Existing	Proposed Amendment (By TRAI)	ISPAI Submission
7 (iii) If any service provider fails to comply with the Reporting Requirement, it shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay five thousand rupees, by way of financial disincentive, for every day of delay subject to maximum of two lakh rupees as the Authority may by order direct.	7 (iii) If any service provider fails to comply with the Reporting Requirement, it shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay, by way of financial disincentive, an amount of pay five thousand rupees, by way of financial disincentive, for every day of delay subject to maximum of two lakh rupees as the Authority may by order direct. ~~ten thousand rupees for every day of delay for the first seven days and in case the contravention continues beyond seven days, an additional amount of twenty thousand rupees for each subsequent day of delay, during which the default continues, subject to a maximum of five lakh rupees, as the Authority may, by order, direct.;~~ Provided that no order for payment of any amount by way of financial disincentive shall be made by the Authority, unless the service provider has been given a reasonable opportunity of	1. It is respectfully submitted that the proposed amendment to enhance financial disincentives for delayed reporting of tariff plans is inconsistent with the Government's broader policy direction on *ease of doing business, compliance simplification,* and *decriminalisation of minor procedural defaults* under the **Jan Vishwas (Amendment of Provisions) Act, 2023** and the proposed **Jan Vishwas Bill 2.0**. While the Government is progressively rationalising and simplifying compliance requirements, the amendment introduces disproportionate financial disincentives for minor reporting delays which runs contrary to the reformist intent of the Central Government. 2. The proposed escalation i.e., Rs 10,000 per day for the first seven days and Rs 20,000 per day thereafter, capped at Rs 5 lakh, would unduly penalise even inadvertent delays without any demonstrated regulatory need or consumer benefit or reason(s) which led to such delays, are beyond the control of the service provider A parallel analogy for imposition of financial disincentive may be drawn with the tariff filing with TRAI. Under the **Telecommunication Tariff Order, 1999**, service providers must report tariffs to TRAI within seven working days of implementation. This system has worked effectively, with TRAI already empowered to seek clarifications or take corrective measures when necessary. 3. Reasonableness and Proportionality:

	representing against the contravention of the tariff order observed by the Authority: Provided further that the Authority reserves the right not to impose any financial disincentive or to impose a lower amount of financial disincentive than the amount payable under this sub-clause, where it finds merit in the reasons furnished by the service provider and in the interest of regulatory compliance Provided that no financial disincentive shall be imposed for first-time or inadvertent delays, which shall be treated as minor procedural lapses, and that financial disincentives shall be imposed only in cases of repeated or deliberate defaults, at reasonable levels, and shall be intended solely to encourage compliance (b) after sub-clause(iii), the following sub-clause shall be inserted, namely:- (~~iv) In case a service provider fails to pay the amount of financial~~	a. The proposed penalties are excessive and disproportionate to the nature of default. b. Tariff reporting is a procedural compliance, not an act causing financial loss to the exchequer or harm to consumers. c. Where tariffs comply with regulatory principles (transparency, non-discrimination, non-predation), delay in filing causes no market distortion or prejudice. 4. The **Jan Vishwas reforms** reflect the Government's clear intent to *decriminalise, rationalise,* and *simplify* regulatory obligations. Introducing punitive or revenue-linked penalties for procedural lapses runs counter to: • The Central Government's *Ease of Doing Business* agenda; • The *Telecommunication Act, 2023*, which emphasises proportionality and simplification; and • TRAI's mandate to facilitate orderly growth and fair competition. Accordingly, compliance should be promoted through *guidance and cooperation*, not punitive measures. 5. Although the financial disincentive provisions are *ultra vires* the **TRAI Act**, the industry has not challenged them, viewing them as deterrents against habitual or deliberate non-compliance rather than punitive measures. The **TRAI Act, 1997** does not empower the Authority to impose pecuniary penalties or "financial disincentives." Sections 11 and 36

	~~disincentive under sub-clause (iii) within the period stipulated in the order for payment of financial disincentive, it shall be liable to pay interest, on the outstanding amount of financial disincentive, at a rate which shall be two percent (2%) above the one year Marginal Cost of Lending Rate of State Bank of India applicable on the beginning of the Financial Year in which last day of the stipulated period falls~~ ~~Explanation: For the purposes of this sub-clause, a part of the month shall be reckoned as a full calendar month for the purpose of calculation of interest and a month shall be reckoned as an English calendar month.~~ **7. Deletion of Clause 7A of Principal Tariff order:** The Authority is of the view that due to the existence of similar financial disincentive provision under clause 9(2) of Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2023 (03 of 2023) and to avoid possibility of duplicacy or missing out of imposition of financial disincentive by both the provisions, it will be	permit issuance of regulations and directions but not creation of fiscal liabilities. **The proposal is therefore *ultra vires* the parent statute**. 6. If notified in its current form, the amendment is likely to result in avoidable litigation on grounds of *vires*, arbitrariness, and disproportionality, create unnecessary compliance anxiety among service providers, and introduce regulatory uncertainty inconsistent with India's investor-friendly environment—thereby undermining the progress achieved through the Government's deregulation and simplification initiatives. 7. In view of the above, it is respectfully request that TRAI: a. Retain or rationalise existing ceilings and rates of financial disincentive; b. Treat first-time or inadvertent delays as minor procedural lapses without imposing any financial disincentives; c. Impose financial disincentives only for repeated or deliberate defaults, and at reasonable levels after providing adequate opportunity for explanation; d. Ensure consistency with *Jan Vishwas* and *Ease of Doing Business* objectives of the Central Government; and e. Clarify that financial disincentives are intended to discourage non-compliance, not generate revenue.

	prudent to do away with Clause 7A of the principal tariff order. This is a pragmatic approach since the Metering and Billing Audit is conducted through the said regulation and excess charges are detected received under the provisions of the said regulations.	

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