2026 INSC 742

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 4359 OF 2010

TELECOM REGULATORY AUTHORITY OF INDIA ... APPELLANT (S)

VERSUS

M/S POLIMER CABLE NETWORK AND OTHERS ... RESPONDENT(S)

J U D G M E N T

S.V.N. BHATTI, J.

1. The present Civil Appeal arises from the Order dated 10.03.2010 in Appeal No. 1(C) of 2009 of the Telecom Disputes Settlement and Appellate Tribunal ("TDSAT"), New Delhi, and is filed under Section 18 of the Telecom Regulatory Authority of India Act, 1997 ("TRAI Act"). The Telecom Regulatory Authority of India ("TRAI") is the Appellant herein, and M/s Polimer Cable Network, Salem, Tamil Nadu/Respondent No. 1/Multi-System Operator ("MSO"), was the Appellant before the TDSAT. TRAI issued a Show Cause Notice dated 19.02.2009 to the Respondent herein, purportedly in exercise of its powers and jurisdiction under Sections 11 and 13 of the TRAI Act read with the Telecommunication (Broadcasting & Cable Services) Interconnection Regulations, 2004, as amended by the Telecommunication (Broadcasting &

Cable Services) Interconnection (3rd Amendment) Regulation, 2006 ("IC Regulations"). The Respondent, challenging the Show Cause Notice, filed Appeal No. 1(C) of 2009 before the TDSAT. To appreciate the jurisdictional point canvassed by TRAI in the present Civil Appeal, the prayer made before the TDSAT by the MSO is excerpted hereunder:

> *"It is most respectfully prayed before this Hon'ble Tribunal that it may be pleased to: (a) pass orders quashing and setting aside the direction dated 21.10.2008 and the show-cause notice dated 19.02.2009 issued by the Respondent No. 1 as the same is without jurisdiction and is void ab initio"*

2. TDSAT, while disposing of Appeal No. 1(C) of 2009, prefaced the following point for decision:

> *"Jurisdiction of Telecom Regulatory Authority of India (TRAI) to* ***adjudicate*** *on a* ***dispute*** *between one MSO with the LCO's affiliated with it, is in question in this appeal."*
>
> *(**emphasis supplied**)*

3. In the final analysis, TDSAT held as follows:

> *"In our opinion, in a situation of this nature, TRAI neither has any exclusive jurisdiction to determine a dispute nor a concurrent jurisdiction.*
> *Breach of a contract gives rise to civil liability. In the event it is found that a party to the contract has suffered breach of contract, he may claim damages also. The Act does not envisage exercise of jurisdiction by the Tribunal both original and appellate in relation to the same nature of dispute. It also does not contemplate, that for one grievance, an aggrieved party may approach TRAI and for another, this Tribunal.*
> *Statutory provisions, as is well known, must be read in their entirety. It must be read chapter by chapter, section by section and clause by clause to give effective meaning to the words employed.*
> *The Act does not envisage different results from different Tribunals. We have noticed heretobefore that breach of a contract gives rise to a civil liability. If however for such a breach, a party to the contract approaches TRAI, which may issue direction, and in the event of breach of such direction wherefor report of the Police Authority may have to be called*

> *for, TRAI may take recourse to action under Section 29 of the Act which provides for a criminal liability. A provision leading to a penal consequence must be construed strictly.*
> *We are, therefore, of the opinion that unless the statu[t]e otherwise provides for, in case of breach of the terms of a contract, two different kinds of liabilities ordinarily should not be faced by the same person viz. civil liability & criminal liability.*
> *In our opinion having regard to the provisions of Section 14 of the Act the Parliament intended that a party to breach of a contract should face civil liability and not a criminal liability.*
> *We, therefore, for the foregoing reasons, have no other option but to hold that the respondent No.1 had no jurisdiction to issue the impugned direction.*
> *If the respondent No.1 had no jurisdiction, the decisions rendered by it and the consequential show cause notices issued by it, must be held to be illegal and without jurisdiction. They are, therefore, void ab initio."*

4. Hence, the Appeal at the instance of TRAI.

5. The above narrative has captured the proceedings before the TDSAT, and the circumstances that led the first Respondent to move the TDSAT are noted chronologically.

5.1 The TRAI Act was enacted by the Parliament, and the preamble of the said Act states that:

> *"An Act to provide for the establishment of the Telecom Regulatory Authority of India and the Telecom Disputes Settlement and Appellate Tribunal to regulate the telecommunication services, adjudicate disputes, dispose of appeals and to protect the interests of service providers and consumers of the telecom sector, to promote and ensure orderly growth of the telecom sector and for matters connected therewith or incidental thereto."*

6. The TRAI, in exercise of its powers under Sections 36 and 11(1)(b)(ii), (iii) & (iv) of the TRAI Act, promulgated the IC Regulations. On 04.09.2006, the principal regulations were amended, and for the purpose of the Civil Appeal, the amended Clause (4) of the IC Regulations is relevant.

7. The circumstances in the Appeal are that Polimer Cable Network/Respondent No. 1 is an MSO, and Respondents Nos. 2 to 5 are Local Cable Operators (LCOs). Disputes have arisen between the MSO and the LCOs. Given the scope of the Civil Appeal, we do not narrate the case on the merits of either the MSO or the LCOs. On 10.07.2008, the LCOs complained to TRAI that the MSO had abruptly disconnected the cable television signals for which the LCOs had contracted. The LCOs filed Writ Petition Nos. 18861 to 18864 of 2008 before the High Court of Judicature at Madras. The Writ Petitions were disposed of, and TRAI was directed as follows:

> *"… the Telecom Regulatory Authority of India is directed to consider and dispose of the representations of the petitioner-Local Cable Operators, in accordance with law, within a period of eight weeks from the date of receipt of a copy of this order, after affording an opportunity of hearing to both the petitioner-Local Cable Operators and the fifth respondent-Multi-System Operator."*

8. On 21.10.2008, TRAI, *prima facie*, found that the MSO violated clauses 4.1 and 4.3 of the IC Regulations and issued directions under Section 13 read with Section 11(1)(b) of the TRAI Act. The MSO purportedly complied with the directions dated 21.10.2008, but the LCOs contested this compliance, prompting TRAI to seek a status report from the Commissioner of Police, Salem, State of Tamil Nadu. On 16.12.2008, the report from the Commissioner of Police was received, indicating non-compliance with the directions dated 21.10.2008. This prompted TRAI to issue the Show Cause Notice dated 19.02.2009. The gist of the Show Cause Notice is that:

8.1 The four Complainants (LCOs, namely M/s Kadal TV, M/s Ramesh Cable Net Works, M/s Amman Cable Net Works, and M/s Suganya Cable Net) filed separate grievances alleging that the MSO abruptly disconnected cable television signals to their respective networks at 6:00 AM on 16.06.2008.

8.2 On 21.10.2008, after reviewing the material facts, the Authority found the Noticee in violation of IC Regulations and issued a formal Direction commanding immediate restoration of signals to the Complainants and the filing of a compliance report within ten days.

8.3 To ascertain the ground reality, the Authority deputed the Commissioner of Police to conduct an investigation. A formal report dated 16.12.2008 concluded that the Noticee had disconnected the Optical Fibre Cable (OFC) links without a valid reason. Testing with a spectrum analyser revealed a drop in signal strength, and investigators observed that a non-functional domestic link, rather than a mainstream OFC connection, was left hanging outside the control room.

8.4 Based on the independent investigation, it was concluded that the Noticee, *prima facie*, failed to comply with its statutory Direction dated 21.10.2008. Subsequently, TRAI issued a Show Cause Notice giving the MSO three weeks to explain why a formal complaint should not be filed against it before a court under Section 34 of the TRAI Act for violating TRAI's directions.

8.5 Further, TRAI has specifically called upon the MSO as follows:

> *"… to show cause in writing, within three weeks of the receipt of this notice, as to why a complaint should not be filed against the noticee under Section 34 of the TRAI Act, 1997*

> *before the competent court for its wilful failure to comply with the direction dated 21.10.2008 issued by the Authority under Section 13 read with Section 11(1)(b) of the Act."*

9. The MSO, without filing a reply, filed Appeal No. 1(C) of 2009 before the TDSAT. For the questions of law we are called upon to decide in the Civil Appeal, the MSO's case is set out:

9.1 TRAI lacks the legal authority to adjudicate disputes between two service providers under the TRAI Act.

9.2 That TRAI's adjudicatory powers were specifically withdrawn by the Telecom Regulatory Authority of India (Amendment) Act, 2000, and vested exclusively in TDSAT.

9.3 TRAI grossly misinterpreted the High Court of Judicature at Madras directive dated 06.08.2008. The High Court's instruction to act "in accordance with law" did not authorise TRAI to unlawfully usurp TDSAT's role as a dispute settlement forum.

9.4 The LCOs were not registered cable operators under the Cable Television Networks (Regulation) Act, 1995, at the time of the dispute, and therefore were not valid service providers under the Act entitled to such relief.

9.5 It was prayed that TDSAT set aside TRAI's 21.10.2008 direction and that the Show Cause Notice dated 19.02.2009 be declared void ab initio.

10. TRAI contested the appeal, contending that the impugned direction dated 21.10.2008 was issued out of necessity following observations made by the High Court of Madras, and that the MSO should have approached the High Court to modify its order if dissatisfied. Additionally, TRAI was obligated under Section 13 of the TRAI Act, 1997, to act on the representations of Respondent Nos. 2 to 5/LCOs to ensure regulatory compliance. Further, TRAI merely instructed the MSO to comply with the regulations and did not adjudicate the dispute or usurp the Tribunal's jurisdiction.

11. The TDSAT allowed the MSO's appeal, holding that TRAI had no adjudicatory jurisdiction to issue the directions and that the Show Cause Notice was, therefore, void ab initio. The TDSAT held the following:

11.1 The amendment in the year 2000 to the TRAI Act, 1997, was specifically enacted to separate powers. It divested TRAI of its adjudicatory functions and vested them in TDSAT. Under Section 14 of the TRAI Act, TDSAT has exclusive original jurisdiction to resolve disputes between service providers, including MSOs and LCOs.

11.2 The supply of signals between an MSO and an LCO is governed by private contract. Although TRAI's regulations are automatically incorporated into such contracts, any violation of these terms constitutes a breach of contract rather than a direct violation of the regulations. The determination of a contractual breach must be made by a competent judicial forum, i.e., TDSAT, not a regulatory body.

11.3 TRAI lacks the authority to "mould reliefs". TDSAT, as the competent adjudicating authority, can order an MSO to restore signals while simultaneously ordering a defaulting LCO to pay its arrears, thereby balancing the equities between the parties. A Statutory Authority like TRAI has no power to entertain counterclaims or award damages, so it cannot provide complete justice.

12. Mr. Saket Singh, Learned Senior Advocate, appearing for TRAI, argues that, in deciding the jurisdictional issue, the TDSAT decided an issue it could not have decided under Section 14 of the TRAI Act. The Impugned Judgment prefaces the consideration of TRAI's jurisdiction to adjudicate a dispute between an MSO and the LCOs affiliated to it. The question posed is incorrect, was not referred to TRAI for consideration, and the circumstances are misapplied to infer the exercise of TRAI's jurisdiction and to propose adjudicating a dispute between an MSO and the LCOs affiliated with it. Mr. Saket Singh recapitulates the admitted circumstances and argues that neither did TRAI take note of the dispute, nor did it attempt to adjudicate it, and further, it did not encroach upon the jurisdiction of TDSAT. TRAI has been constituted to discharge the duties and functions assigned to it by Section 11 of the TRAI Act, 1997. Section 11(1)(b) deals with the discharge of the functions enumerated therein.

13. Section 13,[1] as it stood on the day the controversy arose, grants TRAI the power to issue directions. TRAI is empowered by Sections 36[2] and

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[1] **13.** Power of Authority to issue directions.—The Authority may, for the discharge of its functions under sub-section (1) of Section 11, issue such directions from time to time to the service providers, as it may consider necessary: 30[Provided that no direction under sub-section (4) of Section 12 or under this section shall be issued except on the matters specified in clause (b) of sub-section (1) of Section 11.]

[2] **36.** Power to make regulations.—(1) The Authority may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act. (2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:— (a) the times and places of meetings of the Authority and the procedure to be followed at such meetings under sub-section (1) of Section 8, including quorum necessary for the transaction of business; (b) the transaction of business at the meetings of the Authority under sub-section (4) of Section 8; (c) 43[* * *] (d) matters in respect of which register is to be maintained by the Authority 44[under sub-clause (vii) of clause (b)] of sub-section (1) of Section 11; (e) levy of fee and lay down such other requirements on fulfilment of which a copy of register may be obtained 45[under sub- clause (viii) of clause (b)] of sub-section (1) of Section 11; (f) levy of fees and other charges 46[under clause (c)] of sub- section (1) of Section 11.

11(1)(b)(ii), (iii), & (iv) of the TRAI Act to make regulations for discharging the functions assigned to it. Regulation 4 of the IC Regulations is a procedural safeguard in favour of LCOs. TRAI is legally entitled to issue directions for due compliance with the Regulations in force. It is apposite to refer to Section 37[3], which obligates the Rules and Regulations to be laid before the Parliament. A Regulation/Rule brought into existence by following the procedure under Section 37 of the TRAI Act, 1997 is a binding piece of subordinate legislation along with the parent Act. In this case, Regulation 4 of the IC Regulations requires the MSO to comply with the regulations. A direction issued to comply with the regulations is not a step taken to adjudicate a dispute between MSO and LCOs. Section 13, if violated, attracts the penalty under Section 29 of the Act. TDSAT failed to appreciate the statutory scheme inasmuch as even if the penalty under Section 29 is attracted, the TRAI is without jurisdiction to further adjudicate upon and demand the fine from a defaulter. The TRAI has been calling upon the MSO for due compliance with Regulations 4.1 and 4.3, which provide for a roadmap as follows before the Digital Signals are disconnected:

> *I. Giving a 3 weeks' notice to distributor along with reasons for the same.*

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[3] **37.** Rules and regulations to be laid before Parliament.—Every rule and every regulation made under this Act shall be paid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

II. Informing consumers of such dispute and proposed disconnection.
III. Publishing notice in at least 2 local newspapers out of which at least one newspaper shall be in a local language.

14. The statutory directions issued by TRAI are enforceable in law, and such enforcement does not amount to adjudication of a dispute between the contracting parties. Section 14, in terms, confers jurisdiction on TDSAT to adjudicate any dispute (i) between a licensor and a licensee,[4] (ii) between two or more service providers, or (iii) between a service provider and a group of consumers. Therefore, calling upon the MSO to comply with a direction does not amount to deciding a dispute that falls under any of the categories. The interpretation of the enforcement of directives by TDSAT denudes the sanctity of the regulations made by TRAI. A statutory authority, without the power of enforcement of its directions, and any violation brought to the notice of TRAI if not proceeded with, renders TRAI ineffective. He has invited our attention to the statutory scheme and also placed reliance on *Bharat Sanchar Nigam Limited v. Telecom Regulatory Authority of India & Ors.*[5] He has relied specifically on the view taken by this Court in paragraphs 80 to 83, 87 to 89, 98 and 100, and argues that the Three-Judge Bench judgment of this Court, though it is not a direct authority for this proposition on the jurisdiction of TRAI in enforcing its directives, nonetheless illuminates the statutory scheme within which TRAI's enforcement powers operate. It is apposite to refer to paragraphs 79 and 80 of *BSNL (supra)* for appreciating the pre- and post-

[4] Now Repealed.
[5] (2014) 3 SCC 222

2000 amendment scenario of the TRAI Act, and the recommendatory, regulatory and adjudicatory functions of TRAI on one hand and the exclusive adjudicatory functions of TDSAT on the other hand. It is apposite to extract paragraph 100 of *BSNL (supra)*:

> *"100. In view of the above discussion and the propositions laid down in the judgments referred to in the preceding paragraphs, we hold that the power vested in TRAI under Section 36(1) to make regulations is wide and pervasive. The exercise of this power is only subject to the provisions of the TRAI Act and the rules framed under Section 35 thereof. There is no other limitation on the exercise of power by TRAI under Section 36(1). It is not controlled or limited by Section 36(2) or Sections 11, 12 and 13."*

15. The Statutory Scheme in vogue under the TRAI Act has been examined in great detail in *BSNL (supra)*, and to the extent necessary, we rely upon *BSNL (supra)*, and on a point not covered by the said Judgment, we briefly state the statutory scheme:

15.1 The TRAI Act, 1997 began as one body with three functions, recommendatory, regulatory, and adjudicatory (Chapter IV, then exercised by TRAI itself)[6], to give the sector an independent Telecom Regulatory Authority with appropriate powers.

15.2 The TRAI (Amendment) Act, 2000, hived off adjudication into a dedicated Tribunal under Chapter IV (Section 14).

15.3 Post-2000 Amendment, TRAI's powers and functions run in four ways: recommendations under Section 11(1)(a); functions under Section 11(1)(b);

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[6] *Delhi Science Forum*, (1996) 2 SCC 405

directions under Sections 12(4) and 13; and regulation-making under Section 36 of the TRAI Act, 1997.

15.4 Adjudication of "disputes" rests solely with TDSAT.[7] TDSAT also hears appeals from any direction, decision, or order of TRAI.

15.5 Section 36 Regulations are subordinate legislation laid before the Parliament under Section 37, which alone can approve, modify or annul them. The Section 36(1) power is not confined to the topics listed in Section 36(2). This Court has accepted the argument that it extends generally to "carrying out the purposes of the Act," including matters otherwise dealt with in Sections 11, 12 and 13.[8]

15.6 Section 33 bars TRAI from delegating two specific powers to any officer: (i) the power to settle disputes under Chapter IV, and (ii) the power to make regulations under Section 36. This is a delegation bar, not itself the source of the administrative/legislative distinction.

15.7 The word "regulate" has consistently been read broadly to include even prohibition, supporting the wide reading of TRAI's Section 36 power.[9]

16. In other words, TRAI's functions under Sections 11, 12 and 13 of the TRAI Act are described as administrative/regulatory, not judicial. The decision in *BSNL (supra)* does not deal with whether directions issued under Section 13, steps taken for enforcement by recourse to Section 29 read with Section 34, amount to an adjudication of a dispute between MSO and LCOs.

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[7] Section 14(a)): licensor–licensee, inter-service-provider, and service-provider–consumer-group disputes, subject to the MRTP/Consumer Forum/§7B Telegraph Act carve-outs.
[8] *BSNL (supra)*.
[9] *V.S. Rice & Oil Mills v. State of A.P.*, AIR 1964 SC 1781; *State of T.N. v. Hind Stone*, (1981) 2 SCC 205.

17. A combined reading of Sections 11 and 13 discloses that TRAI has the power to make recommendations under Section 11(1)(a) and to discharge functions under Section 11(1)(b). The separation of the nature of functions, and the extent of enforceability between these two classes, namely, 11(1)(a) and 11(1)(b), can be appreciated from a plain construction of Section 13 of the TRAI Act. In simple terms, Section 13 empowers TRAI to discharge its functions under Section 11(1) and to issue directions to service providers as it considers necessary. The proviso, if construed on the principles laid down in *S. Sundaram Pillai v. V.R. Pattabiraman*,[10] stipulates that if put in the affirmative, the authority is empowered to issue directions only in respect of matters specified in clause (b) of sub-section (1) of Section 11 of the TRAI Act. IC Regulations have been made under Section 36, and Section 11(1)(b)(ii), (iii) and (iv) of the TRAI Act. Similarly, the third amendment to the IC Regulations was made in 2006. The requirement in Regulation 4 of IC Regulations is a statutory directive, and what has been attempted by TRAI is merely sensitising the MSO to the legal consequences by operation of Section 29 read with Section 34 of the TRAI Act. The initiation of enforcement of directions in the present case is at a formative stage. If TRAI has decided for itself the disobedience of directions and demands payment of a penalty under Section 29, then it can be construed as a guise for enforcing a direction, where TRAI assumes adjudicatory power as well.

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[10] (1985) 1 SCC 591.

17.1 The TRAI is the Competent Authority to be a complainant under Section 34, and the Competent Court is the Chief Metropolitan Magistrate or a Chief Judicial Magistrate of First Class. Such an enforcement procedure by TRAI cannot be held to be adjudicating a dispute or to step into the jurisdiction of TDSAT. TRAI cannot present a dispute under Section 14 for an alleged violation of its Regulations by a service provider. The directions issued under the TRAI Act are lawful directions, and the stakeholders are under an obligation to comply with the directions; disobedience may result in a fine in terms of Section 29 to be imposed by a court not below that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate of the First Class court.

18. Let us independently examine what constitutes "adjudication" in legal parlance, and whether TRAI has undertaken such an exercise on the established tests of adjudication.

18.1 The pivotal question is whether, in issuing the direction dated 21.10.2008 and the Show Cause Notice dated 19.02.2009, TRAI has "adjudicated" a dispute between the MSO and the LCOs. The expression "adjudication" is not defined in the TRAI Act. In *P. Ramanatha Aiyar's Advanced Law Lexicon*, "adjudicate" is "to hear or try and determine, as a court; to settle by judicial decree", and "adjudication" is "the process of trying and determining a case judicially", involving "the application of the law to the facts and an authoritative declaration of the result", that is, "the determination of matters in dispute by the decision of a competent Court". A "dispute", in turn, is "a controversy having both positive and negative aspects", postulating "the assertion of a claim by one party and its denial by the other".[11] Tested against this meaning, TRAI has adjudicated nothing: it is not a court trying and determining a cause; it has resolved no controversy of assertion-and-denial between the MSO and the LCOs; and it has made no authoritative declaration of their rights inter se.

18.2 The judicial character of such a determination was authoritatively explained in *Cooper v. Wilson*,[12] as adopted in *Bharat Bank Ltd. v. Employees of Bharat Bank*,[13] which held that a true adjudicatory determination presupposes an existing dispute between two or more parties and culminates in a binding decision that disposes of the whole matter by ascertaining the facts in dispute and applying the law to the facts so found. This Court has also held in *Indian National Congress (I) v. Institute of Social Welfare*,[14] that a function is adjudicatory or quasi-judicial only where a statutory authority is required to determine, judicially, questions affecting the rights of parties.

18.3 Tested on these touchstones, TRAI has adjudicated nothing. It has not resolved the underlying commercial dispute between the MSO and the LCOs over the subscription arrangement; it has awarded no damages, quantified no arrears, moulded no relief and adjusted no equities between the

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[11] *Canara Bank v. National Thermal Power Corporation*, (2001) 1 SCC 43

[12] [1937] 2 KB 309.

[13] AIR 1950 SC 188: "A true judicial decision presupposes an existing dispute between two or more parties, and then involves four requisites: (1) The presentation (not necessarily orally) of their case by the parties to the dispute; (2) if the dispute between them is a question of fact, the ascertainment of the fact by means of evidence adduced by the parties to the dispute and often with the assistance of argument by or on behalf of the parties on the evidence; (3) if the dispute between them is a question of law, the submission of legal argument by the parties; and (4) a decision which disposes of the whole matter by a finding upon the facts in dispute and an application of the law of the land to the facts so found, including where required a ruling upon any disputed question of law".

[14] (2002) 5 SCC 685.

contesting operators. What TRAI intended to do was to call upon the MSO to comply with a subsisting statutory safeguard, i.e., Regulation 4 of the IC Regulations, which forbids the disconnection of signals otherwise than in accordance with the prescribed procedure. A direction to obey a regulation operates upon the regulated entity in the discharge of TRAI's regulatory function under Section 11(1)(b) read with Section 13; it is not a determination of a *lis* inter se. Nor does the show-cause notice under Section 34 amount to an adjudication. A Show Cause Notice decides nothing and determines no right;[15] it is a preparatory step that merely puts the noticee to notice, the adjudication of the alleged offence under Section 29 being reserved exclusively to the competent criminal court. The finding that the MSO had prima facie violated Regulations 4.1 and 4.3 of the IC Regulations was recorded only to enable regulatory enforcement; it neither concludes nor binds the rights of the parties inter se, which remain to be agitated, if at all, before the TDSAT under Section 14.

18.4 Accordingly, neither the direction nor the Show Cause Notice bears the essential attributes of "adjudication", and TRAI has not trespassed upon the exclusive adjudicatory jurisdiction of the TDSAT.

19. The view taken in the Impugned Order renders the discharge of functions under Section 11, read with Section 13, of the TRAI Act passive and would undermine the efficacy of directions issued by TRAI. With respect to the Impugned Order, we observe that it has prefaced a non-existent

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[15] *Special Director v. Mohd. Ghulam Ghouse*, (2004) 3 SCC 440.

jurisdictional question for consideration and recorded a finding on the supervisory and regulatory power of TRAI. Secondly, the Impugned Order has rendered TRAI a passive statutory authority, and not one with regulatory power to enforce and implement its regulations and directions. In fine, we sum up our considerations as follows:

19.1 TRAI is empowered by Section 11(1)(b) and Section 13 to issue directions.

19.2 Section 36, by its plain interpretation, and as has been held in *BSNL (supra)* does not limit the power of TRAI but confers upon TRAI a wide and pervasive power to make regulations to carry out the purposes of the Act. This power being subject only to the provisions of the Act and the Rules framed under Section 35, and being neither controlled nor limited by Section 36(2) or by Sections 11, 12 and 13.

19.3 TRAI is authorised to issue directions, and disobedience of directions attracts the penalty stipulated by Section 29, which is to be determined by the competent court.

19.4 The direction issued by TRAI must be referable to, and confined to, securing compliance with a subsisting regulation, licence condition or other matter falling within Section 11(1)(b); it cannot travel beyond the regulatory field into the resolution of the parties' contractual claims;

19.5 TRAI may record, for the limited purpose of enforcement, a prima facie finding of non-compliance, but it cannot render a final and binding adjudication of the parties' inter se rights, award damages, quantify arrears, entertain counterclaims or mould reliefs. These functions belong to the TDSAT.

19.6 Upon non-compliance with a valid direction, TRAI's role is confined to that of a complainant under Section 34; it can neither adjudge the guilt of the defaulter nor determine, levy or recover the fine under Section 29, which is the exclusive province of a Court not below that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate of the First Class

19.7 Where the true substance of the grievance is a dispute between two service providers, as distinct from the breach of a regulation, the matter lies before the TDSAT under Sections 14 and 14A.

20. For the above reasons, the Impugned Judgment is set aside, and the Civil Appeal is allowed. Pending application(s), if any, shall stand disposed of.

21. No order as to costs.

……………………………J.
[S.V.N. BHATTI]

……………………………J.
[N.V. ANJARIA]

New Delhi;
July 24, 2026.