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Electricity Law

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

In **Central Transmission Utility of India Limited (CTUIL) v. Ind Barath Energy (Utkal) Limited & Ors. [Petition No. 182/MP/2023]**, the Commission held that once a claim has been submitted and dealt with under the insolvency or liquidation process under the Insolvency and Bankruptcy Code, 2016 (IBC), and the proceedings have attained finality, the claim cannot thereafter be revived or enforced through independent proceedings before the Commission. An approved resolution plan under Section 31 of the IBC is binding on all stakeholders, and claims not provided for therein stand extinguished; likewise, after completion of liquidation and distribution of proceeds under Section 53 of the IBC, unrecovered pre-liquidation dues cannot be pursued outside the IBC framework. The Commission further held that its jurisdiction under Section 79 of the Electricity Act, 2003 (Electricity Act) cannot be exercised to defeat or circumvent the consequences of concluded IBC proceedings. [Order dated 01.08.2026] [[Petition No. 182/MP/2023](#)]

In **Sprng Vayu Vidyut Private Limited (SVVPL) v. Central Transmission Utility of India Limited & Ors. [Petition No. 616/MP/2025]**, the Commission held that the power to relax and the power to remove difficulty under Regulations 41 and 42 of the CERC (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 (GNA Regulations) may be exercised where strict enforcement of the connectivity timelines would cause undue hardship or result in valuable renewable energy capacity and investment becoming stranded. In the present case, having regard to the substantial progress of the projects, the Commission set aside the revocation of the Tranche A and Tranche B Connectivity, subject to payment of compensation for delayed commissioning. However, such relaxation is not automatic and must be justified by the facts and circumstances of the case; the Commission declined to extend similar relief for Tranche C where the project had made no substantial progress. [Order dated 03.08.2026] [[Petition No. 616/MP/2025](#)]

In **Fatehgarh Bhadla Transmission Limited v. Axis Bank Limited & Ors. [Petition No. 170/MP/2026]**, the Commission held that a transmission licensee may create a security interest over its project assets in favour of lenders or a Security Trustee (a trustee holding security on behalf of lenders), with the prior approval of the Commission under Section 17(3) and 17(4) of the Electricity Act. However, such approval does not extend to assignment of the transmission licence or transfer of the utility to the lender’s nominee. Any such assignment or

transfer requires separate prior approval of the Commission, which must assess the nominee's technical and operational capability to undertake the transmission project. [Order dated 09.08.2026] [[Petition No. 170/MP/2026](#)]

In **NTPC Limited v. Chattisgarh State Power Distribution Company Limited & Ors. [Petition No. 46/MP/2018 (on remand)]**, the Commission held that where the Appellate Tribunal for Electricity (APTEL) has, on identical facts and issues, settled the legal position and directed relaxation of the Normative Annual Plant Availability Factor (NAPAF), the Commission is bound to implement that decision so long as it has not been stayed or set aside by a superior court. Accordingly, pursuant to the APTEL judgment dated 13.01.2026, the Commission relaxed the NAPAF from 85% to 83% for the specified thermal generating stations and periods, permitting consequential recovery of fixed charges. The benefit was limited to cases where the actual Plant Availability Factor (PAF) was below 83%, and the implementation remained subject to the final outcome of the pending appeals before the Supreme Court. [Order dated 25.08.2026] [[Petition No. 46/MP/2018 \(on remand\)](#)]

Appellate Tribunal for Electricity (“APTEL” / “Tribunal”)

In **Tamil Nadu Power Distribution Corporation Limited v. Tamil Nadu Electricity Regulatory Commission & Ors. [DFR No. 595 of 2026]**, it was held that the statutory period of 45 days for filing an appeal under Section 111(2) of the Electricity Act, 2003 may be extended where the appellant demonstrates “sufficient cause” for the entire period of delay, and such cause must be assessed liberally and purposively with due regard to substantial justice, bona fides, and the overall conduct of the litigant. Although pursuing a remedy before another forum does not, by itself, extend limitation, the subsequent proceedings may constitute sufficient cause where the appellant has acted diligently and without negligence. Accordingly, APTEL condoned the 632-day delay, since the appellant had continuously pursued its remedies before the Commission and the Tribunal in good faith, and had filed the fresh appeal within 45 days of the dismissal of its clarification petition, subject to costs. [[Order dated 10.08.2026](#)] [[DFR No. 595 of 2026](#)]

In **Damodar Valley Power Consumers' Association & Ors. v. West Bengal Electricity Regulatory Commission & Anr. [Appeal No. 18 of 2026]**, it was held that where an issue has already been conclusively decided by APTEL in an earlier appeal involving the same legal and factual controversy, the subsequent appeal should be decided consistently with the earlier judgment. Accordingly, the Tribunal upheld the methodology adopted by the West Bengal Electricity Regulatory Commission (WBERC) for determining interest on differential Annual

Fixed Charges (AFC), following its earlier judgment dated 02.07.2026 in Appeal No. 15 of 2026, and dismissed the appeal to that extent. The Appellants were, however, granted liberty to raise the remaining issues by way of a fresh appeal. [Judgment dated 11.08.2026] [[Appeal No. 18 of 2026](#)]

In **M/s BSL Ltd. v. Ajmer Vidyut Vitran Nigam Ltd. & Ors.** [[Appeal No. 142 of 2021](#)], it was held that where a subsequent regulatory framework comprehensively governs the field of intra-State open access and expressly prescribes the basis for levy of wheeling charges, such subsequent regulations prevail over any inconsistent contractual terms and govern the charges payable by open access consumers. Accordingly, the Tribunal held that, under Regulation 15 of the Rajasthan Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2016 (OA Regulations, 2016), wheeling charges are payable on the basis of the open access capacity contracted or utilized, whichever is higher, notwithstanding that the earlier Wheeling and Banking Agreement contemplated energy-based charges. The Tribunal further held that although the Rajasthan Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014 (Tariff Regulations, 2014) were not expressly repealed, they could no longer govern the basis of wheeling charges after the repeal of the earlier Open Access Regulations, 2004 and the introduction of the comprehensive OA Regulations, 2016. [Judgment dated 11.08.2026] [[Appeal No. 142 of 2021](#)]

In **Maharashtra State Electricity Distribution Company Limited v. Maharashtra Electricity Regulatory Commission & Anr.** [[Appeal No. 11 of 2026](#)], it was held that an appellant has an unfettered right to withdraw an appeal, but cannot claim liberty to institute review proceedings before the regulatory commission as a matter of right. Such liberty may be granted only where there is a formal defect or other sufficient and legally valid grounds justifying fresh proceedings. Where the appellant has consciously pursued the statutory appeal, sought interim relief, and thereafter seeks withdrawal merely to obtain a second opportunity before the Commission, permitting such withdrawal with liberty would amount to forum shopping and cannot be allowed. The Tribunal therefore declined to grant liberty to seek review and dismissed the appeal as withdrawn. [Order dated 19.08.2026] [[Appeal No. 11 of 2026](#)]

In **Adani Power Limited v. Maharashtra Electricity Regulatory Commission & Anr.** [[Appeal No. 316 of 2021](#)], it was held that where an appellate tribunal remands a matter specifically for passing consequential orders, the lower forum is strictly bound by the scope and directions of the remand and cannot reopen, rehear, or re-adjudicate issues already conclusively decided by APTEL. In such a case, the lower forum's role is confined to giving effect to the findings and directions already rendered. Accordingly, the Tribunal held that the

Maharashtra Electricity Regulatory Commission (MERC) had exceeded the scope of the remand by reopening issues already decided by APTEL and issuing findings contrary to its earlier judgment. The impugned order was therefore set aside and MERC was directed to issue consequential orders strictly in accordance with the earlier judgment. [Order dated 19.08.2026] [[Appeal No. 316 of 2021](#)]

In **Nuvoco Vistas Corporation Limited v. Chhattisgarh State Electricity Regulatory Commission & Anr.** [[Appeal No. 158 of 2016](#)], it was held that the relaxation granted by the Chhattisgarh State Electricity Regulatory Commission (CSERC) to captive consumers to reduce contract demand “at any time”, including to zero, relaxed only the substantive restrictions under Clause 7.9 of the Chhattisgarh State Electricity Supply Code, 2005 and did not dispense with the procedural requirements and timelines under Clause 7.11. The reduction therefore takes effect only in accordance with the prescribed procedure, and the operation of open access does not, by itself, result in automatic reduction of contract demand, as open access and contract demand are governed by distinct regulatory frameworks. Accordingly, APTEL upheld the billing of contract demand charges until the reduction became effective from 01.01.2007 and dismissed the appeal. [Order dated 19.08.2026] [[Appeal No. 158 of 2016](#)]

In **Techno Electric and Engineering Company Ltd. v. Maharashtra Electricity Regulatory Commission** [[Appeal No. 279 of 2026](#)], it was held that a bidder does not acquire any vested or enforceable right merely by being shown as “L-1” on an e-reverse auction portal during an ongoing bidding process, unless the bid is formally concluded and confirmed by the competent authority through an authoritative bid sheet or Letter of Intent/Award. The Tribunal further held that where the bidding documents expressly reserve the Bid Process Coordinator’s (BPC) right to reject bids or annul the bidding process, the annulment of an uncompleted bidding process on account of commercially unviable bids is permissible. A party seeking equitable interim relief must approach the Tribunal with complete and truthful disclosure; deliberate misrepresentation of material facts disentitles it to such relief. Accordingly, the interim order was vacated, the application for interim relief was dismissed, and the appeal was listed separately for consideration of maintainability. [Order dated 19.08.2026] [[Appeal No. 279 of 2026](#)]

Supreme Court

In **Karnataka Power Transmission Corporation Limited v. Rekha & Ors.** [[Civil Appeal Arising out of SLP\(C\) No. 24849 of 2025](#)], it was held that where proceedings under Section 135 of the Electricity Act are initiated for theft of electricity, the inspection report must itself disclose the detection of theft, the material evidence supporting such conclusion, and the

subjective satisfaction of the authorised officer; mere suspicion or irregularities in the metering arrangement cannot sustain a provisional assessment or disconnection. The Supreme Court further clarified that Section 126 of the Act provides the civil mechanism for assessment of unauthorised use of electricity, whereas Section 135 is a distinct criminal provision requiring actus reus and mens rea, with the offence required to be established in accordance with the higher standards of criminal law. Since there is no statutory appeal against a provisional assessment order under Section 135 of the Electricity Act, a writ petition challenging such an order is maintainable under Article 226 of the Constitution. Accordingly, where the inspection report neither recorded theft nor disclosed evidence establishing dishonest abstraction, and the prescribed seizure procedure was also not followed, the provisional assessment and consequential disconnection were unsustainable. [Judgment dated 12.08.2026] **[Civil Appeal Arising out of SLP(C) No. 24849 of 2025]**

Arbitration Law

Delhi High Court

In **Union of India, through Chief Engineer Construction Moradabad v. MS Pragati Construction Consultants [O.M.P. (COMM.) 153 of 2025]**, it was held that under Section 34 of the Arbitration and Conciliation Act, 1996 (A&C Act), an arbitral tribunal cannot rely on past practice to depart from the express terms of the contract, and a dispute arising from a deduction made contrary to the contractual mechanism cannot be treated as an “excepted matter” merely by invoking the relevant clause. It was further held that compensation for prolongation of work requires proof of actual loss, unless the Arbitral Tribunal finds that such loss is difficult or impossible to prove; a contractual price-variation clause cannot, by itself, serve as a basis for quantifying prolongation damages. An Arbitral Tribunal also cannot grant a monetary relief beyond the scope of the claim or submission to arbitration; awarding an amount as damages after expressly rejecting the corresponding claim for interest constituted patent illegality. It was accordingly upheld the award on the contractual variation claim but set aside the awards under Claims 4 and 6 as patently illegal, holding that severable portions of an arbitral award may be set aside under Section 34 without disturbing the valid remainder. [Judgment dated 03.08.2026] [\[O.M.P. \(COMM.\) 153 of 2025\]](#)

In **National Highways Authority of India v. The Louis Berger Group Inc. JV with M/s COWI A/S [O.M.P. (COMM) 351/2023]**, it was held that an Arbitral Tribunal is entitled to adjudicate disputes in accordance with the original terms and conditions of the agreement, but cannot grant relief based on a mere apprehension or in respect of services yet to be rendered where no amount was due on the date of the award. Any relief travelling beyond the scope of the submission to arbitration falls within Section 34(2)(a)(iv) of the A&C Act. The Court further held that reliance by the arbitral tribunal on financial information furnished by one party pursuant to its direction, without confronting the same to the other party and affording an opportunity of rebuttal, violates Section 18 of the A&C Act and constitutes a ground for setting aside the award under Section 34(2)(a)(iii) of the A&C Act. [Judgment dated 03.08.2026] [\[O.M.P. \(COMM\) 351/2023\]](#)

In **McNally Bharat Engineering Company Limited v. Metso India Pvt. Ltd. [O.M.P. (COMM) 362/2018]**, it was held that where an award-holder fails to submit its claim arising from an arbitral award before the Resolution Professional then the claim no longer survives and stands extinguished. The Court further held that petition under Section 34 of the A&C Act challenging the award is rendered academic, since its outcome would have no bearing on revival of the extinguished claim even if the award were upheld. On the distinct question of

the amount deposited in court by the award-debtor as a pre-condition for stay of execution pending the Section 34 petition, the Court held that money deposited in court by a corporate debtor remains its asset and, since the underlying claim has been extinguished upon approval of the Resolution Plan, the deposited amount together with accrued interest is liable to be released to the corporate debtor and objections regarding non-compliance with Section 29 of the IBC or non-inclusion of the amount in the Information Memorandum must be raised under the IBC and not in Section 34 proceedings. [Judgment dated 03.08.2026] [[O.M.P. \(COMM\) 362/2018](#)]

In **Vantage Integrated Securities Solution Pvt Ltd v. Spark Technologies Pvt Ltd** [[FAO \(COMM\) 203/2026](#)], it was held that the scope of interference under Section 37 of the A&C Act is narrower than that under Section 34. The Court while exercising appellate jurisdiction under Section 37 does not sit in appeal over the arbitral award or undertake a fresh appreciation of evidence led before the learned Sole Arbitrator. The interference is warranted only where the Commercial Court has failed to apply the settled parameters governing Section 34 or has committed a manifest error in declining to set aside an award vitiated by grounds recognised under the A&C Act. The Court held that interpretation of contractual terms, appreciation of documentary and oral evidence, and findings of fact recorded by the arbitrator ordinarily fall within the exclusive domain of the arbitral tribunal and cannot be interfered with merely unless there is any patently illegal, perverse, or in conflict with the fundamental policy of Indian law. The obligations and liabilities of parties must be gathered from the terms of the contract between them and not from a separate agreement between one contracting party and a third party. [Judgment dated 05.08.2026] [[FAO \(COMM\) 203/2026](#)]

In **Shobha Ano Prints Pvt Ltd. through Managing Director vs. Union of India, Ministry of Defence, through its Secretary & Ors.**, [[O.M.P. \(T\) \(COMM.\) 8/2026](#)], it was held that a party to an arbitration agreement cannot unilaterally appoint a sole arbitrator where the power of appointment is vested exclusively in that party, as such appointment is null, void and non-est in the absence of an express written agreement waiving Section 12(5) of the A&C Act. The High Court further held that an arbitrator rendered ineligible under Section 12(5) read with the Seventh Schedule becomes de jure unable to act, and the mandate is liable to be terminated under Section 14 read with Section 15 of the A&C Act, with a substitute arbitrator appointed by the Court. It was also held that waiver of the statutory disqualification cannot be inferred and must be founded on a clear and unequivocal written agreement. Accordingly, the unilateral appointment of the sole arbitrator was set aside and a substitute arbitrator was appointed. [Judgment dated 06.08.2026] [[O.M.P. \(T\) \(COMM.\) 8/2026](#)].

In **Union of India v. M/s Goodrich Foodtech Ltd.** [[O.M.P. \(COMM\) 375/2022](#)], it was held

that after amendment of Section 12(5) of the A&C Act, an employee of a party in dispute can neither be appointed arbitrator nor can nominate or appoint any other person as an arbitrator. It was held that an arbitration clause providing that the arbitrator shall be appointed by the Competent Financial Authority, being an official of a party to the dispute, results in an appointment that is void ab initio, thereby rendering the resultant arbitral award a nullity. The Court further held that a party which itself unilaterally appointed the sole or presiding arbitrator is not thereby deemed to have expressly waived the arbitrator's ineligibility, and retains the right to object to such appointment at any stage during or after the arbitral proceedings. It was further held that the fact that the petitioner had not expressly raised the ground of unilateral appointment in its petition did not preclude it from raising the point during the hearing. [Judgment dated 06.08.2026] [[O.M.P. \(COMM\) 375/2022](#)]

In **Union of India v. M/s Goodrich Foodtech Ltd. [O.M.P. (COMM) 375/2022]**, it was held that after amendment of Section 12(5) of the A&C Act, an employee of a party in dispute can neither be appointed arbitrator nor can nominate or appoint any other person as an arbitrator. It was held that an arbitration clause providing that the arbitrator shall be appointed by the Competent Financial Authority, being an official of a party to the dispute, results in an appointment that is void ab initio, thereby rendering the resultant arbitral award a nullity. The Court further held that a party which itself unilaterally appointed the sole or presiding arbitrator is not thereby deemed to have expressly waived the arbitrator's ineligibility, and retains the right to object to such appointment at any stage during or after the arbitral proceedings. It was further held that the fact that the petitioner had not expressly raised the ground of unilateral appointment in its petition did not preclude it from raising the point during the hearing. [Judgment dated 06.08.2026] [[O.M.P. \(COMM\) 375/2022](#)]

In **Public Works Department v. BL Infra Projects Pvt Ltd. [O.M.P. (COMM) 359/2022]**, it was held that a unilateral appointment of an Arbitrator in the absence of an express agreement in writing between the parties to waive applicability of Section 12(5) of the A&C Act is void ab initio, and mere participation in the arbitral proceedings, such as filing of the statement of claim, also cannot be construed as a valid waiver under the proviso to Section 12(5) of A&C Act. The Court further held that the unilateral appointment of an Arbitrator can be objected to for the first time under Section 34 of A&C Act, even by the very same party who unilaterally appointed the Arbitrator, and just because a party has unilaterally appointed its own Arbitrator, does not mean that it has deemed to have agreed in writing to waive the ineligibility of the Arbitrator by act of appointment. [Judgment delivered on 07.08.2026] [[O.M.P. \(COMM\) 359/2022](#)]

In **Union of India, through Secretary, Department of Telecommunications v. Sterlite Technologies Limited [O.M.P. (COMM.) 395/2023]**, it was held that an arbitral tribunal

must act within the terms of the contract and cannot impose liability or grant relief unsupported by the contractual framework. The High Court further held that where actual loss has not been proved, a formula such as the Emden formula cannot substitute proof of loss merely to quantify damages. Reliance on material not disclosed to the parties also violates Section 24(3) of the A&C Act and the principles of natural justice. However, where the arbitrator's interpretation of the contract is a plausible one, the Court exercising jurisdiction under Section 34 of the A&C Act cannot re-appreciate the evidence or substitute its own view. Accordingly, the Court declined to interfere with the impugned award where the arbitrator had adopted a plausible interpretation of the contractual provisions. [Judgment dated 12.08.2026] [\[O.M.P. \(COMM.\) 395/2023\]](#)

In Dakshinanchal Vidyut Vitran Nigam Ltd. v. M/s Creative Entrepreneurs LLP through its designated partners, [O.M.P. (COMM.) 367/2026], it was held that the limitation prescribed under Section 34(3) of the A&C Act is mandatory, permitting condonation only for a further period of thirty days upon sufficient cause being shown, and not thereafter. Although Section 14 of the Limitation Act, 1963 may exclude time spent bona fide and with due diligence before a court lacking jurisdiction, such exclusion cannot extend the statutory outer limit under Section 34(3) of the A&C Act. Accordingly, once the Petitioner was advised to approach the competent court and thereafter allowed more than four months to elapse before filing the fresh petition, the delay exceeded the maximum condonable period, and Section 5 of the Limitation Act could not be invoked to extend it. The petition challenging the arbitral award was therefore dismissed as barred by limitation. [Judgment dated 14.08.2026] [\[O.M.P. \(COMM.\) 367/2026\]](#)

In India Tourism Development Corporation v. M/S Bajaj Electricals Ltd [O.M.P. (COMM) 404/2019], it was held that the Court does not sit in appeal over the Arbitral Award and may interfere on merits only on the limited ground provided under Section 34(2)(b)(ii) of the A&C Act, i.e., if the award is against the public policy of India, and that such interference does not entail a review of the merits of the dispute, being limited to situations where the findings of the arbitrator are arbitrary, capricious or perverse, or when the conscience of the Court is shocked, or when the illegality is not trivial but goes to the root of the matter. It was further held that the Court under Section 34 cannot re-appreciate evidence and substitute its own conclusion to the one arrived at by the Arbitrator. It was also held that the mere possibility of an alternative view on facts or interpretation of the contract does not entitle Courts to reverse the findings of the Arbitral Tribunal. The scope of a petition under Section 34 is confined to examining whether the Award suffers from any of the grounds enumerated therein, and does not extend to a re-computation or reconciliation of accounts between the parties on the basis of payments allegedly made outside the arbitral record, such contention being left open to be

agitated before the Executing Court. [Judgment dated 17.08.2026] [[O.M.P. \(COMM\) 404/2019](#)]

In **Delhi Metro Rail Corporation Ltd. v. HCC Samsung JV** [FAO(OS) (COMM) 74/2025], it was held that a conjoint reading of Sections 33 and 34(3) of the A&C Act makes it clear that where a request for correction or interpretation of the arbitral award is made under Section 33 within the prescribed thirty-day period and with notice to the other party, the limitation period under Section 34(3) commences from the date on which such request is disposed of by the arbitral tribunal. The Court further held that, for this purpose, the substance or maintainability of the request is immaterial; once such an application is made in the manner contemplated by Section 33, even if it is ultimately found to be misconceived, sham or not maintainable, the period of limitation for challenging the award begins only from the date of its disposal. [Judgment dated 17.08.2026] [[FAO\(OS\) \(COMM\) 74/2025](#)]

In **TMB Electronics v. Shanti Developers & Anr.** [FAO(OS) (COMM) 26/2024], it was held that the award passed by the Ld. Arbitrator, having been based on the WhatsApp messages and the averments contained in the Statement of Defence, was supported by evidence and could not be said to be based on no evidence or to be palpably perverse. The High Court further held that, given the limited scope of interference under Section 34 of the A&C Act, a plausible conclusion of the Arbitrator does not warrant judicial interference. The Court also held that any dispute regarding the Goods and Services Tax (GST) component falls within the domain of the statutory authorities under the applicable GST law, and the appellant may seek proof of deposit of the GST component after payment of the awarded amount. [Judgment dated 19.08.2026] [[FAO\(OS\) \(COMM\) 26/2024](#)]

In **Neeraj Kukreja v. Late Mohan Lal Kukreja & Ors.** [O.M.P.(MISC.)(COMM.) 653/2026], it was held that, under Section 29A (5) of the A&C Act, this Court is empowered to extend the mandate of the Arbitral Tribunal upon sufficient cause being shown. In view of the parties being ad idem that the mandate of the Arbitrator may be extended for a further period of six months, and with the consent of the parties, sufficient cause was made out, and the mandate of the learned Sole Arbitrator was extended for a further period of six months. [Judgment dated 19.08.2026] [[O.M.P.\(MISC.\)\(COMM.\) 653/2026](#)]

In **HDFC ERGO General Insurance Company Limited v. National Aluminium Company Limited** [O.M.P. (COMM) 327/2023], it was held that where there is 'under insurance', the insured is to be treated as "his own insurer for the difference" and the relatable proportion of the loss has to be borne by the insured. It was further held that the arbitral award, being contrary to the statutory provisions of the Insurance Act and having travelled beyond the

terms of the insurance policy, particularly Clause 10, suffered from patent illegality and was set aside. [Judgment dated 19.08.2026] [\[O.M.P. \(COMM\) 327/2023\]](#)

In **Arka Britton Services Private Ltd. v. CNH Industrial (India) Private Ltd.** [O.M.P. (COMM) 268/2018], it was held that the proceedings under Section 34 of A&C Act are not akin to the first appeal; there cannot be re-appreciation of evidence, a plausible view calls for no interference, and every factual or legal error cannot be a ground for challenge, the interference being permissible only on the grounds available in Section 34 of the Act. It was further held that where arbitral proceedings had commenced prior to the insertion of Section 12(5) of the Act by the Arbitration and Conciliation (Amendment) Act, 2015, the amended provision shall not apply. On the claims for salary and telephone/travel expenses, it was held that the twin conditions required to be fulfilled for awarding liquidated damages under Section 73 of the Contract Act, 1872 are breach of the contractual conditions and the actual loss or damage suffered or proof that it is not possible to prove the actual damage suffered, and since the actual loss suffered was not proved. [Judgment dated 19.08.2026] [\[O.M.P. \(COMM\) 268/2018\]](#)

In **Hindustan Construction Co. Ltd. v. NHPC Limited** [O.M.P. (COMM.) 355/2018], it was held that an arbitral tribunal, being a creature of the contract, must act within the contractual terms and cannot award relief contrary to the agreement or on equitable considerations beyond its mandate. It was held that where the tribunal itself finds that a particular claim is not maintainable or was never raised, it cannot nevertheless award amounts in respect of that claim, as this amounts to travelling beyond the scope of the reference under Section 34(2)(a) (iv) of the A&C Act. Further, where a tribunal relies on material or contractual guidelines not confronted to the parties, the award is liable to be set aside for violation of natural justice and Section 24(3) of the A&C Act. The Court accordingly set aside the award for contradiction, patent illegality and excess of jurisdiction. [Judgment dated 19.08.2026] [\[O.M.P. \(COMM.\) 355/2018\]](#)

In **ESI Corporation v. MS Design Associates** [FAO(OS) (COMM) 25/2026], it was held that the finding of the learned Arbitrator that additional work had been undertaken by the respondent was neither perverse nor patently illegal so as to warrant interference under Section 37 of the A&C Act. It was further held that a general assertion that the documentary evidence was not considered is insufficient to meet the threshold for interference under Section 34, and even more so under Section 37 of the A&C Act. As the appellant's challenge essentially sought re-appreciation of evidence and reconsideration of factual findings, and no patent illegality or perversity was demonstrated, no interference was warranted. [Judgment dated 20.08.2026] [\[FAO\(OS\) \(COMM\) 25/2026\]](#)

In **MBL Infrastructure Ltd. v. Government of NCT of Delhi [O.M.P. (COMM) 135/2023]**, it was held that after amendment of Section 12(5) of the A&C Act, an employee of a party in dispute can neither be appointed arbitrator nor can nominate or appoint any other person as an arbitrator. The unilateral appointment, in absence of an express agreement in writing between the parties to waive applicability of Section 12(5) of A&C Act, is void ab initio. The Court further held that the filing of the statement of claim or participation in the arbitral proceedings cannot be construed as waiver, and the unilateral appointment of the arbitrator can be objected to for the first time under Section 34 of the Act. Accordingly, in the absence of compliance with the proviso to Section 12(5), the appointment was held to be void ab initio and render the impugned award nullity. [Judgment dated 20.08.2026] [\[O.M.P. \(COMM\) 135/2023\]](#)

In **Madhyanchal Steel Private Limited v. Clix Capital Services Private Limited [O.M.P. (T) COMM. 66/2026]**, it was held that where an arbitration agreement vests the power to appoint a sole arbitrator exclusively in one interested party, such unilateral appointment is impermissible and void ab initio under Section 12(5) read with Section 14 of the A&C Act, unless the parties subsequently waive the statutory bar through an express written agreement. The Court further held that such invalidity cannot be circumvented by the interested party unilaterally conferring the appointment power upon a third-party arbitral institution, as the constitution of the arbitral tribunal continues to emanate solely from that party. Consequently, the arbitrator becomes de jure unable to perform his functions, rendering the proceedings and orders passed by him non est in law. It was accordingly terminated the arbitrator's mandate, declared the proceedings and consequential bank-lien directions unenforceable, and appointed an independent substitute arbitrator under Section 15(2) of the A&C Act. [Judgment dated 24.08.2026] [\[O.M.P. \(T\) COMM. 66/2026\]](#)

In **Nayati Healthcare and Research NCR Private Limited v. GHV Advance Care Pvt. Ltd., [ARB. A. (COMM.) 37/2026]**, it was held that directions requiring the appellant to file an affidavit disclosing the assets of the company were within the scope and discretion of the learned Arbitrator and constituted merely consequential and procedural directions. It was further held that such directions do not amount to an interim measure under Section 17 of the A&C Act and are therefore not appealable under Section 37 of the A&C Act. The contention that the directors were required to disclose their personal assets was also held to be misconceived, as the direction required the appellant company, through its directors, to furnish an affidavit of the company's assets. [Order dated 25.08.2026] [\[ARB. A. \(COMM.\) 37/2026\]](#)

In **NCC Ltd. v. Manisha Kulkarni [O.M.P. (COMM) 464/2023]**, it was held that an arbitral award under Section 34 of the A&C Act is liable to be set aside where it contains patent

illegality, contradictions, ignores material evidence, fails to give reasons, relies on undisclosed material, or violates natural justice. The High Court held that post-award interest must comply with Section 31(7)(b) of the A&C Act read with Section 2(b) of the Interest Act, 1978, and therefore must be based on the applicable deposit rate rather than the lending rate. Further, reliance on material obtained behind a party's back, without an opportunity to respond, violates Sections 18 and 24(3) of the A&C Act. The award was accordingly set aside, while the award of litigation costs remained undisturbed. [Judgment dated 25.08.2026] [\[O.M.P. \(COMM\) 464/2023\]](#)

In **SK Enmove Gabriel India Private Limited v. United Petrochem Private Limited** [O.M.P. (I) (COMM.) 370/2026], it was held that the disputes between the parties arose out of the Service Agreement containing an arbitration clause and involved contractual claims relating to repacking charges and continuation of operations, directed the Petitioner to take necessary steps for commencement of arbitral proceedings within a period of four weeks. The Petitioner was granted liberty to seek appropriate interim relief under Section 17 of A&C Act before the Arbitral Tribunal. Till such time, the Respondent was directed to maintain a complete inventory of all raw materials, packaging materials, work-in-progress and finished goods allegedly belonging to the Petitioner, preserve the goods and not dispose of such goods except in accordance with further orders. [Order dated 25.08.2026] [\[O.M.P.\(I\).\(COMM.\) 370/2026\]](#)

In **IGNOU v. Roshan Real Estates Pvt. Ltd.** [O.M.P. (COMM) 416/2018], it was held that an arbitral award can be set aside under Section 34 of the A&C Act, where the arbitrator ignores material evidence, acts contrary to the contract, relies on material behind a party's back without an opportunity to respond, or travels beyond the scope of the reference. The Court further held that damages under Section 73 of the Indian Contract Act, 1872 require proof of breach and actual loss, and a formula for quantification cannot substitute such proof. Accordingly, the award was set aside for being contrary to the contractual terms, evidence and scope of reference. [Judgment dated 25.08.2026] [\[O.M.P. \(COMM\) 416/2018\]](#)

In **Mukesh Gupta & Ors, v. Pawan Gupta & Ors.** [O.M.P. (T) (COMM.) 86/ 2026], it was held that Section 12(5) read with the Seventh Schedule of the Arbitration and Conciliation Act, 1996 renders an arbitrator statutorily ineligible only where the circumstances expressly falling within the Seventh Schedule are established, thereby making the arbitrator de jure unable to perform his functions under Section 14(1)(a); such statutory ineligibility is distinct from a challenge based on justifiable doubts as to independence or impartiality under Section 12(3), which must ordinarily be pursued through the procedure under Section 13. The High Court further held that Entry 16 of the Seventh Schedule requires the arbitrator himself to have had previous involvement, in some capacity other than as arbitrator, in the very dispute

forming the subject matter of the arbitration, and cannot be expansively construed merely because the arbitrator interacted with a third party who had previously been involved in the dispute. It was also held that a private meeting undertaken at the suggestion of the petitioners for exploring mediation, without cogent evidence establishing that the arbitrator discussed the merits in a manner affecting his neutrality, does not by itself establish bias or de jure inability. Mere apprehensions, unsupported by concrete material, cannot justify termination of the arbitrator's mandate; however, if subsequent evidence establishes that the interaction in fact resulted in bias, the issue may be raised while challenging the arbitral award under Section 34. Accordingly, the petition seeking termination of the arbitrator's mandate was dismissed. [Judgment dated 31.08.2026] [\[O.M.P. \(T\). \(COMM.\) 86/ 2026\]](#)

In **M/s Aryan Bagga Associates Pvt. Ltd. & Ors. v. Kamlesh Dudeja [Arb. A. (Comm.) 36/ 2026]**, it was held that an arbitral tribunal's power under Section 17 of the A&C Act is fundamentally preservative and protective, and cannot be exercised to grant substantive or final monetary relief where the very entitlement and quantum of the amount remain disputed and require final adjudication. The High Court further held that an order directing payment of enhanced occupation charges or mesne profits cannot be justified merely on the basis of a prima facie case or balance of convenience, particularly where the legal character of continued possession itself is disputed; comparable leases may constitute relevant evidence for determining market rent, but their evidentiary value must be tested at the stage of final adjudication. It was also held that even where an interim measure analogous to attachment before judgment is sought, there must be cogent material demonstrating a real and imminent risk that the respondent is alienating or dissipating assets so as to frustrate enforcement of a prospective arbitral award, and such power, even if available, could secure the disputed amount but could not direct its payment to the claimant. Accordingly, since the impugned order effectively granted final monetary relief and disclosed no such imminent risk to enforcement, it was held to be beyond the scope of Section 17 and was set aside. [Judgment dated 31.08.2026] [\[Arb. A. \(Comm.\) 36/ 2026\]](#)

Supreme Court

In **KKH Finvest Pvt. Ltd. and another v. Ashiesh Shukla and others [Civil Appeal @ SLP (C) No. 4222 of 2025]**, it was held that a non-signatory to a Memorandum of Settlement (MoS) containing an arbitration clause, who executed a separate Share Purchase Agreement pursuant to the MoS containing a clause disconnecting the sale of shares from other obligations under the MoS, would nonetheless qualify as a "veritable party" to the arbitration agreement where his performance of obligations under the Share Purchase Agreement was fundamental to completion of the MoS, and where identically situated persons, whose Share

Purchase Agreement was fundamental to completion of the MoS, and where identically situated persons, whose Share Purchase Agreements contained an identical disconnecting clause, had already been held veritable parties to the MoS. Applying the principles laid down in *Cox and Kings Limited v. SAP India Private Limited*, the Court held that the participation of a non-signatory in performance of the underlying contract is the most important factor indicating intention to be bound by the arbitration agreement, and that the composite nature of the transaction and commonality of subject matter suggest that claims against a non-signatory are interlinked with the arbitrable issues. [Judgment dated 05.08.2026] [\[Civil Appeal @ SLP \(C\) No. 4222 of 2025\]](#)

In *M/s Patel Infrastructure Limited v. M/s Aditya Construction* [Civil Appeal arising out of Special Leave Petition (C) No. 3250 of 2026], it was held that the question whether a buyer of goods or services from a micro or small enterprise governed by the Micro, Small and Medium Enterprises Development Act, 2006 can independently invoke the A&C Act to initiate arbitration against such Micro, Small and Medium Enterprise (MSME) was left open for consideration in an appropriate future case. The Supreme Court, without expressing any view on the said question of law, disposed of the appeal on the respondent MSME's consent to arbitration and accordingly requested the Delhi International Arbitration Centre (DIAC) to appoint a suitable arbitrator under the A&C Act, with New Delhi fixed as the venue of arbitration. [Judgment dated 05.08.2026] [\[Civil Appeal arising out of Special Leave Petition \(C\) No. 3250 of 2026\]](#)

In *National Projects Construction Corporation Ltd. v. Ishvakoo (India) Pvt. Ltd.* [Civil Appeal No. 5819 of 2023], it was held that a party which has lost in arbitration may, in rare and compelling circumstances, invoke Section 9 of the Arbitration and Conciliation Act, 1996 (A&C Act) even after the award, where interim protection is necessary to prevent irreparable prejudice and preserve the efficacy of a pending challenge under Section 34. The Supreme Court further held that such relief must satisfy the requirements of a prima facie case, balance of convenience, irreparable prejudice and reasonable expedition, with a higher threshold applicable to an unsuccessful party. Section 9 confers a broad but discretionary power to secure the amount in dispute, and the Court may fashion appropriate protective orders where necessary to prevent unjust enrichment and preserve the subject matter pending adjudication. Accordingly, the direction to deposit Rs. 3.5 crores in Court, pending disposal of the Section 34 proceedings, was upheld. [Judgment dated 11.08.2026] [\[Civil Appeal No. 5819 of 2023\]](#)

In *Neo Developers Private Limited v. Rahul Bhargava and Anr.* [Civil Appeal No.(s) 10899-10904 of 2024], it was held that where parties, despite the existence of an arbitration clause, consciously elect to pursue substantive and contractual remedies before the Haryana

Real Estate Regulatory Authority (HRERA), obtain a final order and initiate execution proceedings thereunder, they cannot thereafter invoke Section 9 of the A&C Act on the basis of a subsequent communication raising substantially the same contractual grievances, as this would amount to pursuing parallel proceedings and asserting a fresh cause of action on matters already adjudicated by HRERA. The SC further held that the interim protection sought under Section 9 cannot be used to obstruct or defeat the implementation of the contractual arrangement governing the assured return scheme, particularly where the agreement contemplated that the assured return would continue only until commencement of the first lease and that leasing of the undivided commercial space formed part of the agreed mechanism. Accordingly, the respondents were relegated to HRERA, where the execution proceedings were already pending, and the Section 9 proceedings were held to be untenable. [Judgment dated 11.08.2026] [\[Civil Appeal No.\(s\) 10899-10904 of 2024\]](#)

In **M/S Indo Engineering Works v. Rashtriya Ispat Nigam Limited (RINL) & Ors.** [Civil Appeal No.10750 of 2026], it was held that where a party agrees, on consent, to proceed with arbitration in the normal mode rather than through the Facilitation Council under the MSME Development Act, 2006, such party cannot thereafter claim the benefits provided under the A&C Act. The Court appointed a Sole Arbitrator to adjudicate the disputes between the parties, while expressing no opinion on the merits of the case, leaving that aspect open for the parties to urge before the Arbitrator. [Judgment dated 13.08.2026] [\[Civil Appeal No.10750 of 2026\]](#)

In **M/s Santhosh Associate Private Limited v. Haryana State Industrial and Infrastructure Development Corporation Ltd.** [Civil Appeal arising out of SLP (C) No. 31245 of 2025], it was held that a contractual stipulation requiring a contractor alone to make a substantial pre-deposit as a condition precedent to invoking arbitration raises serious questions of arbitrariness, equal treatment and access to dispute resolution. The SC noted that while S.K. Jain v. State of Haryana upheld a refundable pre-deposit clause, subsequent decisions including ICOMM Tele Ltd. v. Punjab State Water Supply and Sewerage Board, Lombardi Engineering Ltd. v. Uttarakhand Jal Vidyut Nigam Ltd., and the Constitution Bench decision in Central Organisation for Railway Electrification v. ECI-SPIC-SMO-MCML (JV) have raised significant concerns regarding such conditions. Since a two-Judge Bench could not depart from the binding three-Judge Bench decision in S.K. Jain, it referred for consideration by a larger Bench whether such pre-deposit requirements violate Section 18 of the A&C Act, discourage alternative dispute resolution, are arbitrary under Article 14 of the Constitution and Section 28 of the Indian Contract Act, 1872, and whether their validity is affected where the deposit is refundable. The question of whether S.K. Jain remains good law was also referred for consideration. [Judgment dated 17.08.2026] [\[Civil Appeal arising out of SLP \(C\) No. 31245 of 2025\]](#)

Environment Law

National Green Tribunal (“NGT”)

In *Bharatiya Kisan Union Purwa Through Its Secretary v. Union of India & Ors.* [Original Application No. 611/2024] it was held that the project was initiated and completed without approval of the National Mission for Clean Ganga (NMCG) in terms of paragraph 42 of the Notification and that proceedings for imposition of penalties under the Environment (Protection) Act, 1986 (EP Act) had been initiated and were pending before the Adjudicating Officer. Accordingly, the NGT disposed of the Original Application (OA) by directing the Adjudicating Authority to complete the proceedings as expeditiously as possible preferably within a period of six months from the date of receipt of the order. [Order dated 07.08.2026] [\[Original Application No. 611/2024\]](#)

In *BTW India Private Limited v. Commission for Air Quality Management in NCR and Adjoining Areas & Ors.* [Appeal No. 89 of 2026] it was held that where an industrial unit has taken corrective and preventive measures pursuant to a closure direction issued by the Commission for Air Quality Management in National Capital Region and Adjoining Areas (CAQM), and subsequent inspection confirms compliance with the applicable norms, the unit may be permitted to resume operations subject to continued compliance with the prescribed conditions and payment of Environmental Compensation (EC). The NGT further held that the levy of EC must be undertaken by the Haryana State Pollution Control Board (HSPCB) in accordance with due process of law and the principles of natural justice. Accordingly, since the appellant had discontinued the use of prohibited wood as fuel, adopted permissible biomass, and the corrective measures were verified on inspection, the closure direction was modified to permit resumption of operations subject to the undertaking furnished by the appellant and completion of the EC proceedings. [Order dated 11.08.2026] [\[Appeal No. 89 of 2026\]](#)

In *M/s Bikanervala Foods Pvt. Ltd v. Commission for Air Quality Management in NCR and Adjoining Areas Through Member Secretary & Ors.* [Appeal No. 90/2026 (IA No. 597/2026)], it was held that where a closure order issued by the Commission for Air Quality Management in National Capital Region and Adjoining Areas (CAQM) was founded on an alleged deviation in the prescribed Air Pollution Control Device (APCD), the NGT was required to consider the actual compliance status of the unit, including subsequent corrective measures and the pendency of an application seeking amendment of the Consent to Operate (CTO). The NGT noted that two of the three boilers operating on Piped Natural Gas (PNG) were compliant, while the alleged violation concerned only the biomass-fired boiler, and that upon subsequent inspection the entire unit had been sealed and was non-operational. In these circumstances,

the appeal against the closure order was allowed, having regard to the subsequent compliance position and the pending process for regularisation of the APCD through amendment of the CTO. [Order dated 14.08.2026] [[Appeal No. 90/2026](#)]

In **Raghubir Singh v. State of Haryana** [[Original Application No. 630/2025](#)] it was held that where screening units are found to have operated in violation of prescribed environmental norms and closure orders have been passed and implemented, the regulatory authorities are required to verify any subsequent allegations of continued operation and, upon finding violations, take appropriate remedial and punitive action in accordance with the principles of natural justice. The NGT further held that EC may be levied after following due process, and that where restoration of the land is required, the concerned authorities may direct removal of sealed machinery and equipment after affording the affected parties an opportunity to be heard. Accordingly, the HSPCB was directed to verify the alleged continued operations, complete the EC proceedings, and undertake restoration of the affected land within the stipulated period. [Order dated 13.08.2026] [[Original Application No. 630/2025](#)]

In **Anil Jain v. Govt. of NCT of Delhi & Ors.** [[Original Application No. 417/2025](#)], it was held that where illegal encroachment, unauthorized construction and dumping of garbage within a storm water drain have already been removed and remediated by the concerned authority, no further direction or action is required in the original application. The NGT noted that pursuant to a joint action undertaken with the District Magistrate, Shahdara, a Special Task Force demolition and encroachment removal drive was carried out on 22.08.2025, during which the unauthorised parking, encroachments and illegal activities at the site, including the marriage house "Open Barat Ghar Kardampuri" constructed inside the Shahdara Drain, were removed and the area sealed. The NGT further noted that the Dhalao Ghar in question was thereafter being used exclusively as a site store for departmental purposes, with no public, private or commercial activities permitted at the site, and that desilting and maintenance of Trunk Drain No. 1 was being carried out periodically. Accordingly, finding that the status disclosed by respondent no. 1 remained unobjected to, the NGT disposed of the Original Application, holding that no further direction or action was required. [Order dated 13.08.2026] [[Original Application No. 417/2025](#)]

In **Amarjit Singh and Ors. v. State of Punjab & Ors.** [[Original Application No. 1281/2024](#)], it was held that where illegal dumping of municipal solid waste has resulted in environmental damage, the concerned Pollution Control Board is required to identify any subsequent period of violation, levy EC for such period, and take effective steps for recovery of the outstanding compensation. The NGT further held that, upon recovery of EC, the authorities must prepare and implement a restoration plan to remediate the environmental damage caused by the illegal dumping. Accordingly, the Punjab Pollution Control Board (PPCB) was directed to

ascertain and penalise any subsequent violations, recover the remaining EC from the Municipal Council, Kurali, and, in coordination with the concerned district authorities, prepare and execute a restoration plan for the affected site. [Order dated 13.08.2026] [[Original Application No. 1281/2024](#)]

In **Matheukutty T. L. and Anr. v. Delhi Pollution Control Committee & Ors.** [[Original Application No. 408/2025](#)], it was held that where remedial measures have been undertaken and the sewage treatment plants concerned are found to be meeting the prescribed standards, the concerned authorities are nevertheless required to regularly monitor the plants and ensure continued compliance with applicable norms. The NGT further held that the Delhi Pollution Control Committee (DPCC) report disclosed that it was meeting the prescribed standard, and that the Municipal Corporation of Delhi had undertaken anti-mosquito spraying and fogging measures as a preventive and remedial measure in the interest of public health. Accordingly, the NGT directed the DPCC to take expeditious steps to recover the environmental damage compensation, to ascertain the further period of violation and levy environmental damage compensation for the subsequent period by following the principles of natural justice, and to carry out regular monitoring, ensuring immediate remedial and punitive action in case any violation of norms is noticed. [Order dated 14.08.2026] [[Original Application No. 408/2025](#)]

In **Nitin Anand v. Ministry of Railways & Ors.** [[Original Application No. 590/2025 with Execution Application No. 21/2026 in Original Application No. 590/2025](#)], it was held that where the remedial measures directed by the NGT have been duly undertaken and the environmental nuisance complained of has been removed, the compliance report may be taken on record and the proceedings disposed of. The NGT further observed that where any subsequent grievance survives, the Applicant may approach the competent authority with supporting material. Accordingly, upon removal and disposal of the solid waste from the railway land and the assurance that the stretch would thereafter be maintained properly, the NGT accepted the compliance report and disposed of the Original Application and Execution Application. [Order dated 18.08.2026] [[Original Application No. 590/2025 with Execution Application No. 21/2026 in Original Application No. 590/2025](#)]

In **Jitendra Mahajan v. Govt. of NCT of Delhi & Ors.** [[Original Application No. 1361/2024](#)], it was held that the requirement to possess a valid Pollution Under Control Certificate (PUCC) applies equally to Government-owned and hired vehicles, and the enforcement mechanism for PUCC compliance must be implemented strictly and without distinction. The NGT further directed the concerned departments of the Government of National Capital Territory of Delhi (GNCTD) to ensure compliance with the applicable directions requiring all vehicles used for official purposes to possess valid PUCCs, and held that any vehicle found plying without a valid

PUCC must be subjected to requisite remedial and punitive action. [Order dated 20.08.2026] [\[Original Application No. 1361/2024\]](#)

In **Vinay Kumar v. State of Haryana & Ors.** [Execution Application No. 75/2025 in Original Application No. 255/2023], it was held that where remedial action has already been undertaken to address pollution of a water body, the concerned authorities remain under a continuing obligation to monitor the site and prevent recurrence of contamination. The NGT, accordingly, directed the respondents to ensure that the pond water is not polluted or contaminated by discharge of sewage or dumping of garbage or plastic waste, and disposed of the Execution Application upon such assurance. [Order dated 25.08.2026] [\[Execution Application No. 75/2025 in Original Application No. 255/2023\]](#)

In **Sudhir Kumar Jha v. Gorakhpur Industrial Development Authority & Ors.** [Original Application No. 1152/2024], it was held that where an industrial unit is found to have complied with the recommendations made pursuant to a fresh inspection by the Central Pollution Control Board (CPCB), no further directions are warranted against such unit, save for continued monitoring of the surrounding industrial area. The NGT, further, noted that the compliance verification report submitted by the Uttar Pradesh Pollution Control Board (UPPCB) confirmed compliance with all eight recommendations concerning emissions, effluent treatment, drainage, dust suppression, slag management, green belt development, covered storage and hazardous waste records. The NGT also clarified that the complaint under Section 37 of the Air (Prevention and Control of Pollution) Act, 1981 arising from the earlier inspection remained pending before the Adjudicating Officer and would be considered on its own merits. [Order dated 25.08.2026] [\[Original Application No. 1152/2024\]](#)

In **Anees Ali v, State of Uttar Pradesh & Ors and Batch** [Original Application No. 1345 of 2025], it was held that a District Survey Report (DSR) for sand mining is valid and tenable only when a proper replenishment study has been conducted in advance and the replenishment report forms an integral part of the DSR. The NGT, further, held that the DSR must be prepared and appraised in strict conformity with the Sustainable Sand Mining Management Guidelines, 2016 (SSMG-2016) and Enforcement and Monitoring Guidelines for Sand Mining, 2020 (EMGSM-2020), and that the State Expert Appraisal Committee (SEAC) and State Environment Impact Assessment Authority (SEIAA) must meaningfully examine the complete replenishment study before approving the DSR. Where the replenishment study was not placed before SEAC/SEIAA at the time of approval, the appropriate course was to require reappraisal of the DSR rather than mechanically sustain its approval. Accordingly, the NGT directed SEAC and SEIAA, Uttar Pradesh, to reappraise the Saharanpur DSR after considering the replenishment study, with the sustainability of the impugned Notices Inviting Tender

(NITs) and further action thereunder made subject to the outcome of such reappraisal. [Judgment dated 31.08.2026] [\[Original Application No. 1345 of 2025\]](#)

In **Aditya Chaudhuri & Ors. v, State of Haryana & Ors.** [Original Application No. 513 of 2026], it was held that even where an Applicant is unable to establish through authentic documentary evidence that a parcel of land has been formally earmarked as a green belt, apprehension of illegal felling of trees warrants preventive protection. The NGT, having regard to the regulatory framework and judicial directions governing felling of trees in Haryana, directed the Commissioner, Municipal Corporation, Gurugram to ensure that no illegal felling of trees takes place on the land in question. Thus, protection of existing trees may be directed as an interim environmental safeguard notwithstanding the absence of conclusive proof regarding the formal designation of the land as a green belt. [Order dated 31.08.2026] [\[Original Application No. 513 of 2026\]](#)

Supreme Court

In **Amravati Municipal Corporation v. Ganesh Dadarao Anasane & Ors.** [Civil Appeal No. 4020 of 2020 with Civil Appeal No. 8630 of 2022], it was held that the institutionalization of solid waste management does not conclude with the enactment of the Solid Waste Management Rules, 2026 (SWM Rules, 2026), and that Constitutional Courts have a continuing duty to ensure that statutory regulatory bodies are duly constituted, notified, staffed and functionally equipped to discharge their statutory powers and duties. It was further held that, since the Central Implementation Committee constituted under Rule 18 read with Rule 38(3) of the SWM Rules, 2026 is mandated under Rule 17(2) to frame guidelines for the imposition and collection of environmental compensation, such compensation cannot be left to the unguided discretion of regulatory authorities, tribunals or courts, but must operate within a structured and predictable regime. The Supreme Court laid down that environmental compensation is restitutionary and additional to penalties; the obligation to pay continues until the damage is remedied; State authorities must assess and recover compensation for restoration; tangible as well as intangible damage must be accounted for; liability may arise even in cases of imminent or potential harm; the polluter's financial capacity and the costs of assessment and remediation are relevant; compensation must remain proportionate and bear a rational nexus to the pollution caused; and courts and tribunals must provide reasoned determinations identifying the factors considered and the valuation methodology or formula applied. [Judgment dated 04.08.2026] [\[Civil Appeal No. 4020 of 2020 with Civil Appeal No. 8630 of 2022\]](#)

In **Vyakti Vikas Kendra India v. Manoj Misra (Dead) & Ors. [Civil Appeal No. 683 of 2018]**, it was held that findings recorded in an interim order are interlocutory in nature and do not attain finality merely because the order was not challenged by a party or was complied with by furnishing an undertaking. Where an order is expressly passed without prejudice to the rights and contentions of the parties, the findings therein must remain open to reconsideration upon affording the parties an opportunity to challenge such findings and establish their respective cases. The Court further held that “restoration” and “rehabilitation” are distinct concepts, with restoration limited to returning the affected area to its original state, whereas rehabilitation requires complete reparation so as to restore optimum ecological functionality and ecological services. It was also held that the polluter pays principle and no-fault liability under Section 17 of the National Green Tribunal Act, 2010 can be invoked only upon proof of actual environmental damage and a causal nexus between the conduct of the project proponent and such degradation; a person must first be established to be a “polluter” before absolute liability can be imposed. [Judgment dated 22.08.2026] **[Civil Appeal No. 683 of 2018]**

Sector-Wise Updates

Notifications, Circulars & Amendments

Power and Energy Sector

A. Petroleum Products (Maintenance of Production, Storage and Supply) Amendment Order, 2026 – Enhanced LPG Production and Supply Obligations [Notification G.S.R. 730(E)] dated 13.08.2026]

The Petroleum Products (Maintenance of Production, Storage and Supply) Amendment Order, 2026, issued under Section 3 of the Essential Commodities Act, 1955, amends the 1999 Order by introducing operational directions for Liquefied Petroleum Gas (LPG) production and supply. It requires public sector, joint venture and private sector refineries and upstream oil companies to maintain adequate LPG storage, evacuation and transport infrastructure and adopt technically and economically feasible measures to maximise LPG production. The Central Government is empowered, in public interest, to direct specified companies to increase LPG production for a specified quantity and period, including restricting alternative uses of input streams; compliance is to be monitored by the Centre for High Technology or an authorised agency, and violations are punishable under the Essential Commodities Act, 1955. The Order also introduces a Schedule prescribing maximum LPG production capacities for specified refineries and upstream fields, aggregating to 63.81 thousand metric tonnes per day. [Notification dated 13.08.2026] [[G.S.R. 730\(E\)](#)]

B. A. Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026 – Revised Deviation Charges for Wind and Solar Sellers and Energy Storage Systems [Draft Notification No. L-1/260/2021/CERC dated 25.08.2026]:

The Central Electricity Regulatory Commission (CERC), through the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (Third Amendment) Regulations, 2026, effective from 31.08.2026, revises the Deviation Settlement Mechanism framework by providing that deviation charges for Wind and Solar (WS) Sellers will be treated at par with General Sellers for projects bid/tendered on or after 01.01.2027 or commencing commercial operation on or after 01.01.2029. The amendment further provides that deviation charges for a standalone Energy Storage System (ESS) comprising a pumped hydro storage plant under Section 62 of the Electricity Act, 2003 shall be computed at the applicable energy charge rate, while infirm power injected by a standalone ESS from first synchronisation until successful completion of the trial run shall be paid at the normal

deviation rate, subject to a ceiling of Rs. 2.00/kWh. It also aligns the timelines for payment and recovery of deviation charges with the Detailed Procedure approved by CERC and clarifies the corresponding Letter of Credit mechanism for defaults. [Draft Notification dated 25.08.2026] [\[Notification No. L-1/260/2021/CERC\]](#)

Environment Sector

A. Corrigendum to Expression of Interest for Third-Party Monitoring and Evaluation of CAMPA-Funded Activities and Schemes [Office Memorandum dated 19.08.2026]

It was notified that the eligibility conditions under the Expression of Interest for empanelment of entities for Third-Party Monitoring and Evaluation (TPM&E) of Compensatory Afforestation Fund Management and Planning Authority (CAMPA)-funded activities and schemes have been revised to broaden and rationalise the empanelment process. The minimum institutional existence requirement has been reduced from 10 years to 5 years, the requirement of at least 10 relevant assignments has been revised from the preceding 10 years to 5 years, and the minimum average annual turnover requirement has been reduced from Rs. 5 crores to Rs. 2 crores. Institutions under the direct control of Central Government Ministries/Departments are exempted from Rules 170 and 171 of the General Financial Rules, 2017, subject to the prescribed undertaking regarding recovery of damages. The last date for submission of the Expression of Interest has also been extended from 21.08.2026 to 04.09.2026 at 5:00 PM, while all other terms remain unchanged. [Corrigendum dated 19.08.2026] [\[F. No. NA-2/12/2026-NA\]](#)



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