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Electricity Law

Central Electricity Regulatory Commission (“CERC” / “the Commission”)

In **M/s Roshni Powertech Pvt. Ltd. v. National Load Despatch Centre (Petition No. 4/MP/2021)**, the Commission has held that under Regulation 5(1)(c) of the REC Regulations, 2010, sale of electricity through a power exchange is a permissible mode of sale under the REC mechanism, and an eligible RE generator undertaking such sale is entitled to issuance of RECs, provided the green attributes are not separately claimed. The Commission further held that the issuance of RECs by NLDC is based solely on the verified quantum of renewable energy injection as certified in the Energy Injection Report (EIR) and is not linked to the floor price prevailing during the period of generation; therefore, a claim for issuance of RECs at a specific floor price (Rs. 1500/MWh instead of Rs. 1000/MWh) is misplaced. [Order dated 10.04.2026] [[4MP2021.pdf](#)]

In **Saurya Urja Company of Rajasthan Limited v. Central Transmission Utility of India Limited (Petition No. 666/MP/2025)**, the Commission has held that where final grant of connectivity is delayed by CTUIL and coordinates of the substation are not communicated, the timeline of 18 months from in-principle grant for submitting land documents under Regulation 11A(1) does not survive, and the applicant shall be permitted at least 9 months from the date of communication of tentative coordinates to furnish land documents, as clarified in the Order dated 08.12.2025 in Suo-moto Petition No. 14/SM/2025. The Commission further held that a request for partial return of Land BG and Conn-BGs without withdrawal of the connectivity application is not permissible under the existing regulatory framework. However, exercising power under Regulation 42 (Power to remove difficulty), the Commission allowed the Petitioner an option to withdraw its connectivity application within three months, upon which the full Land BG and Conn-BGs shall be returned with forfeiture of only 50% of the application fee. The Commission also directed CTUIL to extend a similar option to all other similarly placed applicants (aggregating to about 60 GW) where final grant of connectivity cannot be issued due to transmission planning issues. [Order dated 10.04.2026] [[666-MP-2025.pdf](#)]

In **Northern Regional Load Despatch Centre V. Chief Engineer, Jammu & Kashmir State Load Despatch Centre & Anr. (Petition No. 547/MP/2025)**, it was held that non-payment of Deviation Charges under the CERC (Deviation Settlement Mechanism and Related Matters)

Regulations, 2024 (DSM Regulations) has a direct and serious impact on grid operations, causing shortfalls in the Regional Deviation Pool Account Fund and delaying payments to ancillary service providers and SCUC providers, thereby undermining grid discipline and reliability. The Commission observed that while JKPLC's dependence on budgetary allocation from the Government of Jammu & Kashmir explained the delay, Deviation Charges are statutory in nature and all entities must treat payment of such charges as a priority obligation. JKPLC had made a part payment of Rs. 30 crore (out of total outstanding of Rs. 100.56 crore including legacy dues) and sought six months' time to clear the balance. The Commission directed JKPLC to clear all outstanding dues (including applicable surcharge/interest) without further extension, submit a detailed month-wise payment plan, and open a Letter of Credit (LC) equal to 110% of its average weekly payable liability as mandated under Regulation 10(2) of the DSM Regulations, 2024. However, the Commission declined the Petitioner's prayer to empower RLDCs to regulate access (including STOA) for defaulting entities, holding that such powers can only be granted by way of amendment to the regulations or by notification of new regulations, as it is beyond the scope of the present order. [Order dated 10.04.2026] [[547-MP-2025.pdf](#)]

In ReNew Solar Power Pvt. Ltd. & Ors. V. Central Transmission Utility of India Limited & Ors. (Petition Nos. 216/MP/2024, 242/MP/2024, 271/MP/2024) , it was held that where a generator's Commercial Operation Date (COD) is delayed beyond the start date of connectivity/Long Term Access (LTA), and the Associated Transmission System (ATS) has achieved COD (not earlier than the start date), the generator is liable to pay bilateral transmission charges under Regulation 13(3) of the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (2020 Sharing Regulations) for the ATS corresponding to the delayed generation capacity. The Commission clarified that ATS under the GNA Regulations, 2022 means only the transmission system required for immediate evacuation of power (excluding terminal bays), not the entire common transmission system identified under the LTA grant. Even if the generator's General Network Access (GNA) has not been made effective, the levy of bilateral charges is not linked to GNA effectiveness, provided the ATS COD is not prior to the start date of connectivity. The Commission further held that extension of Scheduled Commercial Operation Date (SCOD) by the power procurer (SECI) does not affect liability under Regulation 13(3), as the energy contract is separate from transmission capacity booking. Waiver of transmission charges for renewable energy projects applies only from the actual COD, not before. The Commission directed CTUIL to adjust invoices for the period post-COD for those projects that have achieved full COD. [Order dated 28.04.2026] [[216-MP-2024.pdf](#)]

Appellate Tribunal for Electricity (“APTEL”)

In **Assam Power Distribution Company Ltd. v. ONGC Tripura Power Company Ltd. & Ors. (Appeal No. 334 of 2017)**, it was held that the responsibility for arranging fuel lies squarely with the generating company, and it cannot shift this burden onto beneficiaries by seeking relaxation in Normative Annual Plant Availability Factor (NAPAF) without first exhausting its contractual remedies against the fuel supplier. The Tribunal further held that where a Gas Sale and Purchase Agreement (GSPA) expressly provides for liquidated damages for shortfall in supply and prescribes a specific procedure for force majeure notices, failure to issue a valid notice or claim liquidated damages disentitles the generator from seeking regulatory relaxation, and granting such relaxation without examining the GSPA provisions is legally unsustainable. Additionally, mere shareholding of a fuel supplier in the generating company does not obliterate their distinct corporate personalities or override independent contractual obligations. [Order dated 06.04.2026] [[APL-334-2017.pdf](#)]

In **South East U.P. Power Transmission Company Ltd. v. UPERC & Ors. (Appeal No. 119 of 2019)**, it was held that an order rejecting a request for review or modification of an earlier interim order is not maintainable as an appeal. Where a party files an additional statement of facts seeking modification of an interim order, and the Commission rejects that request without taking up the main petition for final disposal, such rejection order is merely an interlocutory order and not a final order disposing of the petition. The Tribunal further observed that treating the main petition as "disposed" in the records without final adjudication was erroneous, and directed the Commission to take up the petition for final disposal within two months. [[Appeal No. 119 of 2019.pdf](#)]

In **PTC India Ltd. v. Korba Power Ltd. & Ors. (Appeal No. 242 of 2019)**, it was held that once Long Term Access (LTA) is granted, the liability to pay transmission charges arises from the Bulk Power Transmission Agreement and the applicable regulations, and such liability attaches to the entire LTA capacity granted, irrespective of the actual quantum of power flow or utilization. The Tribunal further held that the generator's agreement to open a Letter of Credit on behalf of the LTA holder before the Supreme Court does not transfer the liability to pay transmission charges, and the LTA holder cannot avoid its statutory obligation by passing on the charges to the generator. Additionally, the Tribunal held that a regulatory commission can grant relief that is not explicitly prayed for where the issue arises by implication from the pleadings and the parties had knowledge that the matter was involved in the proceedings. [Order dated 06.04.2026] [[APL-242-2019.pdf](#)]

In **M/s Solaire Surya Urja Pvt. Ltd. v. CERC & Ors. (R.P. No. 5 of 2025 in Appeal No. 126 of 2022)**, it was held that failure of a party's counsel to agitate a claim during the hearing of the appeal does not constitute an "error apparent on the face of the record" under Order XLVII Rule 1 CPC, and a review petition cannot be used to raise claims that were deliberately not argued or pressed at the time of final hearing. However, the Tribunal further held that where a judgment directs refund of an amount wrongly appropriated (such as liquidated damages), the claimant is entitled to carrying cost/interest on that amount from the date of deprivation till the date of repayment, applying the principle of restitution. The Tribunal clarified that entitlement to interest follows as a necessary corollary to restitution even if not explicitly prayed for, and directed payment of carrying cost at the SBI Prime Lending Rate (PLR) from the date of encashment of bank guarantees till the date of full payment. [Order dated 06.04.2026] [[APL-126-2022.pdf](#)]

In **North Bihar Power Distribution Company Limited v. Bihar Electricity Regulatory Commission & Anr. (Appeal No. 48 of 2021)**, it was held that where a DISCOM surrenders power under an approved PPA and substitutes it with cheaper power from the exchange, resulting in overall savings to consumers, the fixed capacity charges under the PPA cannot be disallowed, even if the per-unit cost appears high due to low off-take, as the substitution has resulted in tangible consumer benefit consistent with least-cost procurement principles. The Tribunal further held that a regulatory commission cannot assume a normative 1% rebate as non-tariff income in the absence of any statutory or regulatory mandate, and only the rebate actually availed as per audited accounts can be considered. Additionally, the Tribunal held that while working capital computation for a full financial year cannot apply an amendment that came into force mid-year retrospectively, the allowance of financing cost on delayed payment surcharge and late payment surcharge simultaneously would result in double benefit to the DISCOM and is therefore not permissible. [Order dated 13.04.2026] [[APL-48-2021.pdf](#)]

In **Uttar Pradesh Jal Vidyut Nigam Ltd. v. CERC & Ors. (Appeal No. 309 of 2018)**, it was held that a regulatory commission cannot suo motu modify its own order on a ground not raised in the review petition, without hearing the affected party, as such action violates the fundamental principle of natural justice (audi alteram partem) and exceeds the scope of review jurisdiction under Section 114 read with Order XLVII of the Code of Civil Procedure, 1908. The Tribunal further held that where the Commission had taken a conscious decision not to reopen tariff already determined by the State Commission (UPERC) for the period 2000-01 to 2013-14, it could not thereafter direct the State utility to pay only O&M charges for a sub-period (2008-2014) while leaving the State Commission's tariff orders otherwise undisturbed, as this amounted to impermissible modification of tariff orders over which the Central Commission had no appellate or supervisory jurisdiction. [Judgment dated 13.04.2026] [[APL-309 of 2018.pdf](#)]

In **ACME Dayakara Solar Power Private Limited v. Telangana State Electricity Regulatory Commission & Anr. (Appeal No. 322 of 2021)**, it was held that the imposition of Entry Tax under the Telangana Tax on Entry of Goods into Local Areas Act, 2001, read with the Supreme Court's judgment in *Jindal Stainless Ltd. v. State of Haryana* (2017) upholding its validity, constitutes a "Change in Law" event under Article 1.12 of the PPA, even though the definition therein does not expressly mention "tax," as the levy reflects a change in applicable regulations/directions/notifications. The Tribunal further held that while Article 2.2 provides for a fixed quoted tariff, Article 2.3 stipulates that the "tariff payable" shall be inclusive of all taxes, duties, and levies as applicable from time to time, and a harmonious interpretation requires that future taxes imposed after bid submission must be pass-through to the developer; any contrary interpretation would render the PPA inequitable and lack business efficacy. Additionally, the absence of an express restitutionary clause in the PPA does not disentitle the developer from relief, as the National Tariff Policy, 2016 (a statutory document under Section 3 of the Electricity Act) mandates passthrough for change in duties/cess unless expressly excluded. [Order dated 13.04.2026] [[APL-322-2021.pdf](#)]

In **Chhattisgarh State Power Distribution Co. Ltd. v. Chhattisgarh State Electricity Regulatory Commission & Anr. (Appeal No. 20 of 2021)**, it was held that there is no requirement under Section 2(8) of the Electricity Act, 2003 or Rule 3 of the Electricity Rules, 2005 that a captive generating plant and its captive user must be located in the same State; the plain language of these provisions permits a captive user in one State to consume power from a captive generating plant situated in another State. It was further held that the consumption of electricity by a holding company and its wholly owned subsidiary can be aggregated to satisfy the 26% ownership and 51% consumption requirements under Rule 3(1)(a), and the 2023 amendments to Rule 3 clarifying that consumption by a subsidiary or holding company is admissible as captive consumption are merely clarificatory in nature. Consequently, no cross subsidy surcharge is leviable on open access provided to such a captive user under the fourth proviso to Section 42(2) of the Act. [Order dated 20.04.2026] [[APL-20-2021.pdf](#)]

In **Suo Moto Action under Section 121 of the EA (OP No. 1 of 2025)**, it was held that the Delhi Electricity Regulatory Commission's (DERC) action of entrusting the intensive audit of Delhi Discoms to the Comptroller and Auditor General (CAG) pursuant to the Supreme Court's directions in the *Regulatory Assets* judgment was in contravention of Section 20 of the CAG Act, 1971. The Tribunal held that under Section 20(3) of the CAG Act, entrustment of audit of a private body to CAG requires (i) satisfaction of the President/Governor/Administrator that it is expedient in public interest, and (ii) giving a reasonable opportunity of hearing to the body concerned. Neither requirement was satisfied; the Lt. Governor's approval was accorded in a

routine manner without recording satisfaction of public interest, and the Discoms were not heard before entrusting the audit to CAG. The Tribunal further held that the Supreme Court's judgment did not mandate that the audit be conducted only by CAG, and DERC is competent to appoint chartered accountants for this purpose. Accordingly, the approval for CAG audit was quashed, and DERC was directed to appoint a chartered accountant within one week to complete the intensive audit within three months. The Tribunal also rejected DERC's request for extension of time to commence liquidation of regulatory assets, noting that the Commission had repeatedly delayed the process despite undertakings to the Supreme Court, Delhi High Court, and this Tribunal, and directed that liquidation must commence within three weeks. [Order dated 20.04.2026] [[OP No. 1 of 2025](#)]

In **Delhi Transco Limited v. DERC & Ors. (Appeal No. 15 of 2018)**, it was held that under Regulation 6.13 of the MYT Regulations, 2011, only 75% of charges collected from short-term open access customers shall be considered as non-tariff income, and the general provision under Regulation 5.24 cannot override this specific provision. The Tribunal further held that including SLDC's open access income as the Appellant's non-tariff income while separately computing SLDC's ARR is impermissible and amounts to a penalty, which cannot be done in tariff determination proceedings. Regarding income tax, the Tribunal held that under Regulation 5.22 of the Transmission Tariff Regulations, 2011, tax liability is to be computed on the Return on Equity component of capital employed, not on actual tax paid, and this Tribunal lacks jurisdiction to invalidate valid regulations framed under Section 181 of the Electricity Act. The Tribunal also upheld that O&M expenses (including employee costs) are normative and controllable; hence, additional claims for salary of deputed staff or staff under recruitment cannot be allowed beyond the normative framework. [Order dated 20.04.2026] [[APL-15-2018.pdf](#)]

In **Damodar Valley Corporation v. Jharkhand State Electricity Regulatory Commission & Anr. (Appeal No. 227 of 2025)**, it was held that where CERC regulates tariff for DVC's integrated transmission and distribution (T&D) system as a unified network, non-tariff income (NTI) emanating from the distribution system cannot also be considered by the State Commission, as that would lead to duplicative regulatory oversight and potential double accounting. The Tribunal further held that only NTI arising from aspects of the distribution business beyond the physical distribution system such as Delayed Payment Surcharge qualifies for consideration by JSERC. Consequently, the Tribunal set aside JSERC's inclusion of various items of "Other Income" (including interest from employee loans, profit on disposal of fixed assets, rental income, etc.) as NTI. The Tribunal also laid down a "Guiding Framework" comprising four considerations (network topology, purpose and consumer reach, redundancy purpose, and voltage level) for segregating DVC's network assets into distribution and transmission systems, directing JSERC to complete this identification and determine distribution tariff with effect from 01.04.2027. [Judgement dated 24.04.2026] [[APL-227-2025.pdf](#)]

In **Damodar Valley Corporation v. West Bengal Electricity Regulatory Commission & Ors. (Appeal Nos. 190 & 216 of 2019)**, it was held that statutory distribution licensees (WBSEDCL and IPCL) cannot be classified as "consumers" under Section 2(15) of the Electricity Act, 2003 solely based on the technical mode of supply (radial mode) or the voltage level at which power is supplied. The Tribunal observed that a "consumer" is defined as a person supplied with electricity for his own use, whereas a distribution licensee procures electricity for supply to its own consumers. The voltage level or mode of supply does not override the statutory status of a distribution licensee. Consequently, the "retail tariff" determined specifically for end consumers cannot be applied to distribution licensees, and supply of power by DVC to WBSEDCL and IPCL on radial mode does not convert them into consumers under the Act. [Order dated 27.04.2026] [[APL-190-2019.pdf](#)]

In **Eurotex Industries and Exports Ltd. v. MSEDCL & Ors. (APL No. 284 of 2021)**, it was held that where the Supreme Court, in an earlier round of litigation (Civil Appeal No. 4304 of 2007), set aside the Commission's order quashing MSEB's circulars imposing take-or-pay obligations and minimum offtake requirements on captive power plants (CPPs) and restored the circulars, the issue of reduction of contract demand and extension of supply from CPP to adjacent unit stood merged in the Supreme Court's judgment. The Tribunal further held that the Appellant's subsequent petition seeking refund of amounts on the basis of the same grounds (reduction of contract demand and extension of supply) was a malafide attempt to obtain what was denied by the Supreme Court, and the Commission rightly dismissed it as barred by res judicata. The Tribunal noted that once the circulars were restored, the take-or-pay obligation and minimum offtake requirement also stood restored, and no issue remained untouched by the Supreme Court. [Judgment dated 28.04.2026] [[APL No. 284 of 2021](#)]

Arbitration Law

Delhi High Court

In **National Technical Research Organisation v. M/s Corporate Infotech Pvt. Ltd. (O.M.P. (COMM) 378/2024)**, it was held that under Section 34 of the Arbitration and Conciliation Act, 1996 (Act), the court does not sit in appeal over an arbitral award and cannot re-appreciate evidence or substitute its own interpretation of contractual clauses where the view taken by the Arbitral Tribunal is a possible and reasonable one. The Court further held that an award is not liable to be set aside merely because the Tribunal attributed delay to both parties instead of solely to the contractor, or rejected liquidated damages after finding shared responsibility and absence of established loss, as such findings are based on appreciation of evidence and constitute a possible view. [Order dated 01.04.2026] [[OMP-COMM-378-2024.pdf](#)]

In **SP Singla Constructions Pvt. Ltd. V. State of Jharkhand & Anr. (O.M.P.(MISC.) (COMM.) 384/2024)**, the High Court of Delhi has held that Section 42 of the Act does not attract exclusive jurisdiction merely by the filing of an application under Part I of the Act before a court, unless such court is one of competent jurisdiction within the meaning of Section 2(1)(e) and has validly and effectively assumed seisin of the matter. The Court further held that where a prior Section 9 petition was withdrawn without adjudication and the opposing party was not afforded an opportunity to contest jurisdiction, the bar under Section 42 does not operate. [Order dated 01.04.2026] [[OMP-Misc-Comm-384-2024.pdf](#)]

In **Sujit Kumar Jaiswal v. Dalmia Research International Pvt. Ltd. (O.M.P. 110/2009)**, it was held that an arbitral award may be set aside under Section 34 of the Act, where the Arbitral Tribunal ignores vital evidence, adopts a circular line of reasoning, or arrives at conclusions unsupported by the record, as such findings amount to perversity and violate the fundamental policy of Indian law. The Court further held that rejecting a party's application to summon material witnesses on the ground that they were no longer in the employment of the opposite party, without examining the relevance of their testimony, effectively deprives the party of a meaningful opportunity to present its case, thereby violating Section 18 of the Act and falling within the ambit of Section 34(2)(a)(iii) (party unable to present its case). Additionally, the Court held that where two competing versions of an agreement exist and cross-examination is dispensed with, selectively accepting one version and rejecting the other without evidentiary scrutiny, and relying on a clause in the accepted version to supersede the rejected version, constitutes a circular determination and renders the award perverse. [Order dated 01.04.2026] [[O.M.P. 110/2009.pdf](#)]

In **Oriental Insurance Co. Ltd. v. Jindal India Ltd. (O.M.P. (COMM) 182/2023)**, it was held that an arbitral award accepting a surveyor's report that deviates from the express terms of the insurance policy amounts to perversity and is liable to be set aside under Section 34 of the Act, as the arbitrator cannot go beyond the terms of the contract. [Judgement dated 02.04.2026] [[O.M.P. \(COMM\) 182/2023.pdf](#)]

In **Talent Unlimited Online Services Pvt. Ltd. & Anr. v. Affle India Ltd. (ARB.A.(COMM) 22/2024)**, it was held that the scope of interference under Section 37(2)(b) of the Act against an interim order passed under Section 17 is narrow, and an appellate court should not substitute its view merely because an alternative view is possible; interference is warranted only if the order is perverse, arbitrary, or manifestly illegal. The Court further held that an interim relief (inspection of documents under a shareholders agreement) is not the same as the final relief (declaration of breach), and granting supervised inspection with confidentiality undertakings does not amount to granting final relief at an interim stage. Regarding the Specific Relief Act, the Court held that where a contract contains a specific performance clause (Clause 14.10 of the SHA), the contract is not "determinable" within the meaning of Section 14(d) of the Specific Relief Act, and interim relief enforcing contractual inspection rights is not barred. The Court also held that an Arbitral Tribunal may defer ruling on its jurisdiction under the kompetenz-kompetenz principle and grant interim relief pending such determination, provided a prima facie case exists. [[ARB. A. \(COMM\) 22/2024.pdf](#)]

In **Union of India v. M/s Anand and Company (O.M.P. (COMM) 289/2023)**, it was held that where time for completion of a contract was extended multiple times without attributing delay to the contractor, the milestones should have been rescheduled under Clause 5.4 of the contract, and non-application by the contractor for rescheduling is not a bar. The Court further held that interest on amounts withheld for non-achievement of milestones cannot be awarded where the contract expressly provides that no interest shall be paid on withheld amounts. Regarding GST claims, the Court held that service tax was repealed upon introduction of GST from 01.07.2017, and an award granting a split of taxes without evidence of actual payment is unsustainable. On damages for prolongation under Section 73 of the Contract Act, the Court held that a certificate from a chartered accountant without proof of actual loss suffered does not constitute sufficient evidence, and damages awarded based on assumptions violate Section 73 and are against public policy. The Court also held that a severable part of an award may be set aside under Section 34 while upholding the remainder. [Judgement dated 04.04.2026] [[O.M.P. \(COMM\) 289/2023.pdf](#)]

In **Himanshu Shekhar v. Prabhat Shekhar (O.M.P. (T) (COMM.) 121/2025)**, the High Court of Delhi has held that the duty of disclosure under Section 12 of the Act is a continuing requirement, and an arbitrator must file a fresh declaration when circumstances change, including when new parties are sought to be impleaded. The Court further held that where documents indicate a financial interest or business relationship between the arbitrator and a proposed party (non-signatory sought to be impleaded), the arbitrator becomes de jure ineligible under Section 12(5) read with the Seventh Schedule, and cannot continue. The arbitrator erred in deciding an impleadment application under Section 16 to determine jurisdiction over non-signatories without first filing the required disclosure under Section 12. An application under Section 14(2) for termination of mandate is the proper remedy for such ineligibility, and the challenge is not premature. [Judgement dated 06.04.2026] [[O.M.P. \(T\) \(COMM.\) 121/2025.pdf](#)]

In **Ms. Stalagmite Infracon Pvt. Ltd. v. Ms. Ashray Homes Build Well Pvt. Ltd. (O.M.P. (COMM) 367/2019)**, it was held that an interim award which finally determines certain claims between the parties is an "arbitral award" under Section 2(1)(c) of the Act and is independently challengeable under Section 34 within the limitation period prescribed under Section 34(3), without awaiting a final award on remaining claims. The Court further held that the limitation period under Section 34(3) is strict and inflexible, and a petition filed on the last day of the extended 30-day period but with multiple unremoved defects (including incorrect case category, missing vakalatnama, and absence of statement of truth) across multiple re-filings over several months, without demonstrating sufficient cause, cannot be condoned. Mere bulky documents or waiting for another award do not constitute sufficient cause. The Court also held that cumulative procedural defects rendering the filing non-est will also result in dismissal as barred by limitation. [Judgement dated 07.04.2026] [[O.M.P. \(COMM\) 367/2019.pdf](#)]

In **Krishna Udyog v. Union of India (O.M.P. (COMM) 181/2024)**, the High Court of Delhi has held that a petition filed under Section 34 of the Act within the outer limit of three months and thirty days from receipt of the award is maintainable, and the absence of a formal condonation of delay application does not defeat the petition when filed within the statutorily permissible period. On the issue of unilateral appointment of arbitrators, the Court held that where the petitioner expressly agreed in writing to waive the applicability of Section 12(5) under the proviso thereto, and actively participated in nominating arbitrators from a panel, the challenge to the tribunal's constitution on grounds of unilateral appointment is not available. [Judgement dated 09.04.2026] [[O.M.P. \(COMM\) 181/2024.pdf](#)]

In **Farzana Khan v. Shri Ram Transport Finance Co. Ltd. & Anr. (FAO 568/2016)**, it was held that a party who initially appears before the arbitrator (through son and later through daughter with counsel), makes a specific proposal to settle the debt in instalments, and then chooses to refrain from attending subsequent hearings, cannot later claim violation of principles of natural justice or feign ignorance of the arbitral proceedings. Regarding interest, the Court held that under Section 31(7)(b) of the unamended Act, the statutory rate of 18% per annum post-award is the default standard, and an arbitrator awarding 18% interest (which was lower than the 36% claimed) represents a reasonable exercise of discretion that is neither unconscionable nor perverse, and interference under Section 37 is not warranted. [Judgement dated 09.04.2026] [[16 193112.pdf](#)]

In **Panchanan International Private Limited v. The Oriental Insurance Company Limited (O.M.P. (COMM) 8/2024)**, it was held that an arbitral award denying pre-reference interest without any reasons, despite acknowledging the insurer's prolonged and unjustified delay in settling the claim, violates Section 31(3) of the Act and constitutes patent illegality under Section 34(2A), rendering the award liable to be set aside to that extent. The Court further held that where an arbitrator fails to adjudicate a specific issue framed by it (deduction towards 'error/omission/dead stock') and instead decides a different issue (excess clause deduction not in dispute), the finding is perverse and the award on that issue is set aside. Additionally, the Court held that failure to adjudicate a specifically pleaded claim for taxes and duties on the awarded amount, despite the claim being noted in the award, violates Section 31(3) and constitutes a valid ground for setting aside that portion of the award. Regarding valuation of stock, the Court held that a surveyor's reasoned assessment based on physical verification and categorization of old/slow-moving stock, affirmed by the arbitrator, will not be interfered with under Section 34 in the absence of cogent contrary evidence. [Judgement dated 10.04.2026] [[O.M.P. \(COMM\) 8/2024.pdf](#)]

In **Radiance Infracon and Developers Pvt. Ltd. v. GLS Infratech Pvt. Ltd. (FAO(OS) (COMM) 156/2024)**, it was held that while a "rough and ready" method or honest guesswork is permissible in quantifying unliquidated damages or mesne profits where loss is established but precise quantification is difficult, such estimation must be anchored in some material on record, identifiable methodology, or discernible reasoning. Where the Arbitral Tribunal itself records that no evidence was led by either party, rejects the valuation reports, and proceeds to award a fixed monthly amount without disclosing any rationale or basis for arriving at that figure, the quantification suffers from patent illegality. The Bench further held that an award without reasons for quantification is per se patently illegal, and a finding based on "no evidence" warrants interference under Section 34, as an arbitrator cannot conjure a figure out of thin air without any supporting basis. [Judgement dated 13.04.2026] [[FAO\(OS\) \(COMM\)-156/2024.pdf](#)]

In **JLT Energy 9 SAS v. Hindustan Cleanenergy Ltd. (FAO(OS) (COMM) 14/2026)**, the Division Bench held that interference under Section 37 against a Section 9 order is narrow and limited to perversity or manifest illegality; a different possible view is no ground for interference. Where a contract has an express automatic termination clause (Clause 5.6) for non-fulfillment of Conditions Precedent within the Closing Long Stop Date, the termination is self-operative and no interim relief under Section 9 can be granted to preserve a contract that has prima facie ceased to subsist. Contractual stipulations requiring amendments to be in writing and executed by all parties (Clause 17.5) cannot be overridden by contemporaneous conduct or informal emails. An Emergency Award by an SIAC Emergency Arbitrator is not binding on an Indian court under Section 9, which must independently assess interim relief under Indian law. [Judgement dated 15.04.2026] [[FAO\(OS\).\(COMM\)- 14/2026.pdf](#)]

In **Austin Hyundai v. Axalta Coating Systems India Pvt. Ltd. (FAO (COMM) 98/2026)**, the Division Bench of the High Court of Delhi has held that appellate jurisdiction under Section 37 of the Act is narrower and more circumscribed than Section 34 jurisdiction; the appellate court does not sit as a regular court of appeal over arbitral awards and cannot undertake reappraisal of evidence merely because another view is possible. Interference under Section 37 is warranted only where the Section 34 court has either exceeded the permissible contours of review or failed to exercise jurisdiction vested in it. It was further held that interpretation of contractual terms and evaluation of evidentiary material lie within the exclusive domain of the arbitrator, and a plausible view based on contractual clauses, admissions, and contemporaneous records does not warrant interference. The mere fact that a payment was reflected as taxable income does not render the arbitrator's interpretation of it as "upfront investment support" impermissible, as such findings are based on contractual framework and surrounding conduct.. [Judgement dated 18.04.2026] [[FAO \(COMM\)-98/2026.pdf](#)]

In **National Highways and Infrastructure Development Corporation Ltd. v. Intercontinental Consultants & Technocrats Pvt. Ltd. (O.M.P. (COMM) 173/2023)**, it was held that where the employer, in a writ petition, voluntarily stated that suspension would be revoked, the fresh tender withdrawn, and the contractor permitted to continue work, the suspension is rendered illegal and the employer cannot later defend it as bona fide. The Court further held that an arbitral award need not be equated with a court judgment; under Section 31(3) of the Act reasoning may be implied from a fair reading of the award, and the arbitrator is not required to deal with every contention in detail where subsequent events (withdrawal of suspension and SCN) have rendered the issue irrelevant. Regarding evidence of actual salary payments, the Court held that where the contractor provided attendance registers, accommodation agreements, vehicle log books, and other collateral evidence, and the employer failed to dispute the same, the arbitrator's award of payments was a plausible view affirmed by the Supreme Court's principle that the quantum of evidence is within the arbitrator's exclusive domain and interference under Section 34 is not warranted. [Judgement dated 20.04.2026] [[O.M.P. \(COMM\) 173/2023.pdf](#)]

In **M/s NK Toll Road Ltd. v. National Highways Authority of India (ARB.A.(COMM.) 12/2026)**, the High Court of Delhi has held that the scope of interference under Section 37(2) (b) of the Act against an interim order under Section 17 is extremely narrow; as long as the view adopted by the Arbitral Tribunal is plausible, the court should refrain from interfering, and interference is warranted only where the order suffers from patent illegality or perversity. The Court further held that where a contractual provision contains the phrase "notwithstanding anything to the contrary contained in this Agreement", it signifies an independent obligation that is not contingent upon or linked to other stipulations under the agreement. The pendency of arbitration proceedings on other disputes does not create an embargo on the exercise of independent contractual rights, and an arbitral tribunal permitting the employer to proceed with a cure period notice on an independent obligation (divestment requirement) that is not the subject matter of the pending arbitration does not constitute jurisdictional error. [Judgement dated 27.04.2026] [[ARB. A. \(COMM.\) 12/2026.pdf](#)]

In **Engineering Projects (India) Ltd. v. Associated Construction Company & Anr. (O.M.P. (COMM) 400/2017 & 408/2017)**, the High Court of Delhi has held that where a party voluntarily acts upon an arrangement, mobilizes machinery, and proceeds with work even before execution of a formal work order, and subsequently accepts the work order without demur, it cannot later dispute the existence of a binding contractual framework. A party cannot both approbate and reprobate by disputing the binding nature of documents while simultaneously founding its counterclaims on the same documents. The Court further held that the absence of a mutually agreed revised schedule does not create a vacuum; the incorporated principal employer's schedule continues to govern. Regarding Counter Claim No. 4 (loss on vehicles), the Court held that where the arbitrator consciously declined to adjudicate a claim in the original award on the ground that the matter was sub judice, awarding the same claim under Section 33 modification exceeds the limited scope of Section 33 (correction of clerical/computational errors or omission of a claim) and amounts to impermissible re-adjudication on merits, rendering such modification unsustainable. [Judgment dated 27.04.2026] [[O.M.P. \(COMM\) 400/2017.pdf](#)]

Supreme Court

In **Rajiv Gaddh V. Subodh Parkash (SLP (C) No. 4430 of 2025)**, it was held that the principles of Order XXIII Rule 1 of the Code of Civil Procedure, 1908 apply to proceedings under Section 11 of the Arbitration and Conciliation Act, 1996. Where a party abandons earlier arbitration proceedings and withdraws participation, and subsequently files a fresh application under Section 11 for appointment of an arbitrator on the same cause of action without obtaining leave from the court, such fresh application is barred. The Court further distinguished that a dismissal of a civil appeal filed by third parties (landowners challenging an auction) does not create a fresh cause of action for the parties to the arbitration agreement, where the dispute between them was not the subject matter of that civil appeal. Therefore, a subsequent Section 11 petition filed after the dismissal of such unrelated civil appeal is not maintainable. [Judgement dated 01.04.2026] [[SLP \(C\) No. 4430 of 2025.pdf](#)]

In **Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) V. R Z Malpani (C.A. No. 4307 of 2026)**, it was held that that a Letter of Intent (LOI) is ordinarily a precursor to a contract and not the contract itself; it creates no binding legal relationship until followed by a work order and formal agreement where the tender documents expressly contemplate such execution. The Court distinguished between 'reference' and 'incorporation' under Section 7(5) of the Arbitration and Conciliation Act, 1996, holding that a general reference in an LOI to tender documents containing an arbitration clause does not constitute incorporation of that arbitration clause into the LOI; specific reference to the arbitration clause is required. While the scope of inquiry under Section 11 is limited to prima facie existence of an arbitration agreement, where even on a prima facie view no arbitration agreement exists (e.g., no concluded contract and no valid incorporation of the arbitration clause), the Court may interfere. The Court also held that the referral court's finding that the appellant did not dispute the arbitration agreement was erroneous where the appellant's reply specifically denied the existence of a concluded contract. [Judgement dated 09.04.2026] [[C.A. No. 4307 of 2026.pdf](#)]

In **Nagreeka Indon Products Pvt. Ltd. v. Cargocare Logistics (India) Pvt. Ltd. (SLP (C) No. 19026 of 2023)**, it was held that an arbitration clause using the word "can" (e.g., "any difference of opinion or dispute thereunder can be settled by arbitration") does not constitute a binding arbitration agreement under Section 7 of the Arbitration and Conciliation Act, 1996. The Court distinguished between a mandatory obligation ("shall") and a permissive possibility ("can"), holding that where the clause merely indicates a future possibility of referring disputes to arbitration and requires further consent or agreement between the parties at the time of dispute, it is not an arbitration agreement but an agreement to enter into an

arbitration agreement in the future. The Court reaffirmed the principle that the parties' intention to arbitrate must be clear and mutual; where one party refuses arbitration, the Court cannot compel arbitration under such a permissive clause. The heading "Arbitration" alone does not override the plain language of the clause. [Judgement dated 17.04.2026] [[SLP \(C\) No. 19026 of 2023.pdf](#)]

In **V.K. John v. S. Mukanchand Bothra & Ors. (SLP (C) No. 16162/2023)**, it was held that the appropriate remedy for a legal representative to challenge an arbitral award is under Section 34 of the Act and not under Article 227 of the Constitution or Section 115 of the Code of Civil Procedure. The Court held that under Section 40 of the Act, an arbitration agreement is not discharged by the death of a party and is enforceable by or against the legal representative of the deceased. A "legal representative" as defined under Section 2(1)(g) steps into the shoes of the deceased party for the purposes of the Act. Since an arbitral award is binding on parties and persons claiming under them (Section 35), and legal representatives can be made liable to fulfill an award, denying them the right to challenge the award under Section 34 would defeat the object of the Act as a self-contained complete code and render them remediless. [Judgement dated 20.04.2026] [[SLP \(C\) No. 16162/2023.pdf](#)]

In **Home Care Retail Marts Pvt. Ltd. through its Authorised Representative V. Haresh N. Sanghavi (C.A. No. 6716/2026)**, it was held that a party unsuccessful in arbitral proceedings (a "losing party") is entitled to maintain a petition under Section 9 of the Arbitration and Conciliation Act, 1996 at the post-award stage, even where it has no enforceable award in its favour. The Court overruled the contrary views expressed by the Bombay, Delhi, Madras, and Karnataka High Courts (including *Dirk India* and *Nussli Switzerland*), and affirmed the views of the Telangana, Gujarat, and Punjab & Haryana High Courts. The Court held that Section 9 uses the expression "a party", defined under Section 2(h) as "a party to an arbitration agreement", and draws no distinction between successful and unsuccessful parties. Where the statutory language is clear and unambiguous, courts cannot contextually modulate the meaning of "a party" based on the outcome of arbitral proceedings. The Court further held that the object of Section 9 is to ensure parties retain the right to approach the court for interim measures until the judicial process has reached its culmination; mere availability of recourse under Section 34 or a stay under Section 36 does not bar Section 9 relief. The fundamental assumptions in *Dirk India* (that courts under Section 34 can only uphold or set aside an award) are now untenable in light of *Gayatri Balasamy* (Constitution Bench) recognizing the power to modify severable parts of an award. However, the threshold for interim relief for an unsuccessful party will be higher, to be granted only in rare and compelling cases to prevent irreparable prejudice. [[C.A. No. 6716 / 2026.pdf](#)]

Environment Law

National Green Tribunal (NGT)

In **Arun Tiwari v. State of UP (OA No. 556/2023)**, it was held that under the Office Memoranda dated 18.12.2012 and 19.03.2013 issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), separate Environmental Clearance (EC) for soil mining from borrow areas for highway projects is not required; such mining is treated as part of the main project under the EIA Notification, 2006. Further, Appendix-IX (Item 6) of the Notification dated 28.03.2020 exempted extraction of ordinary earth for linear projects (roads) from prior EC. Though set aside by the Supreme Court on 21.03.2024, the Court clarified on 15.05.2024 that projects with work orders issued before 21.03.2024 remain unaffected. Since the contractor obtained mining permissions between April 2020 and March 2022 and completed work by July 2022, no separate EC was required. However, mining beyond permitted depth (16 m vs. 2 m) attracted penalty, environmental compensation, and remediation, after which no further action was required. [Order dated 01.04.2026] [[OA No. 556/2023](#)]

In **Pritipal Sharma v. Department of Environment & Ors. (I.A. Nos. 693/2025 & 694/2025 in OA No. 639/2022)**, it was held that its earlier order dated 28.05.2025 (mandating GPS-fitted tankers for commercial water supply and registration of FIRs for illegal groundwater extraction) applies to tankers transporting treated sewage treatment plant (STP) water as well. It was clarified that the expression "water" in the said order was not restricted to groundwater and included STP-treated water. Fitting GPS in tankers transporting STP water enables monitoring of their movement to prevent misuse for illegal groundwater transportation. However, it was acknowledged that STP water is a processed by-product of wastewater treatment and does not fall within the definition of "groundwater". The Tribunal further directed the Delhi Jal Board (DJB) to: (i) issue gate passes and transit passes in duplicate at the time of filling tankers with STP water, giving one copy to the driver and retaining the second; (ii) maintain chronological records with serialized entries of all tankers supplied STP water; and (iii) ensure that drivers carry these documents for production to police/checking officers; failure to comply will result in prosecution under Section 26 of the NGT Act, 2010. [Order dated 06.04.2026] [[OA No. 639/2022](#)]

In **Kadir Ahmad & Ors. v. State of Uttar Pradesh & Ors. (OA No. 18/2025)**, it was held that where a brick kiln operator extracted soil beyond the permissible limit (exceeding the maximum depth of 2 meters prescribed under the MoEF&CC Office Memorandum dated

24.06.2013), failed to restore the pits, and left them unfenced, resulting in rainwater-filled pits causing the drowning death of five children, the project proponent is liable to pay environmental compensation. Following the Tribunal's consistent view in previous orders (OA No. 885/2022, OA No. 604/2023, and OA No. 26/2025), compensation of Rs.20 lakhs per deceased child is awarded (Rs. 4 lakhs already paid by the State, balance Rs. 16 lakhs each to be paid by the State at the first instance, with liberty to recover from the brick kiln operator). The Tribunal reaffirmed that the State cannot escape liability for failure of its vigilance and regulatory mechanism to prevent such hazardous illegal activities, and the compensation is in addition to criminal liability. [Order dated 20.04.2026] [\[OA No. 18/2025\]](#)

In **Ajay Dubey v. Union of India & Ors. (Appeal No. 14/2026)**, it was held that under Section 16 of the NGT Act, an appeal must be filed within 30 days from the date of communication of the order, and the Tribunal may condone delay only up to a further period of 60 days (total 90 days). After 90 days from the date of communication, the Tribunal loses jurisdiction to condone any delay. Following the Tribunal's earlier five-Member Bench decision in Save Mon Region Federation (14.03.2013) and the Supreme Court's approval in Talli Gram Panchayat (2025 SCC OnLine SC 2497), the date of communication for an order granting Environmental Clearance is the date on which it is uploaded on the MoEF&CC website and placed in the public domain, not when the appellant gains actual knowledge. In this case, the impugned order dated 09.05.2025 was uploaded on the same day; the appeal filed on 23.02.2026 (with 259 days delay) is beyond the 90-day period, and therefore the Tribunal has no jurisdiction to condone the delay. [Order dated 22.04.2026] [\[Appeal No. 14/2026\]](#)

In **Bharatiya Kisan Union Purwa v. Union of India & Ors. (OA No. 1250/2024)**, it was held that under the River Ganga (Rejuvenation, Protection and Management) Authorities Order, 2016 (issued under the Environment (Protection) Act, 1986), Clause 4(1)(ix) declares the banks and flood plain of River Ganga as a construction-free zone, Clause 6(3) prohibits any person from raising any structure in the river, its banks, or active flood plain, and Clause 42(b) requires prior approval of the National Mission for Clean Ganga (NMCG) for construction of bridges and associated roads over River Ganga or on its bank or flood plain. In this case, NHAI commenced construction of a 3.1 km bridge across River Ganga at Prayagraj without obtaining prior NMCG approval, and the contractor operated concrete batching plants without requisite Consent to Establish (CTE) / Consent to Operate (CTO) from the Uttar Pradesh Pollution Control Board (UPPCB). The Tribunal directed that: (i) NHAI must obtain prior NMCG approval for all future projects covered by the Order; (ii) UPPCB to complete action on imposition of environmental compensation (Rs.10 lakhs already initiated) for past violations and recover the same; and (iii) a joint inspection to be conducted to ascertain environmental damage from the project, with UPPCB to impose further environmental compensation and ensure remedial action within three months. [Order dated 22.04.2026] [\[OA No. 1250/2024\]](#)

Supreme Court

In **Suo Motu WP (C) No. 2/2026 (Illegal Sand Mining in National Chambal Sanctuary)**, the Supreme Court took cognizance of rampant illegal sand mining within a protected wildlife sanctuary, noting it violates the Wild Life (Protection) Act, 1972 and Environment (Protection) Act, 1986. Citing murders of forest guards during anti-mining operations and excavation dangerously close to bridge pillars, the Court found organized criminal activity and administrative failure. The State of Madhya Pradesh's admission that officials lack adequate weaponry was held as an abdication of constitutional duty. Exercising Article 142 powers, the Court directed: (i) installation of high-resolution CCTV cameras and mandatory GPS tracking for mining vehicles; (ii) immediate seizure of vehicles and prosecution of violators; (iii) environmental compensation on the "Polluter Pays" principle; (iv) formation of well-equipped joint patrol teams with modern arms; (v) a uniform inter-State SOP for enforcement; and (vi) personal accountability for dereliction. Failure to comply may lead to deployment of central forces, a complete mining ban, and heavy penalties. [Judgement dated 17.04.2026] [[**WP \(C\) No. 2/2026**](#)]

In **New Delhi Nature Society v. Director Horticulture DDA & Ors. (SLP (C) Nos. 13374-13375 of 2025)**, the Supreme Court addressed the translocation of deer from A.N. Jha Deer Park, Hauz Khas, New Delhi to wildlife sanctuaries/tiger reserves. The Court relied on the Central Empowered Committee (CEC) report which found that under Central Zoo Authority (CZA) Guidelines, the existing 10.26-acre enclosure can sustainably accommodate only 38 spotted deer (15 males, 23 females), contrary to the current excess population. The CZA had cancelled the park's recognition as a "(6) of the Wild Life (Protection) Act, 1972 due to persistent non-compliance and expiry of licence. The CEC opined that intra-park or inter-park relocation within Delhi merely shifts the problem and is not sustainable, while scientifically managed translocation to ecologically suitable tiger reserves is justified. The Court accepted all CEC recommendations and directed: (i) retention of up to 38 deer at the park only upon securing CZA recognition and compliance with all conditions; (ii) strict adherence to soft-release protocols and telemetry collars for translocated deer; (iii) no alteration of the park's status as a protected forest; (iv) the draft CEC guidelines on animal translocation to be examined by MoEF&CC and implemented within six months with statutory status. [Judgement dated 27.04.2026] [[**SLP \(C\) Nos. 13374-13375 of 2025**](#)]

Sector-Wise Updates

Notifications, Circulars & Amendments

Power and Energy Sector

A. Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026:

The CERC has notified the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026, effective from the date of publication in the Official Gazette (24.03.2026). The key amendments introduce “Renewable Consumption Obligation” (RCO) as specified under Section 14(n) and (x) of the Energy Conservation Act, 2001, and “Designated Consumer” as defined therein. REC eligibility is extended to renewable energy generating plants not fulfilling captive conditions under the Electricity Rules, 2005 but having self-consumption. For projects commissioned after the amendment, Certificate Multipliers are determined based on Appendix-1 considering Tariff Range (40% weightage), Technology Maturity (30%), and Capacity Credit/Peak Support (30%), with multipliers including Solar/Wind (1.0), Biomass (3.0), Small Hydro (2.5), Pumped Hydro (3.0), Offshore Wind (4.0), MSW (3.0), BESS charged by RE (3.0), and Hybrid RE (1.5). For projects commissioned between 05.12.2022 and the amendment’s effective date, multipliers remain Solar/Wind (1.0), Hydro (1.5), MSW/cogeneration (2.0), Biomass/Biofuel (2.5). The multiplier remains valid for fifteen years from commissioning; beyond that, one certificate per MWh. Under Virtual Power Purchase Agreements (VPPAs), certificates shall transfer to the consumer/designated consumer for RPO/RCO compliance, stand extinguished upon transfer, and excess certificates may be carried forward but not sold on exchanges or through traders. Applications for REC issuance must be made within three months from State Commission certification; no certificate shall be issued beyond this period. **[CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026]**

B. Draft Central Electricity Regulatory Commission (Power Market) (Second Amendment) Regulations, 2026:

The CERC has released the Draft CERC (Power Market) (Second Amendment) Regulations, 2026. The key proposed amendments designate Grid Controller of India Limited (Grid India) as the Market Coupling Operator (MCO), requiring it to form a separate cell for operating and managing market coupling. Price discovery shall be done by the MCO from a date to be

notified separately (until then, by Power Exchanges). Market coupling will apply to Day-Ahead Market (DAM), Real-Time Market (RTM), and other market segments from notified dates. All Power Exchanges must collect bids in a uniform format and transmit validated bids to the MCO, which will aggregate bids across all exchanges for price discovery adopting the principle of maximisation of economic surplus (buyer and seller surplus), with a uniform market clearing price for unconstrained markets and market splitting for congestion. Grid India must formulate a Power Market Coupling Procedure (PMCP) with CERC approval within six months, covering roles, timelines, bid formats, price discovery algorithms, scheduling, settlement, and MCO charges. [\[Draft CERC \(Power Market\) \(Second Amendment\) Regulations, 2026\]](#)

C. Introduction of Insurance Surety Bonds (ISBs) as an Alternative to Bank Guarantees/Bid Security across all Power Procurement Frameworks:

The Ministry of Power has issued an Office Memorandum dated 04.04.2026, advising all States/UTs and procuring utilities to incorporate ISBs as an acceptable alternative to Bank Guarantees (BGs) for Bid Security and Performance Security across all power procurement frameworks. This follows the Ministry of Finance's amendment to Rules 170(i) and 171(i) of the General Financial Rules (GFR), 2017 (OM dated 02.02.2022), which formally recognized ISBs as a valid security instrument. The Ministry of Power has already integrated ISB provisions in Standard Bidding Guidelines for Renewable Energy projects (Solar, Wind, Hybrid, FDRE), Pumped Storage Projects, Transmission projects, and Battery Energy Storage Systems (BESS). ISBs provide financial security equivalent to BGs while reducing credit exposure and liquidity constraints. States are advised to amend their bidding documents for long-term, medium-term, and short-term power procurement accordingly to ensure policy consistency and facilitate wider participation. [Office Memorandum dated 04.04.2026] [\[Insurance Surety Bonds\]](#)

Environment Sector

A. Draft Tar-balls Management Rules, 2026:

The Ministry of Environment, Forest and Climate Change (MoEF&CC) has released the draft Tar-balls Management Rules, 2026, with objections invited within 60 days. The rules define "Tar-balls" as weathered oil spill products from offshore exploration, tanker accidents, pipeline leakages, and natural seepage, applying to all persons generating, collecting, storing, transporting, treating, or disposing of such waste, including oil extraction facilities, ships, oil

tankers, and oil facility owners. Key provisions include: State Governments to declare tar-ball pollution as a State disaster and ensure shoreline cleaning; District Administrators to maintain local response teams with personal protective equipment; Indian Coast Guard to enforce the National Oil Spill Disaster Contingency Plan (NOSDCP) using remotely operated vehicles and aerial surveillance; and a manifest system with seven color-coded copies for transport. Co-processing of tar-balls (calorific value >1500 kcal) in cement plants does not require Environment Clearance, but must comply with emission standards. Environmental compensation on the "Polluter Pays" principle may be levied for non-compliance, with funds used for management and research. [Notification dated 03.04.2026] [[Draft Tar-balls Management Rules, 2026](#)]

Petroleum and Natural Gas

A. Model State Compressed Biogas (CBG) Policy:

The Ministry of Petroleum and Natural Gas (MoPNG) has released a Model State Compressed Biogas Policy to serve as a guiding template for States to promote CBG production from agricultural residues, animal dung, municipal solid waste, and agro-industrial by-products. The Model Policy proposes land allotment within 6 months at concessional lease rates (1.5% of circle rate per acre per year for 30 years) with full exemption from stamp duty and conversion fees. It adopts an aggregator-based feedstock supply model with Farmer Producer Organizations (FPOs), exempts agricultural waste from Agricultural Produce Market Committee (APMC) fees for 7 years, and prioritizes press mud for CBG over competing uses. Capital support is offered at up to Rs. 0.5 crore per TPD (max Rs. 20 crore per project), with additional 5% for special category areas, agri-residue/cattle dung projects, or women-led enterprises. Power tariff support includes full electricity duty exemption for 10 years and reimbursement of up to Rs.2 per unit for 5 years. [[Model State Compressed Biogas Policy, 2026](#)]


B. Draft Central Motor Vehicles (Amendment) Rules, 2026:


The Ministry of Road Transport and Highways (MoRTH) has published a draft notification dated 27.04.2026 (G.S.R. 313(E)), proposing amendments to the Central Motor Vehicles Rules, 1989 ("CMVR") under Section 110 of the Motor Vehicles Act, 1988, inviting public objections and suggestions within 30 days. The draft formally introduces E85 (85% ethanol blended with petrol) and E100 (near-pure ethanol) fuels into the CMVR regulatory framework, marking a


significant step beyond the nationwide E20 rollout completed in 2025. Key amendments include: updating petrol fuel nomenclature from “E10/E” to “E10/E20” to reflect current blending realities; expanding biodiesel classification from “B10” to “B100”; correcting hydrogen fuel terminology from “Hydrogen+CN” to “Hydrogen+CNG”; raising the gross vehicle weight threshold from 3,000 kg to 3,500 kg for certain vehicle categories; and revising flex-fuel designations from “(E85)” to “(E85) or (E100)” across multiple tables in Rule 115. Technical corrections include: changing “Compression” to “Comparison” in item 17(i); updating emission test cycle units from “Mg/kWh” to “mg/kWh”; revising the WNTC (World Harmonized Transient Cycle) column 4 entry from “60” to “600”; and redesignating “Annexure S” to “Annexure SA” for E100 vehicles under Rule 115E. Stakeholders may submit objections or suggestions to the Additional Secretary (MVL, Transport & Road Safety), MoRTH, Transport Bhawan, Parliament Street, New Delhi-110001, or via email at comments-morth@gov.in. **[\[Amendments to Central Motor Vehicles Rules, 1989\]](#)**




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