies only to statements made with the intent to mislead the DOT. This would also ensure the protection of parties who acted in good faith. 3. A statutory time limit should be introduced after which no revocation can be initiated under this clause. 4. A procedure that allows DOT to issue a legal notice for the incorrectness in the submission. If it is a clerical error, DOT may grant reasonable period to rectify such errors.

			provide a clarification. This is a rigid "zero-tolerance" policy that prioritizes punishment over regulatory compliance.	
16	(1)	16.1. Recovery of dues	1. No chance of fair hearing incase of disputed dues. 2. Using the term “land revenue” shifts the focus from complex regulatory fee disagreements to commercial disputes.	1. The scope of punishment should is limited to undisputed dues or after the debt is confirmed by the court/tribunal. 2. This rule should be used as a last resort after other collection attempts have failed.
17	(1)	17.1. Digital implementation of these rules	1. There is no guarantee that submissions will be accessible, user-friendly or reliable, so missed deadlines caused by government technical issues could still lead to penalties. 2. No official alternative method for submission of urgent documents if the portal is non functional for an extended period.	1. In case of portal being officially down or malfunctioning, statutory deadlines should automatically extend for the duration of the outage. 2. DOT must specify an official fallback submission mechanism (for eg. a dedicated email address with protocols) to be used during extended portal outages to ensure smooth and continued functioning of business.