



BALANCING EASE OF COMPLIANCE AND REGULATION

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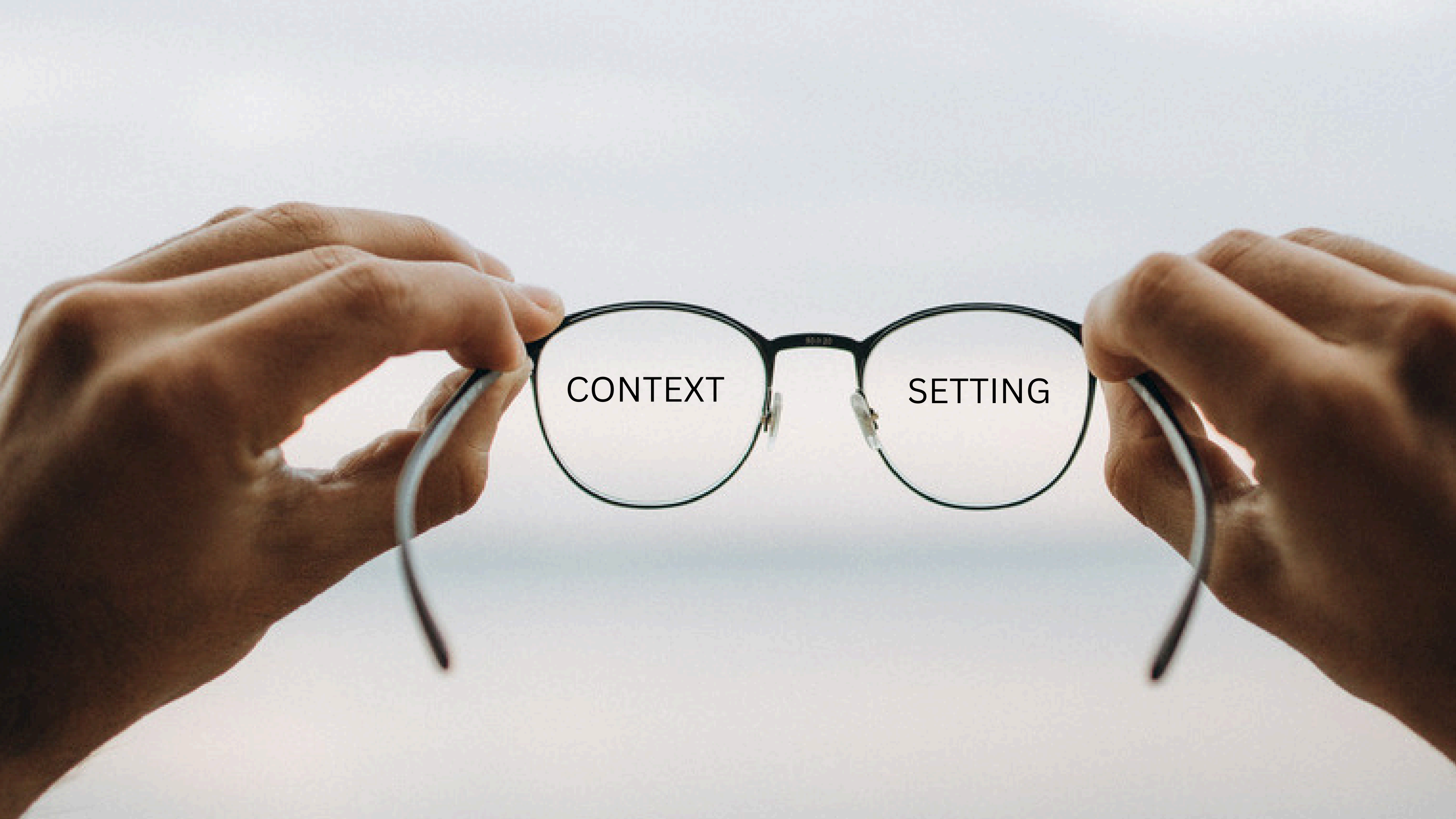
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CONTEXT

SETTING

THE BIG SHIFT

**Economic
Survey
2025-26**

**Union
Budget
2026-27**

**Ministry of
Corporate
Affairs**

THE BIG SHIFT

**Economic
Survey
2025-26**

Refining the
regulatory touch

Need to reconcile
growth with stability

**Union
Budget
2026-27**

**Ministry of
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THE BIG SHIFT

Economic Survey 2025-26

Refining the
regulatory touch

Need to reconcile
growth with stability

Union Budget 2026-27

Need to reduce
compliance burden

Move towards trust-
based, risk-managed
regulation

Ministry of Corporate Affairs

THE BIG SHIFT

Economic Survey 2025-26

Refining the regulatory touch

Need to reconcile growth with stability

Union Budget 2026-27

Need to reduce compliance burden

Move towards trust-based, risk-managed regulation

Ministry of Corporate Affairs

Decriminalisation of violations

Raising thresholds for 'small company' to reduce compliance load

Comprehensive EoDB reform - life cycle approach

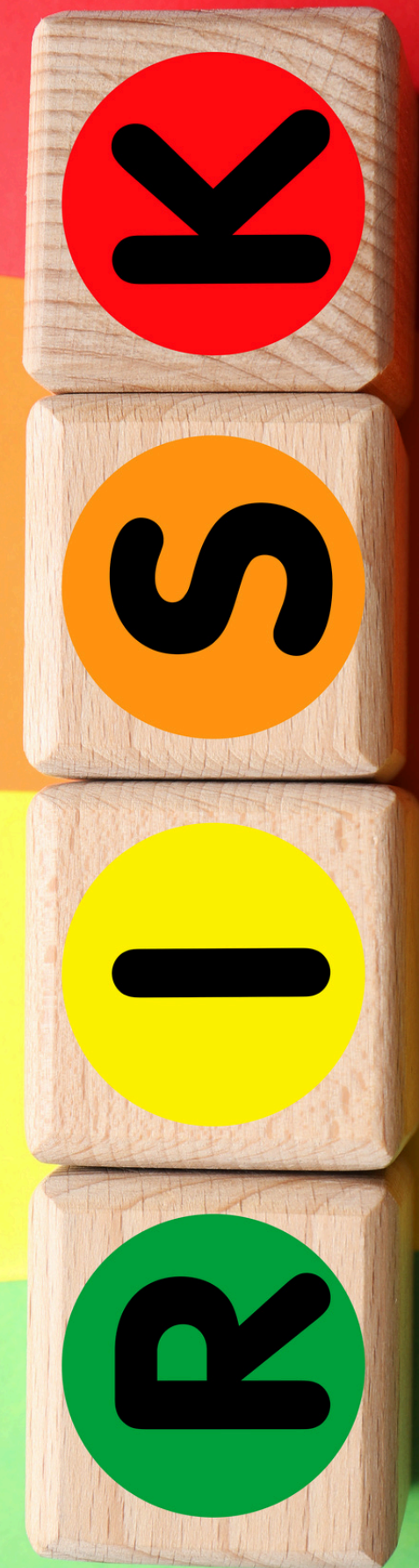
THE PHILOSOPHY



Reduce friction for low-risk actors and minor defaults



Retain strong enforcement for high-impact misconduct and public harm



WHAT WE MEAN BY REGULATION, COMPLIANCE AND 'EASE'

Regulation

Regulation (*in classical sense*) is society **codifying non-negotiables** - safety, fair access, consumer protection, continuity of supply.

Compliance

Compliance is the **operating system** that converts regulation into reality - permissions, technical standards, reporting, audits, inspections, incident reporting, enforcement etc.

Ease of Compliance

It is not less compliance, but **lower cost per unit of risk reduction.**

Two global reference points - OECD toolkit and World Bank.

THREE FORCES BEHIND INDIA'S NEXT WAVE OF GAS DEMAND

1

Last mile infrastructure scale-up

CGD, trunk pipeline

2

Import-linked energy-security stress

LNG exposure, geopolitical chokepoints

3

Policy ambition to raise natural gas's share

From 6% to 15% in primary energy mix by 2030

NATURAL GAS
NATURAL GAS

SELECT STATISTICS

CGD Footprints

- 307 authorised Geographical Areas (GAs) with 96% area & 99% population coverage

Connections

- 1.624 crore domestic PNG connections
- 8,609 CNG stations

Pipelines

- Authorised NG pipeline 34,238 km and operational 25,923 km

Import Exposure

- Import reliance at 47% in FY 2023-24
- High Supplier Concentration (Qatar)

Demand Trajectory

- 297+ MMSCMD by 2030
- 495+ MMSCMD by 2040 (*as against 187 MMSCMD in 2023-24*)



CORE DIAGNOSIS

1. Compliance pain is now a binding constraint on demand creation

- It delays assets that directly unlock consumption
- 2026's pipeline order is an explicit acknowledgement

2. Risk is not evenly distributed across the gas value chain

- Applying '*one size compliance*' wastes scarce regulatory capacity and irritates high performers while under-scrutinising weak links
- OECD inspection toolkit is relevant - risk targeting, evidence-based enforcement and transparency based.

3. Next 10 years require '*data-as-infrastructure*'

- Operational, capacity, incident and compliance data is as critical as steel-in-the ground.
- PNGRB's NHIMS initiative - *National Hydrocarbons Infrastructure Monitoring System*



THE TWO 2026 ORDERS

1. Pipeline Distribution Order

- A normal time reform that reduces delay

2. Natural Gas (Supply Regulation) Order

- An emergency-time rule that allocates scarcity

The Regulator must operate in both conditions.

The Positive Side of Emergency Situation



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The Positive Side of Emergency Situation

- Emergency actions expose normal-times weaknesses like fragmented data, unclear priority rules, slow permissions, ambiguous authority boundaries that may fail under stress.



OVERLAP MATRIX REQUIRES COORDINATED ARCHITECTURE

Regulator/Actor

Locus in Gas Value Chain

Why it creates compliance load

PNGRB

**Bureau of Energy
Efficiency**

**Petroleum and
Explosives Safety
Organisation - PESO**

**Bureau of Indian
Standards - BIS**

**Central Electricity
Authority - CEA**

**Directorate General
of Hydrocarbons**

State / ULB Authorities
(Municipal, highway,
environment, forest,
police etc)

OVERLAP MATRIX REQUIRES COORDINATED ARCHITECTURE

Regulator/Actor	Locus in Gas Value Chain	Why it creates compliance load
PNGRB	Authorisations, tariffs, technical standards / safety framework for pipelines/CGD, market rules	Multi-queue compliance - interaction with multiple external clearance authorities,
Bureau of Energy Efficiency	Efficiency frameworks, reporting and scenerio synthesis	Standards/reporting add value but may be parallel to safety and environmental reporting
Petroleum and Explosives Safety Organisation - PESO	Statutory safety approvals for CNG-related installations and fuels handling	Separate inspection timelines can block commissioning even after PNGRB compliance
Bureau of Indian Standards - BIS	Product / equipment standards	Divergent or slow updating of standards can slow adoption (example appliances)
Central Electricity Authority - CEA	Power-sector interface where gas plants and grid operations intersect	Misaligned 'gas day' / 'power day' and operational rules add transaction friction
Directorate General of Hydrocarbons	Upstream data, resources, and interface to production side	Upstream / downstream data separation can create visibility gaps unless bridged by system platforms
State / ULB Authorities (Municipal, highway, environment, forest, police etc)	RoW / ROU, excavation permissions, restroation, local safety NOCs etc.	Heterogenous fees / timelines create unpredictable compliance

GLOBAL EXPERIENCE

Case/Institution

What they did

What India can borrow (or adapt)

FERC Order 636 - USA

EU Network Codes

**Ofgem Data Practice
- UK**

**Brazil ANP - New Gas
Law**

**OECD
World Bank**

GLOBAL EXPERIENCE

Case/Institution	What they did	What India can borrow (or adapt)
FERC Order 636 - USA	Unbundled pipeline services, strengthened open access	Non-discriminatory access and transparent information systems
EU Network Codes	Harmonised capacity allocation, balancing tariffs, interoperability, congestion rules	Standard products, transparency obligations
Ofgem Data Practice - UK	Made data best practice a license-based compliance expectation, data assurance	License-linked data governance and templates and adapt them to PNGRB, NHIMS architecture
Brazil ANP - New Gas Law	Opened market framework, emphasised unbundling and third-party access, aimed for federal-state coherence	Explicit multi-level coherence mechanisms adapted to Indian centre-state clearance economy and CGD realities
OECD World Bank	Codified risk-based enforcement, good practices	Inspection targeting, enforcement ladder etc adapting them to sector-specific taxonomy for gas assets

REGULATORY DESIGN OPTIONS TO BALANCE OUTCOMES

1. Risk-tiered compliance

- **Uniform process to differentiated scrutiny** - OECD toolkit suggests evidence-based, selective, transparent and outcome-focussed logic

2. Smart inspections

- Digitally evidenced, fewer but deeper, coordinated across agencies

3. Time-bound decisions and deemed clearance

- March 2026 pipeline order expressly uses these provisions to reduce delay
- **Design Lesson** - Where process risk is low and technical standard is clear, governance should punish delay, not activity.

4. Data-as-Infrastructure

- Capacity, flows, outages, incidents, and compliance as a single truth layer

5. Consumer Protection Architecture

- Ombudsman along with service standards

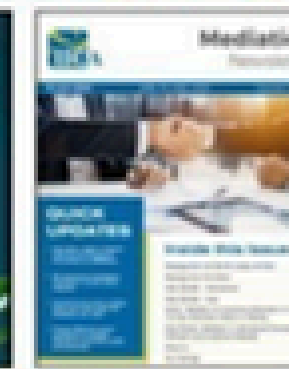
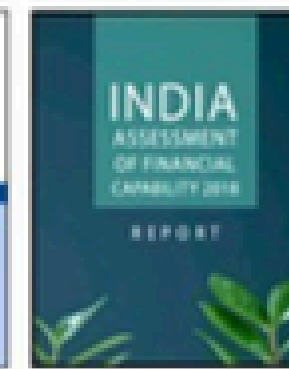
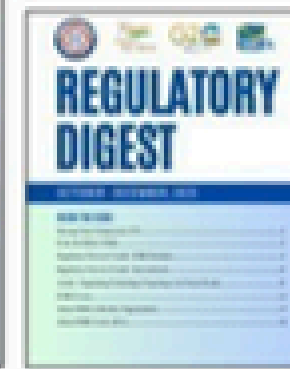
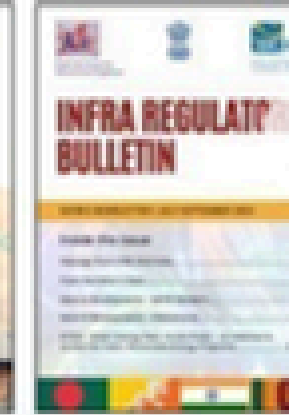
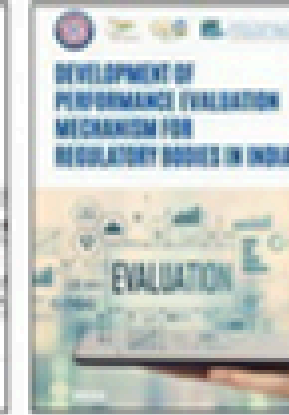
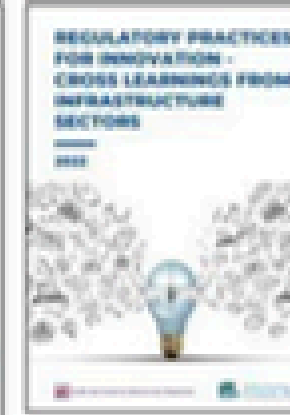
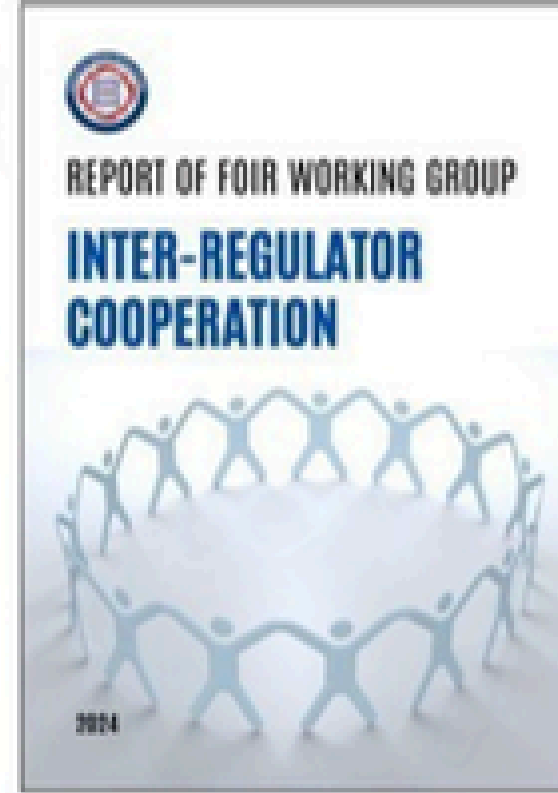
EASE of **COMPLIANCE** is the dividend of trust, but **TRUST** is earned in data, not in intentions.



THOUGHT LEADER

Ideas that challenge
Insights that transform
Leadership that inspires

Prof Naveen Sirohi



Prof Naveen Sirohi, PhD

Empowering Business Leaders | Multi-disciplinary Global Thought Leader | Government, Regulatory & Corporate Affairs Expert | Board Intelligence | Valuation | Arbitration | Mediation | Governance | Economic Security | ESG

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