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Electricity Law

Central Electricity Regulatory Commission ("CERC" / "the Commission")

In **Assam Power Distribution Company Ltd. v. Central Transmission Utility of India Ltd. & Anr. [Petition No. 972/MP/2025]**, the Commission has held that where a generation project is withdrawn due to circumstances beyond the control of the connectivity grantee, the surrender of connectivity cannot automatically be treated as relinquishment under the CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 (GNA Regulations 2022). The Commission observed that the GNA Regulations 2022 do not contemplate a situation where a project is abandoned following the withdrawal of government funding before the implementation of the Associated Transmission System (ATS). The Commission further held that the Connectivity Bank Guarantee–2 (Conn-BG2) is intended to secure liabilities arising from the ATS and cannot be retained or encashed as a penal measure where no corresponding liability survives. In such exceptional circumstances, the Commission may exercise its powers to relax the GNA Regulations 2022 and remove difficulties to ensure an equitable outcome consistent with the object and purpose of the regulatory framework. [Order dated 02.07.2026] **[Petition No. 972/MP/2025]**

In **Azure Power India Private Limited & Anr. v. Central Transmission Utility of India Limited [Petition No. 287/MP/2026]**,the Commission has held that where a renewable energy project developer is unable to comply with the land milestone prescribed under Regulation 11A (1) of the GNA Regulations 2022 due to administrative circumstances beyond its control, the delay may be condoned by exercising the Commission's powers to relax and remove difficulties. The Commission observed that the Petitioners had made substantial progress in land acquisition, incurred significant investment towards project implementation, and sought only a limited extension, while the Inter-State Transmission System (ISTS) infrastructure itself was yet to be commissioned. Accordingly, the Commission permitted the Petitioners to submit the requisite land document, subject to payment of compensation equivalent to 5% of the Land Bank Guarantee, and directed that such compensation be utilised towards reducing monthly transmission charges under the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (Sharing Regulations 2020). [Order dated 02.07.2026] **[Petition No. 287/MP/2026]**

In **TP Saurya Limited v. Northern Regional Load Despatch Centre & Ors. [Petition No. 301/MP/2025]**, the Commission has held that where a Renewable Energy Generating Station has exhausted the maximum period of 135 days (45 days plus a three-month extension) for injection of infirm power under Regulation 19(3) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (IEGC 2023), as amended in 2024, the Commission may exercise its jurisdiction to grant a further extension where the delay in commissioning is attributable to factors beyond the control of the generator, such as non-readiness of the associated transmission infrastructure and consequential extension of the Scheduled Commercial Operation Date (SCOD) under the Power Purchase Agreement (PPA). The Commission further held that where the applicable PPA governing a hybrid project does not permit commissioning of an individual solar or wind component independently, a generating station that has completed all technical requirements under the Grid Code but is unable to declare SCOD owing to contractual and transmission-related constraints, cannot be compelled to keep the commissioned capacity idle. [Order dated 03.07.2026] **[Petition No. 301/MP/2025]**

In **Haryana Power Purchase Centre v. Arunachal Pradesh Power Corporation Private Limited [Petition No. 278/MP/2022]**, the Commission held that mere breach of a contractual obligation under a banking agreement does not, by itself, justify revocation of an inter-state trading licence under Section 19 of the Electricity Act, 2003 (Electricity Act) or the CERC (Procedure, Terms and Conditions for Grant of Trading Licence and Other Related Matters) Regulations, 2020 (Trading Licence Regulations 2020). The Commission observed that revocation of a trading licence is an exceptional measure which can be invoked only where there is a wilful and prolonged default under the Electricity Act, the Trading Licence Regulations 2020, or the licence conditions, and where such action is warranted in public interest. [Order dated 04.07.2026] **[Petition No. 278/MP/2022]**

In **NHPC Limited v. Central Transmission Utility of India Limited & Ors. [Petition No. 315/MP/2025]**, the Commission has held that a generating station injecting infirm power into the Inter-State Transmission System prior to achieving Commercial Operation Date (COD) is liable to pay transmission deviation charges under Regulation 12(1)(a) of the Sharing Regulations, 2020, where such injection exceeds the sum of Long-Term Access (LTA), Medium-Term Open Access and Short-Term Open Access. The Commission further held that a generating station injecting power through the ISTS qualifies as a Designated Inter-State Transmission System Customer under the Sharing Regulations 2020, notwithstanding the absence of COD or GNA during the relevant period. The Commission clarified that the exemption introduced under the CERC Sharing Regulations (First Amendment) 2023, providing that transmission deviation charges shall not be levied on injection of infirm power prior to COD, operates prospectively from 1st October 2023 and cannot be applied to disputes pertaining to the earlier period. Accordingly, the Commission upheld the levy of transmission deviation charges, declined to direct revision of the Regional Transmission. [Order dated 04.07.2026] **[Petition No. 315/MP/2025]**

In **Lakadia Banaskantha Transco Limited v. Powerica Limited & Anr. [Petition No. 215/MP/2026]**, the Commission has held that a transmission licensee may, with prior approval under Sections 17(3) and 17(4) of the Electricity Act, create a security interest over its movable and immovable assets, project documents, receivables and other project-related rights in favour of a debenture trustee to secure obligations arising from project refinancing. As the Petitioner had refinanced its existing external commercial borrowing and hedging facilities through non-convertible debentures, the Commission approved the proposed security in terms of the Debenture Trust Deed and the Transmission Service Agreement (TSA). However, it clarified that such approval does not permit the assignment of the transmission licence or transfer of project assets without prior approval of the Commission. Any future assignment of the transmission licence to the nominee of the debenture holders upon a debt default shall remain subject to the CERC (Procedure, Terms and Conditions for Grant of Transmission Licence and Other Related Matters) Regulations, 2024 (Grant of Transmission Licence Regulations 2024) and the Commission's satisfaction regarding the nominee's technical and financial capability. [Order dated 06.07.2026] **[Petition No. 215/MP/2026]**

In **Raghanesda RE Transmission Limited v. Central Transmission Utility of India Limited & Ors. [Petition No. 199/MP/2026]**, the Commission has held that a transmission licensee is entitled to create a security interest over its project assets in favour of a Security Trustee acting for the benefit of lenders, subject to obtaining prior approval of the Commission under Sections 17(3) and 17(4) of the Electricity Act. The Commission observed that creation of security by way of hypothecation, mortgage and pledge of equity is a normal commercial requirement for securing financial assistance in capital-intensive transmission projects and is permissible where it is consistent with the TSA and the financing arrangements executed for the project. The Commission further clarified that such approval does not permit assignment of the transmission licence or transfer of the utility or project assets to the Security Trustee or any nominee of the lenders without obtaining prior approval of the Commission, and any such assignment in the event of lender enforcement would be subject to the Commission's satisfaction regarding the nominee's technical and financial capability in accordance with the Electricity Act and the Grant of Transmission Licence Regulations 2024. [Order dated 07.07.2026] **[Petition No. 199/MP/2026]**

In **Enfinity Global Clean Energy Private Limited & Ors. v. Central Transmission Utility of India Limited [Petition No. 21/MP/2026]**, the Commission has held that where separate applicants seek Connectivity at a common terminal bay under Regulations 5.6 and 5.7 of the GNA Regulations 2022, each applicant is independently required to furnish the applicable Conn-BG2 in accordance with Regulation 8.2(a), notwithstanding that another co-applicant or lead generator has already furnished Conn-BG2 for the same terminal bay. The Commission further held that the transition provision contained in Regulation 37.10(b), inserted through the Third Amendment to the GNA Regulations 2022 applies to cases where only an in-principle grant of Connectivity had been issued prior to the amendment and the final grant was yet to be issued, thereby requiring pending applicants to comply with the amended regulatory framework before processing of their applications. The Commission observed that Central Transmission Utility of India Limited (CTUIL) insistence on separate Conn-BG2 from each applicant did not amount to retrospective imposition of a new obligation but constituted enforcement of the applicable regulatory requirements under the amended Regulations. [Order dated 07.07.2026] **[Petition No. 21/MP/2026]**

In **Bijapur REZ Transmission Limited v. Central Transmission Utility of India Limited & Ors. [Petition No. 203/MP/2026]**, the Commission has held that prior approval under Sections 17(3) and 17(4) of the Electricity Act is required where an inter-state transmission licensee creates a security interest over its utility or project assets in favour of a Security Trustee for securing financial assistance from lenders. The Commission observed that Article 15.2.2 of the TSA expressly permits the Transmission Service Provider (TSP) to create encumbrances over the receivables or project assets in favour of lenders or their representative as security for amounts payable under the financing agreements, subject to the conditions stipulated therein. Recognising that transmission projects are capital-intensive and are ordinarily financed through institutional borrowings requiring adequate security, the Commission held that creation of such security in favour of the Security Trustee does not amount to an impermissible transfer of the licence but requires prior regulatory approval under Section 17 of the Electricity Act [Order dated 15.07.2026] **[Petition No. 203/MP/2026]**

In **Pace Digitek Limited v. Central Transmission Utility of India Limited[Petition No. 241/MP/2026]** the Commission held that although Regulation 8.2(c) of the GNA Regulations 2022 prescribes a mandatory timeline for submission of Conn BGs, its powers under Regulations 41 and 42 permit relaxation of procedural requirements where strict enforcement would cause disproportionate hardship. It emphasized that a short, bona fide, and unintentional delay, particularly one arising from compliance with prescribed banking formalities and without any deliberate default, ought not to result in the drastic consequence of revocation of connectivity where the project has substantially progressed and significant investments have already been made. Relying on its earlier decision in Tata Power Renewable Energy Ltd. v. CTUIL (Petition No. 89/MP/2025), the Commission reaffirmed that procedural timelines should not be applied so rigidly as to defeat the larger objective of facilitating infrastructure development. Accordingly, the Commission exercised its power to relax the GNA Regulations 2022, condone the delay, restore the connectivity process, and directed CTUIL to process the Conn BGs. [Order dated 15.07.2026] **[Petition No. 241/MP/2026]**

In **NTPC Limited v. Madhya Pradesh Power Management Company Limited & Ors. [Petition No. 386/MP/2023]**, the Commission has held that delay in achieving the COD of an integrated coal mine is liable to be condoned where it is caused by genuine and unforeseeable circumstances beyond the generating company's control, provided the company has acted with due diligence and taken timely remedial measures. It emphasized that the discovery of fundamental defects in an approved mining plan, the consequent requirement of obtaining a revised mining plan, and delays in securing statutory approvals constitute uncontrollable factors when adequately substantiated by independent technical evidence. The Commission further held that tariff and input price determination must be based on a prudent assessment of actual and approved project costs, permitting recovery only of reasonable and justifiable expenditure incurred in accordance with the applicable Tariff Regulations, while ensuring that beneficiaries are not burdened with costs arising from avoidable or controllable delays. [Order dated 15.07.2026] **[Petition No. 386/MP/2023]**

In **Damodar Valley Corporation v. BSES Rajdhani Power Limited & Ors. [Petition No. 265/MP/2024]**, the Commission held that under Regulations 9(4) and 37 of the CERC (Terms and Conditions of Tariff) Regulations 2024 (Tariff Regulations 2024), a generating company operating an integrated coal mine is entitled to seek an interim input price upon filing a tariff petition within the prescribed period after the COD, subject to a prudence check by the Commission. The Commission observed that the grant of interim tariff is intended to enable recovery of reasonable mining costs pending final tariff determination, while safeguarding beneficiaries through subsequent adjustment based on the final tariff. The Commission further clarified that issues relating to time overrun, cost overrun, capital expenditure, and the justification for escalation in project costs are matters to be examined comprehensively at the stage of final tariff determination. Accordingly, considering the significant increase in capital cost over the original investment approval and the two-year delay in achieving COD, the Commission exercised its regulatory discretion to allow only 85% of the claimed Run-of-Mine (RoM) price, together with applicable statutory charges, as the interim input price, subject to reconciliation and adjustment upon determination of the final tariff. [Order dated 27.07.2026] **[Petition No. 265/MP/2024]**

Appellate Tribunal for Electricity (“APTEL”)

In **Damodar Valley Corporation v. West Bengal Electricity Distribution Company Limited & Ors. along with Batch [R.P. No. 35 of 2025 & Batch]**, it was held that the review jurisdiction under Section 114 read with Order XLVII Rule 1 of the Code of Civil Procedure 1908 (CPC) is extremely limited and may be exercised only to correct an error apparent on the face of the record, consider newly discovered evidence that could not have been produced despite due diligence, or for any other analogous sufficient reason. The Tribunal observed that its earlier judgment had extensively examined the issue of recovery of Pension and Gratuity Fund liabilities and had categorically held that such liabilities constituted a separate tariff element recoverable in addition to the normative Operation and Maintenance expenses. It further held that the review petitioners had failed to identify any patent error, omission or oversight in the judgment and had merely sought a re-appreciation of the findings already rendered on merits. [Order dated 02.07.2026] **[R.P. No. 35 of 2025 & Batch]**

In **Power Transmission Corporation of Uttarakhand Limited (PTCUL) v. Power Grid Corporation of India Limited (PGCIL) & Ors. [Appeal No. 410 of 2022]**, it was held that although the Minutes of Meeting (MoM) of the SCTP and NRPC may, in appropriate cases, constitute a binding contractual framework, enforceable obligations arise only where the essential terms, including the implementing agency and execution timelines, are clearly recorded. The Tribunal observed that the six 220 kV bays at the Dehradun substation were developed as part of regional transmission planning and that no binding obligation was imposed on PTCUL to develop the downstream network or utilise all six bays. Accordingly, while upholding the declaration of COD under the Tariff Regulations 2014, the Tribunal held that PTCUL could not be held liable for transmission charges in the absence of a contractual or legally enforceable obligation. [Order dated 02.07.2026] **[Appeal No. 410 of 2022]**

In **Damodar Valley Corporation (DVC) Consumers' Association & Ors. v. West Bengal Electricity Regulatory Commission (WBERC) & Anr. [Appeal No. 15 of 2026]**, it was held that adjusting Annual Fixed Charges (AFC) to account for the variation between projected and actual energy sales is a valid regulatory exercise and upheld the WBERC's methodology for computing interest on the differential AFC. It observed that since AFC is recovered through tariffs based on actual energy sales, aligning the tariff-order AFC with actual sales ensures a like-to-like comparison with the trued-up AFC and prevents artificial inflation of the differential. The Tribunal further clarified that the so-called empirical formula is merely a computational methodology to implement this regulatory principle, rather than an empirical formula in the strict sense. [Order dated 02.07.2026] **[Appeal No. 15 of 2026]**

In **Maruti Clean Coal and Power Limited (MCCPL) v. Central Electricity Regulatory Commission & Ors. [Appeal No. 183 of 2020]**, it was held that the commencement of supply under a PPA does not require the generator to supply the entire Aggregate Contracted Capacity (ACC) from the Scheduled Delivery Date. Interpreting the provisions of the PPA, the Tribunal observed that the expression up to the ACC permits commencement of supply with any quantum of power that is available, subject to the maximum contracted capacity. It further held that MCCPL's supply of 45 MW from the Scheduled Delivery Date constituted valid commencement of supply, notwithstanding the non-operationalisation of the balance LTA and

Medium-Term Open Access for 205 MW. The Tribunal also rejected MCCPL's contention that the delay in operationalisation of the remaining transmission capacity constituted a Force Majeure event warranting revision of the Scheduled Delivery Date, holding that the relevant provisions of the PPA were not attracted and that MCCPL had failed to establish any qualifying Force Majeure event affecting the Central Transmission Utility or the State Transmission Utility. [Order dated 03.07.2026] **[Appeal No. 183 of 2020]**

In **ACME Solar Holdings Limited (ACME) & Anr. v. Central Electricity Regulatory Commission & Anr. [IA No. 62 of 2026 in DFR No. 21 of 2026]**, it was held that although the limitation period under Section 111 of the Electricity Act must ordinarily be strictly adhered to, the expression "sufficient cause" under Section 5 of the Limitation Act warrants a liberal and justice-oriented interpretation where the delay is bona fide. The Tribunal observed that the Appellants had been diligently pursuing multiple interconnected proceedings before the CERC and the Delhi High Court concerning connectivity and project implementation, had complied with the CERC's directions, and that the delay was neither deliberate nor negligent but arose from the need to resolve related disputes. Accordingly, in the interest of substantial justice, the Tribunal condoned the 368-day delay, subject to payment of costs, and directed that the appeal be heard on merits. [Order dated 03.07.2026] **[IA No. 62 of 2026 in DFR No. 21 of 2026]**

In **M/s Renew Solar Energy (TN) Private Limited v. Madhya Pradesh Electricity Regulatory Commission (MPERC) & Anr. [Appeal No. 53 of 2020]**, it was held that a solar power plant cannot be regarded as being under shut down merely because it is unable to generate electricity during non-solar hours due to the absence of sunlight. Interpreting Regulation 10 of the MPERC (Co-generation and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010, the Tribunal observed that the expression “shut down” refers to a situation where the generating plant has ceased operations because its machinery has been switched off or is otherwise incapable of operation, and not where the plant remains operational but is temporarily unable to generate electricity due to the non-availability of the primary energy resource. [Judgment dated 03.07.2026] **[Appeal No. 53 of 2020]**

In **Radiance Punjab Renewable Private Limited v. Punjab State Electricity Regulatory Commission & Ors. [Appeal No. 200 of 2018]**, it was held that where the effectiveness of a PPA is contingent upon approval by the State Electricity Regulatory Commission (State Commission), the time consumed in obtaining such approval constitutes a valid Force Majeure event warranting a corresponding extension of the SCOD. It observed that a PPA becomes enforceable only upon such approval under Section 86(1)(b) of the Electricity Act, and therefore the parties cannot be expected to perform contractual obligations beforehand.

Accordingly, it granted the Appellant a 41-day extension despite the absence of a formal Force Majeure notice, as the delay was attributable to the Respondents and within their knowledge. However, it rejected the Appellant's other claims for extension, upheld the findings on grid connectivity and the supplementary PPA, and remanded the matter for fresh computation of the commissioning delay and applicable tariff. [Judgment dated 03.07.2026] **[Appeal No. 200 of 2018]**

In **Power Company of Karnataka Limited (PCKL) v. Maharashtra Electricity Regulatory Commission (MERC) & Ors. [Appeal Nos. 244 & 245 of 2016],** it was held that approval of a resolution plan under the Insolvency and Bankruptcy Code, 2016 (IBC) does not render pending appellate proceedings infructuous where they are directed against third parties and seek to preserve or augment the corporate debtor's rights or assets. The Tribunal observed that the Clean Slate principle under Sections 30, 31 and 32A extinguishes only claims against the corporate debtor, not proceedings that may result in recovery in its favour. Since the appeals challenged the legality of the MERC's orders and the levy of standby charges by Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Maharashtra State Load Despatch Centre (MSLDC), and any relief would benefit rather than burden the corporate debtor, the Tribunal held that the appeals remained maintainable and directed that they be decided on merits. [Order dated 03.07.2026] **[Appeal Nos. 244 & 245 of 2016]**

In **Himachal Pradesh Power Corporation Limited (HPPCL) v. Himachal Pradesh Electricity Regulatory Commission (HPERC) & Anr. [Appeal Nos. 89, 94 & 135 of 2025]**, it was held that an interest-bearing loan advanced by the Government of Himachal Pradesh (GoHP) cannot be treated as a grant for tariff determination merely because the Government of India funded the State through a grant-dominant financing arrangement. The Tribunal observed that the On-Lending Agreement unequivocally characterised the assistance as a repayable loan carrying interest, and the HPERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2011 do not permit such a loan to be reclassified as a grant or excluded from the approved capital cost. The Tribunal further held that consumer interest cannot override the statutory requirement of allowing recovery of legitimate project costs, set aside the impugned orders to that extent, and remanded the matter for fresh tariff determination in accordance with the applicable regulations, while clarifying that any subsequent conversion of the loan into a grant may be considered in accordance with law. [Order dated 03.07.2026] **[Appeal Nos. 89, 94 & 135 of 2025]**

In **Hinduja National Power Corporation Limited (HNPCL) v. Andhra Pradesh Electricity Regulatory Commission (APERC) & Ors. [Appeal No. 27 of 2026 & IA No. 41 of 2026]**, it was held that neither the applicable CERC Regulations, the State Commission's regulations, nor the PPA authorize graded penal deductions from variable (energy) charges for shortfalls in monthly availability. The Tribunal observed that while capacity charges are linked to availability, energy charges are payable solely on scheduled energy, and any shortfall in availability is already penalized through the under-recovery of fixed charges. Rejecting the plea of parity with other generating stations on the ground that negative equality cannot legitimize an illegal tariff treatment, the Tribunal set aside the impugned deductions, directed refund of the withheld amounts with carrying costs, and remanded the issue of Part Load Compensation to the State Commission for determination in accordance with Regulation 6.3B of the IEGC (Fourth Amendment) Regulations, 2016 and the terms of the PPA. [Order dated 03.07.2026] **[Appeal No. 27 of 2026 & IA No. 41 of 2026]**

In **Association of DVC HT Consumers of Jharkhand v. Jharkhand State Electricity Regulatory Commission (JSERC) & Anr. [Appeal No. 198 of 2017 & IA No. 971 of 2017]**, the Tribunal upheld the JSERC's true-up order for the Aggregate Revenue Requirement (ARR) of DVC. It held that only Delayed Payment Surcharge (DPS) qualifies as Non-Tariff Income (NTI), as only income incidental to the distribution business and derived from distribution assets can be deducted from the ARR. The Tribunal further upheld the pass-through of Unscheduled Interchange (UI) charges, observing that although UI is an involuntary balancing mechanism under the Availability Based Tariff (ABT) framework, the JSERC Distribution Tariff Regulations expressly permit recovery of the net impact of UI transactions as part of power procurement costs. It also affirmed the recovery of water and pollution cess during the true-up exercise, finding no regulatory bar and noting that the approach had already been recognised in earlier Mid-Term Review (MTR) orders. Accordingly, finding no infirmity in the JSERC's approach, APTEL dismissed the appeal. [Order dated 03.07.2026] **[Appeal No. 198 of 2017 & IA No. 971 of 2017]**

In **Talegaon Industrial Parks Private Limited v. Central Electricity Regulatory Commission & Ors. [Appeal No. 300 of 2015]**, it was held that Regulation 12(5) of the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 is directory and discretionary, and does not mandate the CTUIL to encash an application Bank Guarantee (BG) in every case of default. The Tribunal observed that the purpose of the BG is to ensure the seriousness of a LTA application, not to operate as an automatic penalty, and that CTUIL must consider the facts of each case, including whether non-compliance resulted from genuine hardship or circumstances beyond the applicant's control, before invoking the BG. Accordingly, APTEL set aside the CERC's order and remanded the matter for fresh consideration after affording the parties an opportunity of hearing. [Order dated 03.07.2026] **[Appeal No. 300 of 2015]**

In **Power Grid Corporation of India Limited v. Central Electricity Regulatory Commission & Ors. [Appeal No. 367 of 2019]**, it was held that the CERC must adopt a case-specific and evidence-based approach while considering condonation of time overruns in transmission projects, and cannot mechanically reject delays arising from land acquisition where the transmission licensee demonstrates that such delays were beyond its control. The Tribunal observed that delays attributable to land acquisition, identification of alternate sites, administrative approvals and other governmental processes are liable to be condoned upon satisfactory documentary evidence of continuous and diligent follow-up with the authorities. The Tribunal further clarified that Regulation 12 of the Tariff Regulations, 2014, read with the Statement of Reasons, permits condonation of delays caused by uncontrollable factors, and accordingly remanded the matter for fresh computation of Interest During Construction (IDC) and Incidental Expenditure During Construction (IEDC) in light of these principles. [Order dated 06.07.2026] **[Appeal No. 367 of 2019]**

In **Hindustan Petroleum Corporation Limited v. Karnataka Electricity Regulatory Commission (KERC) & Anr. [Appeal No. 28 of 2019]**, it was held that a State Commission is under a mandatory obligation to consider and deal with the objections and submissions of stakeholders during the tariff determination process by passing a reasoned and speaking order. The Tribunal observed that the mere continuation of an existing tariff classification cannot justify rejecting a request for reclassification without recording reasons, particularly where detailed objections have been raised. Emphasising that the duty to give reasons is an essential facet of the principles of natural justice and effective appellate review, the Tribunal set aside the tariff order on the limited issue of tariff categorisation and remanded the matter to the KERC for fresh consideration by way of a reasoned and speaking order after affording the parties an opportunity of hearing. [Order dated 06.07.2026] **[Appeal No. 28 of 2019]**

In **Vibrant Greentech India Private Limited v. Andhra Pradesh Electricity Regulatory Commission (APERC) & Ors. [Appeal No. 11 of 2022]**, it was held that a PPA executed after the coming into force of the APERC (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulations, 2015 does not attain deemed approval merely because it conforms to the approved Model PPA, and remains unenforceable in the absence of approval by the APERC under Section 86(1)(b) of the Electricity Act. However, the Tribunal held that the distribution licensee could not unilaterally disconnect the generating station while proceedings regarding the validity of the PPA were pending, and affirmed the applicability of Section 70 of the Indian Contract Act, 1872 (Indian Contract Act), observing that compensation remained payable for electricity knowingly accepted and consumed despite the unenforceability of the PPA. Accordingly, the Tribunal upheld the generator's entitlement to compensation, set aside the compensation determined by the APERC, and remanded the matter for fresh determination of compensation for the energy supplied and any loss occasioned by the wrongful disconnection of the project. [Order dated 07.07.2026] **[Appeal Nos. 11 of 2022]**

In **Jindal Power Limited v. Power Grid Corporation of India Limited & Ors. [Appeal No.171 of 2019 & Batch]**, it was held that the prior participation of a Technical Member in an Expert Committee constituted by the CERC does not, by itself, constitute a ground for recusal from hearing appeals arising from the CERC's subsequent order on the same subject. The Tribunal observed that the Expert Committee's report was not accepted by the CERC, the impugned order was independently passed after hearing all stakeholders, and views expressed by the Technical Member during committee deliberations were merely provisional opinions rendered in the discharge of official duties. Emphasising that Technical Members are appointed for their specialised expertise, the Tribunal held that previous participation in technical committees does not establish a real likelihood of bias or reasonable apprehension of prejudice, and accordingly rejected the recusal applications, directing that the existing Bench continue to hear the connected matters. [Order dated 07.07.2026] **[Appeal No.171 of 2019 & Batch]**

In **Arcelormittal Nippon Steel India Limited v. Dakshin Gujarat Vij Company Limited & Ors. [Appeal No. 13 of 2021]**, it was held that where the CERC merely reiterates findings recorded in its earlier orders without undertaking any fresh adjudication or determination of liability, the impugned order cannot be construed as creating any new liability. The Tribunal observed that the liability to pay Cross Subsidy Surcharge (CSS) had already been recognised under the Electricity Act, while its determination and computation remained within the jurisdiction of the Gujarat Electricity Regulatory Commission (GERC). The Tribunal further held that the CERC, having taken note of the moratorium under Section 14 of the IBC, neither enforced its earlier orders nor granted substantive relief, but merely reserved the Respondent's liberty to pursue its claim before the Resolution Professional and thereafter in accordance with law. Accordingly, the Tribunal held that the impugned order neither imposed any fresh liability nor violated the moratorium under the IBC, and dismissed the appeal. [Order dated 08.07.2026] **[Appeal No. 13 of 2021]**

In **Torrent Power Limited v. Gujarat Electricity Regulatory Commission [Appeal Nos. 475, 476 of 2022 & 189 of 2023]**, it was held that for the purpose of truing-up under the GERC (Multi Year Tariff) Regulations, 2016 (GERC Tariff Regulations, 2016), revenue must be computed on the basis of actual billed revenue rather than accrued revenue recognised under Indian Accounting Standard-115, as reliance on accrued revenue would result in double counting and an artificial reduction of the revenue gap. The Tribunal further held that amounts arising from appellate or review proceedings, once merged with the original tariff order and forming part of the approved past-period revenue gap, are entitled to carrying cost under Regulation 21.6 of the GERC Tariff Regulations, 2016. Accordingly, the Tribunal set aside the findings of the GERC and remanded the matter for fresh truing-up for Financial Year 2018–19 and computation of the applicable carrying cost in accordance with the Regulations. [Order dated 08.07.2026] **[Appeal Nos. 475 of 2022, 476 of 2022 & 189 of 2023]**

In **Haryana Power Generation Corporation Limited v. Haryana Electricity Regulatory Commission (HERC) & Anr. [Appeal No. 306 of 2016]**, it was held that Regulation 30(c)(i) of the HERC (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2012 is a special provision governing recovery of annual fixed charges for thermal generating stations that have completed less than ten years of commercial operation and must prevail over the general provision under Regulation 30(a). The Tribunal held that the State Commission could not disregard the specific methodology prescribed under Regulation 30(c)(i) by treating it only as a mechanism for monthly computation. Accordingly, the Tribunal set aside the HERC's findings on the computation of annual fixed charges and remanded the matter for re-calculation in accordance with Regulation 30(c)(i). However, the Tribunal upheld the rejection of the generator's claim for relaxation of Plant Load Factor, holding that equipment failures and operational deficiencies are controllable factors and do not qualify as force majeure under the Regulations. [Order dated 08.07.2026] **[Appeal No. 306 of 2016]**

In **North East Transmission Company Limited v. Central Electricity Regulatory Commission & Ors. [Appeal No. 296 of 2021]**, it was held that the CERC ought to exercise its power to relax under Regulation 54 of the Tariff Regulations, 2014 where the uniform pan-India normative O&M expenses result in inequitable treatment of a transmission licensee operating exclusively in the North Eastern Region. It observed that the Appellant's transmission system was situated in a geographically challenging hilly region with difficult accessibility and higher operational costs, constituting exceptional circumstances warranting relaxation. The Tribunal also noted that the Tariff Regulations, 2024 recognise these challenges by prescribing a 1.5 multiplier for O&M expenses for transmission licensees operating solely in the North Eastern and other hilly regions. Accordingly, the Tribunal set aside the impugned order and remanded the matter to the CERC to exercise its power under Regulation 54, conduct a prudence check of the Appellant's O&M expenditure, and determine reasonable O&M charges considering the Appellant's geographical and operational constraints. [Judgment dated 08.07.2026] **[Appeal No. 296 of 2021]**

In **Tata Power Trading Company Limited v. Karnataka Electricity Regulatory Commission & Ors. [Appeal No. 45 of 2018]**, it was held that an adjudicatory authority cannot impose liabilities beyond the pleadings or grant relief in respect of claims expressly abandoned by the parties. It further held that liability under a PPA must be determined in accordance with the contractual allocation of obligations, and that primary scheduling obligations rested with the generator and not the electricity trader. The Tribunal also held that equitable set-off of claims arising under separate and independent PPAs is not permissible as a matter of right. Accordingly, the Tribunal upheld the Appellant's liability only towards liquidated damages under Article 6.2.4 of the 2013 PPA, set aside the remaining demands, and directed refund of the excess recovered amount together with carrying costs. [Judgment dated 15.07.2026] **[Appeal No. 45 of 2018]**

In **Odisha Power Generation Corporation Limited (OPGC) v. Odisha Electricity Regulatory Commission (OERC) & Ors. [Appeal No. 335 of 2021]**, it was held that where parties have consciously frozen the capital cost as a tariff parameter under a negotiated PPA, additional capitalization cannot subsequently be allowed, as it would alter the contractual allocation of risks and benefits. It further held that "other costs not reflected in the PPA" constitute a residual category that does not include additional capitalization, since such expenditure forms part of the capital cost itself. The Tribunal also held that submission of the original scope of work is a mandatory prerequisite for undertaking a prudence check under the OERC Regulations, 2014. Additionally, it clarified that Plant Load Factor (PLF) reflects plant utilization and not efficiency, and held that a prior adjudication of the contractual arrangement by the Supreme Court operates as res judicata, precluding its reopening through general regulatory principles. [Order dated 16.07.2026] **[Appeal No. 335 of 2021]**

In **Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL) & Ors. v. Andhra Pradesh Electricity Regulatory Commission (APERC) & Anr. [Appeal No. 456 of 2022]**, it was held that a generator is entitled to compensation under Section 70 of the Indian Contract Act for electricity injected into the grid, notwithstanding that the underlying PPA is invalid and unenforceable for want of mandatory statutory approval. Relying on its earlier precedent, it affirmed the award of compensation by the APERC. The Tribunal further held that, in the absence of a cross-appeal or challenge by the generator, it would not invoke its discretionary power under Order XLI Rule 33 of the CPC, 1908 to enhance or vary the compensation in favour of a non-appealing party, and consequently declined to remand the matter for redetermination of the compensation rate. [Order dated 16.07.2026] **[Appeal No. 456 of 2022]**

In **Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) v. Central Electricity Regulatory Commission & Ors. [Appeal No. 300 of 2022]**, it was held that where an inter-State transmission asset, namely the two 220 kV line bays at Hamirpur Substation, is commissioned but cannot be put to regular use due to delay in the downstream Hamirpur–Dehan transmission line attributable to HPPTCL, the defaulting entity is liable to bear the transmission charges for the intervening period. It further held that HPPTCL, having itself sought and concurred with the requirement for the Hamirpur bays during the 30th Standing Committee on Power System Planning (SCM) and 25th Northern Region Power Committee (NRPC) meetings, could not subsequently dispute their necessity on the ground of lack of advance intimation. The Tribunal also held that the 2016 amendment to the IEGC relating to Implementation Agreements operates prospectively and does not apply to transmission schemes approved prior to its introduction. Accordingly, it upheld the CERC's approval of the COD of the Hamirpur bays and HPPTCL's liability to pay transmission charges from 31.03.2019 until commissioning of the Hamirpur–Dehan transmission line. [Order dated 22.07.2026] **[Appeal No. 300 of 2022]**

In **The Tata Power Company Limited v. Jharkhand State Electricity Regulatory Commission & Anr.[Appeal No. 419 of 2022]**, the Tribunal held that statutory tariff norms cannot be altered through tariff orders or quasi-judicial determination, and accordingly set aside JSERC's reduction of the normative Secondary Fuel Oil Consumption (SFOC) for Unit Nos. 2 and 3 of the Jojobera Thermal Power Plant. The Tribunal further held that prior approval requirements for Additional Capital Expenditure (ACE) cannot be applied retrospectively and remanded the issue for a prudence check. The Tribunal also directed re-computation of decapitalisation and depreciation in accordance with the applicable tariff regulations, allowed carrying cost on the revenue gap caused by regulatory delay, remanded the issues of raw water charges and O&M tax savings, and upheld the allowance of actual coal transit loss within the prescribed normative limit. [Order dated 22.07.2026] **[Appeal No. 419 of 2022]**

In **Raasi Green Earth Energy Pvt. Ltd. v. Tamil Nadu Electricity Regulatory Commission & Ors. (Appeal No. 151 of 2021)**, the Tribunal held that where a developer fails to commission a project within the timeline stipulated under the PPA, the procurer is entitled to encash the performance BGs in accordance with the contract without proving actual loss. However, it further held that an award of liquidated damages under Section 74 of the Indian Contract Act requires proof of actual loss or injury. Accordingly, while upholding Tamil Nadu Generation and Distribution Corporation Limited's (TANGEDCO) encashment of the performance BGs, the Tribunal set aside the award of liquidated damages and remanded the matter to the State Commission to determine whether TANGEDCO had in fact suffered any loss. [Order dated 29.07.2026] **[Appeal No 151 of 2021]**

In **M/s Adani Power Limited, Raipur TPP v. Chattisgarh State Electricity Regulatory Commission & Anr. [Appeal No. 65 of 2026 & Anr.]**, the Tribunal held that statutory Change in Law relief cannot be defeated by contractual provisions where a subsequent statutory notification imposes additional financial obligations on a generating company. The Tribunal held that the Ministry of Environment, Forest and Climate Change (MoEF&CC) Notifications dated 25.01.2016 and 31.12.2021 mandating fly ash utilisation constitute Change in Law events, entitling the generator to restitution for the additional expenditure incurred towards fly ash transportation and disposal, notwithstanding that power was supplied only at variable charges under the PPA. The Tribunal further held that the doctrine of Change in Law is founded on the principle of restitution to restore the affected party to its pre-change economic position and operates irrespective of whether the additional cost falls within fixed or variable tariff components. It also held that statutory regulations and the Electricity Act prevail over inconsistent contractual stipulations, and that a respondent cannot raise fresh pleas in appeal beyond the pleadings before the State Commission. Accordingly, the Tribunal set aside the impugned order directing refund of fly ash transportation charges and upheld the Appellant's entitlement to recover such Change in Law expenses from CSPDCL. [Order dated 29.07.2026] **[Appeal No. 65 of 2026 & Anr.]**

In **VSR Solar Power Private Limited v. Tamil Nadu Electricity Regulatory Commission & Ors. [Appeal No. 214 of 2021]**, the Tribunal held that a regulatory commission is bound to consider and adjudicate every material issue and defence specifically pleaded by the parties, and failure to return findings on such issues renders its order unsustainable. It further held that an order passed without proper application of mind to the contractual provisions or based on factual inaccuracies cannot be sustained. Accordingly, the Tribunal set aside the Tamil Nadu Electricity Regulatory Commission (TNERC) order and remanded the matter for fresh consideration of whether the November 2018 cyclone and consequential heavy rains constituted a Force Majeure event under the PPA, along with the consequential issues relating to TANGEDCO's encashment of the performance BGs and claim for liquidated damages. [Order dated 31.07.2026] **[Appeal No. 214 of 2021]**

In **Tata Power Company Limited v. Maharashtra Electricity Regulatory Commission [Appeal No. 23 of 2017]**, the Tribunal held that statutory entitlements under tariff regulations cannot be revived after the truing-up process has attained finality where they were not asserted during the relevant billing or truing-up proceedings. It was further held that property tax, being an uncontrollable statutory expense, cannot be subsumed within normative O&M expenses and must be treated separately under the applicable tariff regulations. The Tribunal also held that while the methodology for computing income tax may attain finality, the State Commission remains empowered to rectify computational omissions in applying that methodology and must undertake a prudence check before allowing the appropriate pass-through of tax liabilities. [Order dated 31.07.2026] **[Appeal No. 23 of 2017]**

Arbitration Law

Delhi High Court

In **Govt. of NCT of Delhi v. M/s RKMT Buildcon Pvt. Ltd. [O.M.P. (COMM) 445/2024]**, it was held that an Arbitral Award is liable to be set aside where the Arbitral Tribunal is constituted through a unilateral appointment mechanism controlled by an interested party, as such appointment violates the mandatory mandate of Section 12(5) of the Arbitration and Conciliation Act, 1996 (A&C Act) and renders the tribunal's constitution void ab initio. It was further held that the statutory ineligibility under Section 12(5) can be waived only through an express written agreement executed after disputes have arisen, and that such waiver cannot be inferred from silence, implied conduct, or a party's participation in the arbitral proceedings, as these do not cure the underlying jurisdictional defect. [Order dated 01.07.2026] **[O.M.P. (COMM) 445/2024]**

In **MS Maruti Infracreation Pvt. Ltd. v. Chief Engineer NH Division UP PWD [O.M.P. (Misc.) (Comm.) 445/2026]**, it was held that the Court's power under Section 29A of the A&C Act to extend the mandate of an Arbitral Tribunal is discretionary and may be exercised only upon being satisfied that sufficient cause exists, and not merely because an extension application has been filed. It was further held that a bona fide medical emergency affecting a tribunal member constitutes sufficient cause for extension where the delay is not attributable to the parties or the tribunal's lack of diligence. The Court also held that where arbitral proceedings have substantially concluded, refusal to extend the mandate would defeat the object of Section 29A by rendering the completed proceedings futile and compelling the parties to recommence arbitration. [Order dated 01.07.2026] **[O.M.P.(Misc.)(Comm.) 445/2026]**

In **Steel Authority of India Ltd. v. NCC Ltd. [O.M.P. (Comm) 447/2024]**, it was held that the ground of “patent illegality” under Section 34(2A) of the A&C Act is statutorily excluded and unavailable for challenging an award rendered in an International Commercial Arbitration. The Court further held that the jurisdiction under Section 34 is supervisory and not appellate, and so long as the interpretation adopted by the Arbitral Tribunal constitutes a plausible and commercially reasonable construction arising from the contractual documents, the court cannot substitute its own interpretation or re-appreciate evidence. Additionally, the Court upheld the Tribunal's finding that an obligation relating to Minimum Guaranteed Tax Credit (MGC) could not be treated as an absolute or stand-alone commitment independent of subsequent statutory tax reductions, and since the employer failed to adjust the Contract Price as contractually required under the General Conditions of Contract in consequence of such variations, the withholding of amounts towards an alleged shortfall in the MGC was un-contractual and illegal. [Order dated 01.07.2026] **[O.M.P. (Comm) 447/2024]**

In **M/s Supply Chain Solutions Pvt. Ltd. v. M/s Prime Trans Express Pvt. Ltd. [ARB.P. 171/2026]**, it was held that while exercising jurisdiction under Section 11(6) of the A&C Act, the Court is only required to examine the prima facie existence of an arbitration agreement, and disputes relating to whether the underlying contract has been novated or the claims stand concluded by a subsequent settlement are matters for determination by the Arbitral Tribunal. It was further held that questions involving full and final settlement under subsequent agreements require a detailed examination of the parties' intention, surrounding circumstances, and contractual terms, and therefore cannot be adjudicated at the referral stage. [Order dated 01.07.2026] **[ARB.P. 171/2026.]**

In **National Highways Authority of India v. Afcons Infrastructure Ltd. [ARB. A. (COMM.) 35/2026]**, it was held that appellate interference under Section 37 of the A&C Act, with an interim order passed under Section 17 is limited to cases of arbitrariness, perversity, patent illegality, or jurisdictional error, and does not permit a re-appreciation of facts or substitution of the Court's view. It was further held that an Arbitral Tribunal's powers under Section 17 are co-extensive with those of a Court under Section 9 and include the grant of interim monetary relief where warranted. [Order dated 01.07.2026] **[ARB. A. (COMM.) 35/2026]**

In **D. V. Anand v. Hindustan Petroleum Corporation Ltd. [FAO(OS) (COMM) 139/2018]**, it was reiterated the limited scope of interference under Sections 34 and 37 of the A&C Act, while partly allowing an appeal against an Arbitral Award upholding penalty imposed under the Marketing Discipline Guidelines, 2014. The Court held that Section 12(5) of the Act was inapplicable as the arbitral proceedings had commenced prior to the A&C (Amendment) Act, 2015, and were therefore governed by the unamended Act. Reaffirming that a court exercising jurisdiction under Section 37 cannot re-appreciate evidence or substitute its own view unless the award suffers from patent illegality or perversity, the Court upheld the arbitral findings relating to 446 LPG connections, holding that they were supported by investigation and material on record. However, it found that the findings concerning the remaining 380 alleged fake connections were based on no evidence, as neither their particulars nor any investigation regarding them had been placed before the Tribunal. Consequently, the Court partly allowed the appeal by sustaining the award only to the extent it was supported by evidence and setting aside the penalty relating to the remaining 380 connections. [Order dated 01.07.2026] [FAO(OS) **(COMM) 139/2018]**

In **Chirag Jain v. Rahul Jain & Anr. [ARB.P. 145/2026 & ARB.P. 146/2026]**, it was held that while exercising jurisdiction under Section 11(6) of the A&C Act, the referral court is confined to a prima facie examination of the existence of an arbitration agreement and ought not to undertake a detailed enquiry into whether a non-signatory is bound by the agreement. It was further held that questions concerning the binding nature of the arbitration agreement on a non-signatory, involving examination of contractual terms, parties' conduct, and evidence, fall within the exclusive domain of the Arbitral Tribunal, provided the disputes are prima facie arbitrable and not ex facie non-arbitrable. [Order dated 02.07.2026] **[ARB.P. 145/2026 & ARB.P. 146/2026]**

In **Rajeev Behl v. Bhupesh Kumar Dhingra & Ors. [O.M.P.(I) (COMM.) 129/2026]**, it was held that the jurisdiction under Section 9 of the A&C Act is strictly confined to granting interim measures for the preservation of the subject matter pending arbitration, and the Court cannot finally adjudicate disputed questions relating to title, interpretation of contractual documents, or allegations of fraud. The Court further held that the issue of limitation is a mixed question of fact and law and constitutes a jurisdictional issue that must be decided by the Arbitral Tribunal under Section 16, rather than being conclusively determined at the Section 9 stage. Additionally, it was held that the scope of power under Section 9 is not limited only to the parties to an arbitration agreement, and the Court has the authority to issue interim protective orders against a non-signatory third party to preserve the subject matter and ensure that the arbitral remedy is not rendered infructuous or ineffective. [Order dated 03.07.2026] **[OMP-I-COMM 129 of 2026]**

In **Shriram Pistons & Rings Ltd. v. Usha International Ltd. [O.M.P. (COMM) 161/2016]**, it was held that the mere absence of a party's signature does not invalidate a binding contract or arbitration agreement where the parties' subsequent conduct unequivocally demonstrates acceptance and performance of its terms. It was further held that challenges to an Arbitral Tribunal's jurisdiction or constitution under Sections 12 and 16 of the A&C Act cannot succeed on speculative objections absent ineligibility under Section 12(5) or proof of actual prejudice. The Court also ruled that delay in pronouncement of an award or minor discrepancies in stamp paper dates do not warrant setting aside an award without demonstrated prejudice, and clarified that an Arbitral Award need not follow the format of a civil court judgment so long as it adequately addresses the material disputes and records reasons for its conclusions. [Order dated 06.07.2026] **[OMP-COMM-161-2016]**

In **JPC Infrastructure and Constructions Private Limited v. Alstom Transport India Limited [O.M.P. (COMM) 124/2024 & I.A. 5694/2024]**, it was held that institutional arbitration rules (such as the ICC Rules of Arbitration) derive their efficacy from party autonomy but cannot dilute, displace, or override an express statutory mandate enacted by Parliament under Section 42A of the A&C Act. It was further held that the Arbitral Tribunal acted well within its evidentiary discretion to exclude a confidential letter belonging to a separate arbitration proceeding, as allowing a party to introduce documents from an independent confidential arbitration would reduce the statutory mandate of confidentiality to a mere formality and make its protection completely illusory. Additionally, the Court held that under Section 34 of the Act, an award cannot be interfered with on grounds of patent illegality or public policy where the petitioner focuses its entire challenge on the procedural exclusion of a single document and fails to independently challenge the detailed factual findings and merits upon which the Arbitral Tribunal rejected its specific claims. [Judgment dated 06.07.2026] **[OMP-COMM-124-2024]**

In **Union of India v. M/s ISC-YUG (JV) [O.M.P. (COMM) 2/2025 & O.M.P. (COMM) 7/2025]**, it was held that the limitation period under Section 34(3) of the A&C Act is mandatory, and the phrase "but not thereafter" creates an absolute bar against condoning delay beyond the additional 30-day period. The High Court further held that delivery of a signed copy of the Arbitral Award to a party's counsel constitutes valid service under Section 31(5), thereby triggering limitation, unless the counsel's authority was expressly restricted. It also held that a party cannot revive limitation by subsequently obtaining another copy of the award from the Delhi International Arbitration Centre (DIAC) after execution proceedings have commenced, and clarified that applications for condonation of delay in re-filing become infructuous where the Section 34 petition is itself barred by limitation. [Order dated 06.07.2026] **[OMP-COMM-2-2025]**

In **Vinay Mawandia v. Bimal Mawandia & Anr. [O.M.P. 3/2024 & Connected matter]**, it was held that the limitation period prescribed under Section 34(3) of the A&C Act is mandatory, and the expression but not thereafter places a complete embargo on the court's power to condone delay beyond the additional thirty-day period. It was further held that where a party acknowledges receipt of an award shared on a family WhatsApp group and actively participates in its implementation, such as by exchanging draft deeds and removing movable assets, the party cannot subsequently argue that the limitation period never commenced due to the non-delivery of a signed copy under Section 31(5) of the Act. Additionally, applying the doctrine of approbate and reprobate, the Court held that a party who knowingly accepts benefits flowing from a consensual and mutually accepted award cannot later challenge its validity. The Court also held that a Petitioner cannot assail an award on behalf of a third person who has chosen not to question it, and procedural objections regarding the omitted signature of a third arbitrator cannot be raised at a belated stage after complete acquiescence. [Order dated 06.07.2026] **[O.M.P. 3/2024]**

In **National Highways Authority of India v. South Indian Bank Ltd. & Anr. [FAO(OS) (COMM) 137/2025 & 152/2025]**, it was held that the Court had rightly directed the National Highways Authority of India (NHAI) to deposit Termination Payments into the Escrow

Accounts, holding that where the Escrow Agreement and Substitution Agreement incorporate the Concession Agreement, lenders are entitled to invoke arbitration to enforce escrow deposits upon termination. The Court further held that issuance of a Provisional Completion Certificate (PCC) conclusively establishes the COD, and the Independent Engineer has no authority to keep the PCC in abeyance. Consequently, NHAI cannot withhold or unilaterally set off Termination Payments before depositing them into the Escrow Account. [Judgment dated 09.07.2026] **[FAO(OS) (COMM) 137/2025 & 152/2025]**

In **M/s KLW Wheel Co. SA v. Ministry of Railways [FAO (COMM) 153/2026]**, it was held that an Arbitral Award cannot be set aside under Section 34 of the A&C Act merely because an alternative interpretation of the contractual terms is possible. The Court held that the Appellant's letter dated 23.06.2011 constituted an unequivocal and unconditional acceptance of the Letter of Intent (LOI), and the phrase "however with some comments for clarified contract" did not render the contract conditional. Distinguishing the Supreme Court's decision in Padia Timber Company (P) Ltd. v. Board of Trustees of Visakhapatnam Port Trust (2021) 3 SCC 24, the Court upheld the Arbitral Award and dismissed the appeal, reiterating the limited scope of interference under Sections 34 and 37 of the Act. [Judgment dated 09.07.2026] **[FAO (COMM) 153/2026]**

In **M/S Bansal Construction Co. v. Union of India [FAO (COMM) 24/2022]**, it was held that where Clause 64(6) of the General Conditions of Contract (GCC) explicitly mandates that the cost of arbitration shall be borne by the respective parties, the Arbitral Tribunal cannot award arbitration costs as compensation contrary to such express contractual provisions. The Court further held that under Clauses 17A and 61(3) of the GCC, read with Clause 33 of the Special Tender Conditions, a contractor is only entitled to an extension of time when project progress is delayed by the employer, and is completely barred from claiming compensation or damages for idle labour, idle machinery, or business losses. Additionally, the Court held that the provisions of the 1996 Act give paramount importance to the contract, and an Arbitral Tribunal lacks the power to award pre-arbitration or pendente lite interest under Section 31(7)(a) where Clause 64(5) of the GCC contains a clear prohibitory bar against interest for any period prior to the date of the award. It was also clarified that while a plea of 'Excepted Matters' under Clause 63 of the GCC is sustainable only if a formal decision has been taken by the Railways, Clause 61(3) independently operates as a complete bar against any claims for loss of profit on the remaining value of unexecuted or leftover work. [Order dated 15.07.2026] **[FAO-COMM-24-2022]**

In **Indian Oil Corporation Limited v. Toyo Engineering Corporation & Anr. [O.M.P. (COMM) 316/2019]**, it was held that under Clause 4.4.2.1 of the GCC, granting an extension of time automatically shifts the starting date for calculating price discounts to the extended completion date, thereby eliminating delay and negating the owner's 10% price reduction. The Court affirmed that contractor claims seeking refund of owner deductions fall under the second category of Clause 9.1.0.0, requiring no prior "notified claim" procedure. Reaffirming the narrow scope of review under Section 34(2)(b)(ii), the Bench held that patent illegality is unavailable in international commercial arbitrations and a plausible contractual interpretation by the tribunal cannot be reviewed on merits. [Judgment dated 15.07.2026] **[O.M.P. (COMM) 316/2019]**

In **Mahanagar Telephone Nigam Ltd v. M/s Rukma Decor and Construction Co [FAO (COMM) 190/2024]**, it was held that Clause 53 of the GCC, which provides for the extinguishment of a contractor's claims and absolute discharge of liability if arbitration is not demanded within 90 days of final bill readiness intimation, is void under Section 28(b) of the Indian Contract Act (as amended in 1997). The Court observed that post-1997, any contractual clause that extinguishes substantive rights or discharges a party from liability upon the expiry of a specified period goes beyond a procedural time-bar and is void ab initio. The Court further clarified that Section 43(3) of the A&C Act, which permits courts to extend time in cases of undue hardship, does not independently validate or lend enforceability to a time-bar clause that is otherwise void under substantive contract law. Additionally, the Court held that the 90-day contractual restriction cannot restrict the statutory limitation period of three years under Article 137 of the Limitation Act, 1963, for initiating arbitration. The Court also affirmed the Arbitrator's jurisdiction to review and set aside wrongful levies of delay compensation under Clause 15 of the GCC, particularly when the underlying project delays are factually attributable to reciprocal breaches by the employer. [Order dated 16.07.2026] **[FAO-COMM-190-2024]**

In **Turner Morrison Ltd. v. Karma Konchok Namgyal & Anr. [FAO(OS) (COMM) 130/2020]**, the Court dismissed a Section 37 appeal, upholding the Single Judge's judgment that affirmed a common Arbitral Award arising from a development arrangement with NIRLAC. The Court held that the contractual 36% p.a. interest on delayed construction costs was payable from the demand notice date (20.01.2007) following default, rather than retrospectively from agreement execution. Further, the Court held that under Section 74 of the Indian Contract Act, a pre-estimated contractual penalty (2% monthly penalty on maintenance charges) cannot be automatically recovered without proof of actual loss or entitlement to reasonable compensation. Reaffirming the narrow scope of appellate review under Section 37, the Bench observed that the tribunal's interpretation of contractual recovery clauses and denial of unproven penalty claims were plausible and warranted no interference. [Order dated 16.07.2026] **[FAO(OS) (COMM) 130/2020)**

In **M/s Vishal Infrastructure Ltd. & Anr. v. Chief Engineer (Const)-I, North Western Railway, Jaipur & Ors. [O.M.P.(I) (COMM.) 240/2026]**, it was held that an unconditional bank guarantee is an independent contract between the issuing bank and the beneficiary and must be honoured irrespective of underlying contractual disputes. The Court reiterated that interference with the invocation of an unconditional bank guarantee is permissible only in cases of egregious fraud or irretrievable injustice, as laid down in U.P. State Sugar Corporation and Himadri Chemicals (2007) 8 SCC 110. The Court further held that a prior order restraining recovery of liquidated damages does not bar invocation of bank guarantees upon contract termination, verified that the guarantees had been validly invoked by the competent Chief Engineer, and left the contractor at liberty to seek monetary relief through the Dispute Adjudication Board (DAB) or arbitration if the invocation is ultimately found to be wrongful. [Judgment dated 16.07.2026] **[O.M.P.(I) (COMM.) 240/2026]**

In **Cosmo Retail Solutions Private Limited v. Sumant Agarwal & Ors. [ARB.P. 293/2026]**, it was held that where an Arbitral Award is set aside on procedural grounds, such as the unilateral appointment of the arbitrator, a fresh notice under Section 21 of the A&C Act is not mandatory for re-commencing arbitration. The Court held that once the award is set aside under Section 34, the parties are restored to their original position and the disputes stand revived, while the exclusion of time under Section 43(4) applies automatically. The Court further clarified that insisting on a fresh Section 21 notice for the same revived disputes would elevate a procedural requirement into an unwarranted jurisdictional bar, and accordingly appointed an independent Sole Arbitrator under the aegis of the DIAC. [Judgment dated 16.07.2026] **[ARB.P. 293/2026]**

In **M/s SDB Consultants Pvt. Ltd. v. SMC Pneumatics (I) Pvt. Ltd. [O.M.P. (COMM) 70/2026]**, it was held that an Arbitral Award based on a plausible interpretation of the contract and appreciation of evidence cannot be interfered with under Section 34 of the A&C Act on the grounds of patent illegality or public policy. The Court held that the petitioner's withdrawal of its site engineer before project completion and failure to obtain the contractual completion certificate disentitled it to fees beyond the completed project stages. The Court further held that oral assertions contrary to the written contract are inadmissible under Sections 91 and 92 of the Indian Evidence Act, 1872 (now Sections 94 and 95 of the Bharatiya Sakshya Adhiniyam, 2023), and reiterated that courts exercising jurisdiction under Section 34 cannot re-appreciate evidence or substitute their own view for a reasonable conclusion reached by the Arbitral Tribunal. [Judgment dated 16.07.2026] **[O.M.P. (COMM) 70/2026]**

In **Bharat Heavy Electricals Limited v. Progressive Construction Limited [O.M.P. (COMM) 375/2018 & O.M.P. (COMM) 388/2018]**, it was held that an Arbitral Award rendered by a unilaterally appointed sole arbitrator is void ab initio, non-est, and liable to be set aside under

Section 34 of the A&C Act as being contrary to the public policy of India. The Court reaffirmed that the principle of equal treatment under Section 18 extends to the appointment of arbitrators, rendering unilateral appointments by an interested party impermissible. The Court further held that the ineligibility under Section 12(5) read with the Seventh Schedule goes to the root of the Tribunal's jurisdiction, may be raised at any stage, including by the appointing party in Section 34 proceedings, and can be waived only through an express written agreement executed by both parties after the disputes have arisen. [Judgment dated 21.07.2026] **[O.M.P. (COMM) 375/2018 & O.M.P. (COMM) 388/2018]**

In **Getwell Healthcare Private Limited v. Dr. Santosh Sahi & Ors. [O.M.P. (COMM) 321/2026]**, it was held that courts exercising jurisdiction under Section 34 of the A&C Act cannot re-appreciate evidence or interfere with an Arbitral Award founded on clear and unequivocal admissions. The Court held that an oral plea of a joint venture or collaboration agreement cannot override the express terms of a registered lease deed, in view of Sections 91 and 92 of the Indian Evidence Act (now Sections 94 and 95 of the Bharatiya Sakshya Adhiniyam, 2023). The Court further held that where the lessee neither challenges the termination of the lease nor pays rent after termination, the Arbitral Tribunal is justified in exercising its procedural powers under Section 19 of the Act to pass a partial award directing delivery of vacant possession based on admissions, without awaiting adjudication of the remaining monetary claims. [Judgment dated 22.07.2026] **[O.M.P. (COMM) 321/2026]**

In **S & S Technocrat Pvt. Ltd. v. Hindustan Letex Ltd. [O.M.P. (COMM) 398/2018]**, it was held that an Arbitral Award lacking adequate reasons and ignoring material contractual provisions is liable to be set aside under Section 34 of the A&C Act for patent illegality. The Court held that claims relating to extra item rates and prolongation losses could not be rejected without considering the applicable contractual clauses and Sections 55 and 73 of the Indian Contract Act, and that liquidated damages cannot be awarded in the absence of proof of actual loss or a finding that such loss was incapable of proof where the contractual stipulation merely prescribes a ceiling. However, the Court upheld the Arbitral Tribunal's finding on contract termination, holding that time was of the essence and the contractor had failed to complete the works despite repeated notices. [Judgment dated 23.07.2026] **[O.M.P. (COMM) 398/2018]**

In **Engineering Projects India Limited v. Southern Railway & Anr. [O.M.P.(I) (COMM.) 466/2025]**, it was held that judicial interference with the invocation of an unconditional bank guarantee is impermissible except in cases of egregious fraud or irretrievable injustice. The Court held that the expiry of the contractual completion period without completion of the project fundamentally altered the basis on which ad-interim protection had earlier been granted, warranting its vacation. It was further held that the pendency of pre-arbitral conciliation or disputes relating to delay and termination does not justify restraining the invocation of independent and unconditional bank guarantees, and accordingly dismissed the Section 9 petition.[Order dated 23.07.2026] **[O.M.P.(I) (COMM.) 466/2025]**

In **Sannverse Railtech Private Limited v. Konkan Railway Corporation Limited [O.M.P.(I) (COMM.) 244/2026]**, it was held that the existence of a valid arbitration agreement is a mandatory precondition for invoking the Court's jurisdiction under Section 9 of the A&C Act. The Court held that a general reference in a Memorandum of Understanding (MOU) or a back-to-back subcontract to a principal tender or Request for Proposal (RFP) executed with a third party does not, by itself, incorporate the arbitration clause contained in the principal contract, absent a specific reference or clear contractual intention to do so. Reiterating that party autonomy is the cornerstone of arbitration, the Court refused to infer an arbitration agreement where the MOU provided only for dispute resolution through mutual discussions and negotiations. [Judgment dated 23.07.2026] [O.M.P.(I) **(COMM.) 244/2026]**

In **Ramasethu Infrastructure Pvt. Ltd. v. Indian Railways Welfare Organisation [FAO(OS) (COMM) 182/2026]**, the court upheld the Single Judge's order dismissing a Section 34 challenge, holding that contractual interpretation falls within the exclusive domain of the Arbitral Tribunal and an award cannot be set aside merely because another view is possible. The Court affirmed that local public hostility and a judicial stay order do not automatically fall within the defined force majeure events under the contract to entitle a contractor to unilateral foreclosure. The Court further held that a judicial stay period cannot be aggregated with public hostility to satisfy the 90-day threshold for contract termination under force majeure. Additionally, the Bench held that the prohibition against unilateral appointment of arbitrators under Section 12(5) (introduced via the 2015 Amendment) applies prospectively and does not invalidate Arbitral Tribunals constituted prior to October 23, 2015. [Order dated 23.07.2026] [FAO(OS) **(COMM) 182/2026]**

In **M/s Omauli Agro Exports and Anr. v. M/s Small Farmers Agri Business Consortium [FAO (COMM) 200/2026]**, it was held that a borrower cannot take advantage of its own non-disclosure to contend that a claim is barred by limitation where the cause of action was contractually linked to an event exclusively within its knowledge. The Court held that under the Venture Capital Assistance (VCA) Agreement, limitation commenced only when the lender acquired actual knowledge of the repayment of the lead bank's term loan, which the borrower had failed to disclose despite its contractual obligation. The Court further held that a notice clearly expressing the intention to commence arbitration before a designated arbitral institution satisfies the requirements of Section 21 of the A&C Act, and reaffirmed the limited scope of interference under Sections 34 and 37 by declining to disturb concurrent findings free from patent illegality or perversity. [Order dated 24.07.2026] [FAO **(COMM) 200/2026]**

In **Corrtech Energy Ltd. v. Indian Oil Corporation Ltd. & Anr. [CS(COMM) 295/2024 & CS(COMM) 1083/2024]**, it was held that while a contractor's unnotified claims are non-arbitrable under GCC Clauses 9.0.1.0 and 9.0.2.0, disputes arising out of the owner's claims or proposed coercive actions (such as offloading, retendering, or holiday listing) are arbitrable without requiring prior notification. The Court further held that post the 2015 Amendment to Section 8(1) of the A&C Act, the referral court's scope is strictly confined to examining the prima facie existence of a valid arbitration agreement, and bifurcation of arbitrable and non-arbitrable subject matter in a suit is legally permissible. Additionally, the Court held that where a non-signatory (such as an EPCM consultant) is prima facie a veritable party to the contract, the referral court must leave the final determination of whether the non-signatory is bound by the Arbitration Agreement to the Arbitral Tribunal under Section 16. [Order dated 27.07.2026] **[CS(COMM) 295/2024 & CS(COMM) 1083/2024]**

In **National Highways Authority of India v. M/s Kurukshetra Expressway Private Ltd. [O.M.P. (COMM) 542/2024]**, it was held that the rigours and limitations prescribed under Section 34(3) of the A&C Act apply solely to the initial institution of the setting-aside petition. The Court ruled that subsequent delays in removing office objections and re-filing after curing defects stand on a different footing and do not render a timely initiated petition time-barred, provided the petition was originally filed within the statutory period or the outer permissible extension. On the merits of the Arbitral Award, the Court reiterated that while an Arbitral Tribunal's interpretation of contractual provisions is generally respected under Section 34, an award that completely disregards the explicit contractual framework or re-writes a contract between parties commits a jurisdictional transgression resulting in patent illegality under Section 34(2A) of the A&C Act. [Order dated 28.07.2026] **[OMP-COMM-542-2024]**

In **M/s GCD Prime v. DCM Limited [O.M.P.(I) (COMM.) 472/2025]**, it was held that the jurisdiction under Section 9 of the A&C Act is confined to granting interim measures necessary to preserve the subject matter of arbitration and cannot be exercised to grant relief that effectively amounts to specific performance or enforcement of the underlying contract. It was further held that a Joint Development Agreement (JDA) terminable only upon the occurrence of a specified default, after notice and an opportunity to cure, is not a contract "determinable in its nature" under Section 14(d) of the Specific Relief Act, 1963, as it is not terminable without cause. [Order dated 28.07.2026] **[O.M.P.(I) (COMM.) 472/2025]**

Supreme Court

In **Manash Kamal Bezboruah v. M/s Bokahola Tea Company Private Limited & Ors. Arising out of [SLP(Civil) Nos. 7233-7234 of 2026]**, it was held that a High Court cannot ordinarily exercise its supervisory jurisdiction under Article 227 of the Constitution of India to interfere with an Arbitral Tribunal's order rejecting a jurisdictional objection under Section 16 of the A&C Act, 1996, as such intervention would defeat the legislative mandate of minimal judicial interference under Section 5 and the principle of kompetenz-kompetenz embodied in Section 16. The Court further held that the supervisory jurisdiction under Article 227 is available only in rare and exceptional cases where the tribunal's order suffers from a patent lack of inherent jurisdiction or manifest perversity apparent on the face of the record. Reaffirming the decision in Cox and Kings, reported in 2024 (4) SCC 1, the Court held that the question whether a non-signatory is a veritable party to an arbitration agreement involves a detailed factual enquiry that falls exclusively within the jurisdiction of the Arbitral Tribunal. Consequently, the Court held that a non-signatory aggrieved by a Section 16 order cannot bypass the statutory framework by invoking Article 227 and must await the final award, which may thereafter be challenged under Section 34 of the A&C Act. [Judgment dated 14.07.2026] Arising out of **[SLP(Civil) Nos. 7233-7234 of 2026]**

Environment Law

National Green Tribunal ("NGT")

In **M/s Ruhil Infra Projects Private Limited v. Commission for Air Quality Management in National Capital Region & Ors. [Appeal No. 72 of 2026]**, it was held that interim relief staying the operation of an order directing the closure of a hot mix plant cannot be granted where the impugned order records multiple violations of prescribed environmental norms and the challenge require examination on merits. The NGT observed that although the appellant contended that the only deficiency was the absence of a stack emission analysis report, which had subsequently been rectified, the Commission for Air Quality Management had already considered and rejected the appellant's representation through a reasoned order. [Order dated 07.07.2026] **[Appeal No. 72 of 2026]**

In **Saurabh Tiwari v. Union of India & Ors. [Execution Application No. 15 of 2026 in OA No. 928/2024]**, it was held that where substantial compliance with the directions contained in the original order has been demonstrated, execution proceedings may be disposed of while granting reasonable additional time to complete the remaining directions. The NGT observed that the Banaras Hindu University had substantially complied with its earlier directions by undertaking compensatory plantation, with the Joint Committee verifying that 859 out of 978 planted trees were surviving, thereby satisfying the plantation requirement. The NGT further noted that although the Uttar Pradesh Pollution Control Board (UPPCB) had completed the assessment of environmental compensation for the illegal felling of 33 trees, the proceedings for its levy were still pending. Considering the progress made and the circumstances placed on record, the NGT extended the time for completion of the environmental compensation proceedings and accordingly disposed of the Execution Application. [Order dated 07.07.2026] **[Execution Application No. 15 of 2026]**

In **News Item Titled "Irony on World Environment Day U.P. Forest Corporation to Auction 400 Green Trees in Lucknow on June 5" Appearing in the Hindustan Times Dated 04.06.2024 Versus Uttar Pradesh Forest Corporation & Ors. [OA No. 813/2024]**, it was held that where the felling of trees has been undertaken pursuant to valid statutory permissions granted by the competent authority and in accordance with the prescribed conditions, no violation of environmental law is made out. The NGT observed that the permissions granted to the Uttar Pradesh State Road Transport Corporation (UPSRTC) and the Uttar Pradesh State Industrial Development Authority (UPSIDA) were subject to the condition of undertaking compensatory afforestation at ten times the number of trees felled. While noting that UPSRTC had fully complied with the afforestation requirement through plantation carried out by the Forest Department, the NGT found that UPSIDA had fallen short of the required number of surviving saplings. Accordingly, the NGT directed UPSIDA to make good the deficit plantation, directed the Divisional Forest Officer to supervise the plantation sites, and further directed both UPSIDA and UPSRTC to ensure the survival and expeditious geo-tagging of the planted saplings for a period of five years. [Order dated 07.07.2026] **[Original Application No. 813/2024]**

In **Sunder Singh Mehta v. State of Uttarakhand & Ors. [M.A. No. 35/2026 in OA No. 68/2023]**, the NGT considered a matter registered on the basis of a report submitted by the Uttarakhand Pollution Control Board regarding the discharge of waste into the Saryu River at Sera Ghat, District Almora. The inspection report revealed that while a solid waste collection shed was established in District Pithoragarh, no proper disposal or collection mechanism was present in District Almora, leading to municipal solid waste being found scattered near the riverbank at certain locations. It was further observed that sewage disposal was being handled via septic tanks and soak pits without direct discharge into the river, and water analysis confirmed that the river quality met the Designated Best Use Class-B standards. Noting that the District Magistrate is responsible for ensuring the implementation of the Solid Waste Management Rules, the NGT directed the District Magistrate Almora to examine the findings and file a status report detailing the remedial and punitive actions taken within three months. [Order dated 07.07.2026] **[M.A. No. 35/2026 in OA No. 68/2023]**

In **Manu Rathi & Anr. v. State of Uttarakhand & Ors. [Original Application No. 1243/2024]**, it was held that industrial units operating in violation of environmental norms by burning unauthorized fuels like plastic waste and discharging untreated effluents in open fields are liable for strict remedial and punitive action. The NGT noted that a Joint Committee inspection found respondent no. 4 (M/s Aroma Craft & Tissues Pvt. Ltd.) non-compliant with consented stack emission norms prior to taking subsequent corrective measures. Consequently, the NGT directed the Uttarakhand Pollution Control Board (UKPCB) to ascertain the exact period of non-compliance and levy Environmental Damage Compensation (EDC) after giving an opportunity of hearing. The NGT further directed the project proponents to implement the Joint Committee's recommendations, which include a detailed action plan for the rejuvenation of recipient drains (Mundet and Sheela Khala drains) using nature-based systems and robust frameworks for the scientific management, storage, and disposal of non-paper solid waste (boiler ash, plastic waste, and ETP sludge). Additionally, UKPCB was directed to expeditiously ensure compliance with these recommendations and take appropriate action for leachate management. [Order dated 08.07.2026] **[Original Application No. 1243/2024]**

In **Ashish Kashyap v. State of Uttar Pradesh & Ors. [Execution Application No. 61 of 2025 in Original Application No. 257 of 2025]**, it was held that where the directions contained in the original order have been duly complied with by the concerned authorities and the alleged environmental violation no longer survives, no further directions are required in execution proceedings. [Order dated 08.07.2026] **[Execution Application No. 61 of 2025]**

In **Nizamuddin West Association v. Union of India & Ors. [Original Application No. 6/2012]**, the NGT considered the issue of untreated sewage discharge from JJ Clusters into storm water drains in Delhi. Rejecting DUSIB's contention that drainage lies exclusively with DJB, the NGT held that Section 11(1) of the DUSIB Act, 2010 mandates DUSIB to frame and implement drainage improvement schemes in JJ Bastis. Noting DPCC's enforcement actions, including a Rs.18.54 Crore compensation demand on DJB and a Rs. 1.19 Crore show-cause notice to DUSIB, the NGT constituted a Joint Committee of DPCC, DUSIB, and DJB to assess establishing Decentralized Sewage Treatment Plants (DSTPs) in major clusters like Nehru Ekta Camp and submit a report within four weeks. [Order dated 08.07.2026] **(Original Application No. 6/2012)**

In **M/s. Tilak Hospital v. State of Punjab & Ors. [Original Application No. 489/2025]**, the NGT dismissed an application challenging the order of the PPCB imposing Environmental Compensation of Rs. 3,22,800/- for operating a hospital without a valid authorization under the Bio-Medical Waste Management Rules, 2016, holding that the continued operation of a healthcare facility after the expiry of its authorization on March 31, 2023, without seeking renewal, constituted a clear violation of the statutory framework. Rejecting the applicant's contention that the PPCB was obligated to issue a prior reminder for renewal, the NGT clarified that no such requirement exists under the 2016 Rules and that it is the responsibility of the occupier to maintain a valid authorization. The NGT further held that Rule 18 of the Bio-Medical Waste Management Rules, 2016 empowers the PPCB to levy environmental damage compensation for such violations. Finding no illegality, procedural irregularity, or jurisdictional error in the orders passed by the PPCB or the Appellate Authority, the NGT upheld the demand for environmental compensation and dismissed the application. [Order dated 10.07.2026] **[Original Application No. 489/2025]**

In **Re: News item published in Bhaskarhindi.com dated 01.07.2024 titled "JABALPUR KATHAUNDA PLANT MEIN KACHARA JALNE KE BAAD DUR DUR TAK FAIL RAHE DHOOL KE KAN" v. Central Pollution Control Board & Ors. [Original Application No. 819/2024]**, the NGT disposed of a suo motu application concerning operational issues at the Kathonda Waste-to-Energy (WTE) plant in Jabalpur, taking note of the progress report submitted by the Jabalpur Municipal Corporation (JMC), which confirmed that the WTE plant had undergone a major overhaul and was recommissioned in January 2026 under a valid Consent to Operate granted by the Madhya Pradesh Pollution Control Board (MPPCB), exporting 30,759.50 MWh of electricity to the grid. The NGT further observed that JMC had cleared 38,138 tons of accumulated waste, successfully completed legacy waste remediation at the Ranital and Kathonda sites, reclaiming approximately 78 acres of land for green development, and had also secured approval from the Ministry of Housing and Urban Affairs (MoHUA) for establishing a 100 TPD Bio-CNG plant under the CITIIS 2.0 programme. Being satisfied that the requisite remedial measures had been undertaken and the concerns stood substantially addressed, the NGT disposed of the suo motu application. [Order dated 13.07.2026] **[Original Application No. 819/2024]**

In **News Item Titled "Two Killed 3 Injured in Firecracker Explosion in Gonda" [Original Application No. 1237/2024]**, it was held that compensation under the Public Liability Insurance Act, 1991 is not available to persons who themselves are the owners or handlers of the hazardous substance responsible for the accident. The NGT observed that the joint inspection report and the police investigation established that the deceased and injured persons were themselves illegally manufacturing firecrackers in an abandoned semi-constructed house, thereby acting as the handlers of the hazardous substance within the meaning of Sections 2(g) and 3 of the Public Liability Insurance Act, 1991. Accordingly, holding that the victims could not claim compensation under the Act or invoke the NGT's suo motu jurisdiction for such relief, the NGT dismissed the proceedings. [Order dated 16.07.2026] **[Original Application No. 1237/2024]**

In **Narendra Kushwaha v. Union of India & Ors. [Execution Application No. 11/2025 in Original Application No. 1075/2024]**, It was held that where substantial compliance with the directions contained in the original order has been demonstrated, execution proceedings may be disposed of while issuing consequential directions to ensure complete environmental compliance and restoration. [Order dated 17.07.2026] **[Execution Application No. 11/2025 in Original Application No. 1075/2024**]

In **Bablu v. State of Uttar Pradesh & Ors. [Original Application No. 1356/2024]**, it was held that illegal mining operations undertaken beyond the approved lease area, without the requisite environmental clearance or reappraisal, and in violation of prescribed environmental safeguards warrant regulatory action, environmental compensation, and site restoration. [Order dated 20.07.2026] **[Original Application No. 1356/2024]**

In **SD Windlesh v. Govt of NCT of Delhi & Ors. [M.A. No. 136/2025 in Original Application No. 375/2025]**, it was held that where illegal felling or unauthorized pruning of trees is established, the authorities are required to initiate appropriate statutory and criminal proceedings and ensure compensatory afforestation in accordance with law. [Order dated 21.07.2026] **[M.A. No. 136/2025 in Original Application No. 375/2025]**

In **Ray Singh v. M/s. Utara Brick Field & Ors. [Original Application No. 366/2025]**, it was held that the operation of a brick kiln without the requisite Consent to Establish (CTE) and Consent to Operate (CTO), in violation of the prescribed siting criteria and despite a subsisting closure order, constitutes a continuing environmental violation warranting coercive regulatory action. [Order dated 22.07.2026] **[Original Application No. 366/2025]**

In **Green Wood City Villa Jan Welfare Society v. Godwin Construction Company Pvt Ltd & Ors. [Execution Application No. 66/2025 in Original Application No. 492/2022]**, it was held that where directions issued for environmental compliance remain unimplemented and environmental compensation remains unpaid, the concerned authorities are required to undertake expeditious recovery and remediation measures in accordance with law. [Order dated 22.07.2025] **[Execution Application No. 66/2025 in Original Application No. 492/2022]**

In **Corruption Removal Society v. Department of Forest Wild Life, Govt of NCTD & Ors. [Original Application No. 535/2024]**, it was held that reserved forest land is required to be protected from illegal encroachment and deforestation, and that unauthorized occupations are liable to be removed in accordance with law once the statutory proceedings under the Indian Forest Act, 1927 (Indian Forest Act) attain finality. [Order dated 27.07.2026] **[Original Application No. 535/2024]**

In **Surender Mohan Rana v. Municipal Corporation of Delhi [Original Application No. 261/2025]**, it was held that where prompt remedial measures have been undertaken by the concerned authorities to address illegal waste dumping and open burning, no further substantive directions are required except to ensure continued monitoring and enforcement against future violations. [Order dated 27.07.2026] **[Original Application No. 261/2025]**

In **Amar Singh v. State of Uttar Pradesh & Ors. [Original Application No. 610/2025]**, it was held that public ponds and other water bodies are required to be protected from encroachment and restored to their original condition in accordance with the principles laid down in Hinch Lal Tiwari v. Kamala Devi & Ors. (2001) 6 SCC 496 and Jagpal Singh v. State of Punjab (2011) 11 SCC 396. The NGT observed that while the illegal road interlocking over the public pond had been voluntarily removed by the Gram Pradhan and eviction proceedings had been initiated against the private encroachers under Section 67 of the U.P. Revenue Code, 2006, complete restoration of the pond was still necessary. Accordingly, the NGT directed the District Administration to remove all unauthorized structures upon eviction, dredge the earth illegally filled into the pond, and restore its original bed. [Order dated 28.07.2026] **[Original Application No. 610/2025]**

In **Aparajita Ganguli v. State of Uttarakhand & Ors. [Original Application No. 442/2026]**, it was held that where illegal dumping of municipal solid waste into a drain poses a risk of pollution to a river, the concerned local authority is under an obligation to take prompt remedial measures and ensure continuous monitoring to prevent further environmental degradation. [Order dated 30.07.2026] **[Original Application No. 442/2026]**

Supreme Court

In **Re: Illegal Sand Mining in the National Chambal Sanctuary and Threat to Endangered Aquatic Wildlife Suo Moto Writ Petition (Civil) No. 2 of 2026]**, the Court issued comprehensive directions to combat rampant illegal sand mining destroying the National Chambal Gharial Sanctuary. The Court mandated that no area of the Sanctuary be de-notified without prior leave, and directed the States of MP, Rajasthan, and UP to issue notifications under Section 218(3) of the BNSS, 2023 to grant statutory protection to frontline forest personnel. It was further ordered the NHAI and the three riparian States to deploy AI-enabled thermal surveillance systems around critical infrastructure like the Morena-Dholpur Bridge, invoke preventive detention and anti-money laundering laws against mining syndicates, and examine notifying revenue lands within the Sanctuary as Protected Forests. [Order dated 22.07.2026] **[Suo Moto Writ Petition (Civil) No. 2 of 2026]**

In **Vanashakti v. Union of India & Ors. (Writ Petition (C) No. 1394 of 2023)**, the Court upheld the validity of the 2017 Notification while prospectively quashing the 2021 Office Memorandum (OM) regarding ex post facto Environmental Clearances (ECs). The Court held that while the prior EC regime under the EIA Notification, 2006 is mandatory, the 2017 Notification constituted a valid, time-bound statutory amnesty scheme under Section 3 of the Environment (Protection) Act, 1986. Conversely, the 2021 OM was held ultra vires Articles 14 and 21 for impermissibly using an executive instruction to create an open-ended, perpetual post facto clearance mechanism. Exercising powers under Article 142, the Court quashed the 2021 OM prospectively, directing that all previously granted ECs remain valid and all pending applications be processed to completion in supervening public interest. [Order dated 29.07.2026] **[Writ Petition (C) No. 1394 of 2023]**

Sector-Wise Updates

Notifications, Circulars & Amendments

Power and Energy Sector

A. Ministry of Power Revises Make in India Procurement Requirements for Energy Meters and Smart Meters [Order No. 14/11/2021-UR&SI-II (E-261022) dated 13.07.2026]

The Ministry of Power (MoP) has issued an order revising its Public Procurement (Preference to Make in India) policy for the power sector by amending the Minimum Local Content (MLC) requirements applicable to Energy Meters, including Smart Meters, in continuation of its earlier order dated 08.07.2025. The order provides that, with effect from 1 June 2028, the MLC requirements for Energy Meters, including Smart Meters, shall additionally require that: (i) mechanical relays used in such meters are 100% manufactured in India; and (ii) the chipsets used in such meters are designed in India. The order clarifies that all other provisions of the Ministry's earlier order dated 08.07.2025 shall remain unchanged. The revision aims to further strengthen domestic manufacturing capabilities and promote indigenous design and production in the power sector procurement ecosystem. [Order dated 13.07.2026] **[Order No. 14/11/2021-UR&SI-II (E-261022)]**

B. Draft Corporate Average Fuel Efficiency (CAFE) 2027 Framework [Draft Notification S.O. XXXX(E) dated 16.07.2026]:

The MOP has issued the Draft Corporate Average Fuel Efficiency (CAFE) 2027 framework proposing revised manufacturer-specific fuel efficiency standards for M1 category passenger vehicles from 01.04.2027. The draft, inter alia: (i) retains fleet-average fuel consumption standards based on the weighted average unladen mass of vehicles sold; (ii) assesses compliance using a sales-weighted petrol-equivalent fuel consumption methodology; (iii) standardizes conversion of tailpipe CO_2 emissions into equivalent fuel consumption across fuels and propulsion technologies; (iv) introduces Carbon Neutrality Factors (CNFs) for renewable fuels, including ethanol, compressed biogas (CBG) and biofuels; (v) provides incentives of up to 9 gCO_2/km for approved fuel-saving technologies; (vi) grants super credits for battery electric, plug-in hybrid, strong hybrid, range-extended electric and flex-fuel vehicles; (vii) establishes a compliance credit mechanism permitting generation, carry-forward, pooling, trading and buyout of credits through the Bureau of Energy Efficiency; (viii) mandates annual compliance reporting, including dual reporting under the Modified Indian Driving Cycle (MIDC) and the Worldwide Harmonized Light Vehicles Test Procedure (WLTP);

and (ix) continues the exemption for manufacturers with annual sales below 1,000 vehicles. The proposed framework aims to promote fuel-efficient and cleaner vehicle technologies, strengthen energy security, reduce fuel consumption and support India's net-zero emissions target by 2070. [Draft Notification dated 16.07.2026] **[F. No. 10/3/2021-EC]**

C. Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2026 [Draft Notification No. L-1/250/2019/CERC dated 31.07.2026]

The CERC has issued the Draft Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (Fifth Amendment) Regulations, 2026, proposed to come into force from the date of publication in the Official Gazette. The draft amendments, inter alia: (i) introduce the definition of Renewable Energy Implementing Agency (REIA) by adopting the definition under the GNA Regulations; (ii) revise the methodology for computation of transmission deviation for States and DICs having GNARE/T-GNARE or dual ISTS-STU connectivity; (iii) extend the existing ISTS transmission charge waiver to BESS integrated with REGS/RHGS for up to 25 years where scheduled as a single entity; (iv) clarify transmission charge waiver treatment for standalone and co-located BESS charging cycles and permit Green Day Ahead Market procurement to satisfy the 51% renewable charging requirement for ESS; (v) introduce a new transmission charge waiver for REGS/RHGS projects delayed solely due to non-availability of the transmission system, subject to specified contractual and commissioning conditions; (vi) require eligible generators to make an irrevocable choice between the existing and the new delayed-connectivity waiver regime; (vii) mandate the Implementing Agency to issue revised implementation procedures within 60 days after stakeholder consultation; (viii) align Annexure-III definitions of GNARE and T-GNARE with the GNA Regulations and remove redundant provisions; and (ix) insert new Regulation 29 empowering the Commission to issue suo motu orders and practice directions for effective implementation of the Regulations. [Draft Notification dated 31.07.2026] **[Draft Notification No. L-1/250/2019/CERC]**

Environment Sector

A. Water (Prevention and Control of Pollution) Act, 1974: Amendment to White Category Sectors [Notification No. G.S.R. 599(E) dated 08.07.2026]:

The Ministry of Environment, Forest and Climate Change (MoEFCC), in consultation with the Central Pollution Control Board (CPCB), has notified amendments to the notification issued under the proviso to Section 25(1) of the Water (Prevention and Control of Pollution) Act, 1974, by substituting the Schedule containing the List of White Category Sectors. The amendment expands and updates the list of industries exempt from obtaining Consent to Establish (CTE) and Consent to Operate (CTO) under the Water Act, subject to prescribed conditions. The revised Schedule now comprises 87 White Category sectors, and, inter alia: (i) includes additional low-pollution sectors such as hydrogen production through renewable-energy-based electrolysis, compressed bio-gas plants, used cooking oil collection centres, medical oxygen production, digital thermometer manufacturing, and solar module manufacturing; (ii) expands coverage of assembly, fabrication, repair, packaging, dry-process manufacturing and other non-polluting activities; (iii) classifies several micro and small-scale industries using cleaner fuels and generating no effluent or emissions as White Category; (iv) incorporates specified sub-sectors of the existing Green Category, including small-scale bakeries, food processing units, restaurants, rice mills, oil mills and cement product manufacturing, subject to prescribed capacity limits and environmental safeguards; and (v) replaces the earlier Schedule notified in 2024, as amended in 2025, with an updated comprehensive list of White Category sectors. [Notification dated 08.07.2026] **[Notification No. G.S.R. 599(E)]**

B. Constitution of Standing Authority on Environment Impact Assessment (SAEIA) and Standing Committee on Environment Impact Appraisal (SCEIA) [Notification No. S.O. 3863(E) dated 13.07.2026]:

MoEFCC has constituted a Standing Authority on Environment Impact Assessment (SAEIA) and a Standing Committee on Environment Impact Appraisal (SCEIA) for every State and Union Territory under the Environment (Protection) Act, 1986 to ensure continuity in the environmental clearance process under the Environment Impact Assessment (EIA) Notification, 2006. The notification, inter alia: (i) prescribes the composition of the SAEIA and SCEIA, comprising senior State Government officials and technical experts; (ii) authorises the SAEIA to exercise the powers and perform the functions of the State Environment Impact Assessment Authority (SEIAA) for Category 'B' projects where the SEIAA is non-functional or has not been constituted, for an initial period of up to six months, extendable by a further six months; (iii) authorises the SCEIA to discharge the functions of the State Expert Appraisal Committee (SEAC) under similar circumstances; (iv) defines the circumstances in which a SEIAA or SEAC shall be treated as non-functional, including expiry of tenure, prolonged vacancy, or operation of a judicial stay; and (v) designates the State Pollution Control Board or Union Territory Pollution Control Committee as the Secretariat to provide logistical, administrative and operational support to the SAEIA and SCEIA. [Notification dated 13.07.2026] **[Notification No. S.O. 3863(E)]**

C. Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2026 [Notification No. G.S.R. 636(E) dated 16.07.2026]:

The MoEFCC has notified the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2026, effective from the date of publication in the Official Gazette. Invoking Rule 5(4) of the Environment (Protection) Rules, 1986, the Central Government dispensed with the requirement of prior public notice in public interest. The amendment omits "16.3 Brine sludge" from Serial No. 16 (Production of caustic soda and chlorine) in Schedule I of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, thereby removing brine sludge from the list of specified hazardous wastes under that category. [Notification dated 16.07.2026] **[Notification No. G.S.R. 636(E)]**

D. Draft Notification for Western Ghats Ecologically Sensitive Area [Notification No. S.O. 4106(E) dated 27.07.2026]:

The MoEFCC has issued the Draft Notification for the Western Ghats Ecologically Sensitive Area (ESA) under the Environment (Protection) Act, 1986, inviting objections and suggestions within 60 days. The draft proposes to notify the Western Ghats ESA across Gujarat, Maharashtra, Goa, Karnataka, Kerala and Tamil Nadu, with the final notification to be issued in a phased or combined manner. The draft, inter alia: (i) identifies the State-wise boundaries and villages falling within the ESA; (ii) prohibits mining, quarrying, sand mining, new thermal power plants, new and expansion of Red Category industries, and specified large-scale building and township projects within the ESA; (iii) permits hydropower projects subject to stringent environmental safeguards, including minimum ecological flow, cumulative impact assessment and prescribed inter-project distance; (iv) regulates Orange and White Category industries and projects requiring prior environmental clearance through cumulative impact assessment; (v) mandates compliance with the Forest Rights Act, 2006, including prior informed consent of Gram Sabhas for eligible projects; (vi) establishes a monitoring and enforcement framework involving the concerned State Governments, State Pollution Control Boards, the Regional Offices of the Ministry, and a proposed Decision Support and Monitoring Centre for the Western Ghats; and (vii) provides for annual monitoring of permitted projects, preparation of State of Health Reports, and enforcement action under the Environment (Protection) Act, 1986 for any contravention. [Draft Notification dated 27.07.2026] **[Notification No. S.O. 4106(E)]**

E. Draft Notification to Amend the Environment Impact Assessment (EIA) Notification, 2006 [Notification No. S.O. 4166[E] dated 27.07.2026]

The MoEFCC has issued a draft notification proposing amendments to the Environment Impact Assessment (EIA) Notification, 2006, inviting objections and suggestions from the public within 60 days. The draft seeks to further decentralise the environmental clearance (EC) process for non-coal mining projects by enhancing the powers of the State Environment Impact Assessment Authorities (SEIAAs) and State Expert Appraisal Committees (SEACs). The amendment proposes to revise Item 1(a) of the Schedule to the EIA Notification, 2006 by: (i) increasing the threshold for Category A non-coal mining projects requiring appraisal at the Central level from more than 250 hectares to more than 500 hectares; and (ii) correspondingly increasing the threshold for Category B projects to 500 hectares or below, thereby bringing non-coal mining projects with lease areas up to 500 hectares within the jurisdiction of the SEIAAs and SEACs for grant of environmental clearance. The proposal is intended to streamline the EC process, leverage the experience and expertise of State-level authorities, and align the appraisal framework for non-coal mining projects with the existing regime applicable to coal mining projects. [Draft Notification dated 27.07.2026] **[Notification No. S.O. 4166(E)]**

F. Draft Notification for Bandli Wildlife Sanctuary Eco-Sensitive Zone, Himachal Pradesh [Notification No. S.O. 4172(E) dated 28.07.2026]

The MoEFCC has issued a draft notification under the Environment (Protection) Act, 1986 proposing to declare an Eco-Sensitive Zone (ESZ) around the Bandli Wildlife Sanctuary in Mandi District, Himachal Pradesh, and has invited objections and suggestions from the public within 60 days. The draft proposes an ESZ extending from 1 km to 2.1 km around the 28.1872 sq. km. sanctuary, covering 62 villages. The draft, inter alia: (i) requires the State Government to prepare a Zonal Master Plan within two years; (ii) prohibits commercial mining, quarrying, stone crushers, new polluting industries, large hydropower projects, saw mills, brick kilns, discharge of untreated effluents, commercial use of firewood and other specified activities within the ESZ; (iii) regulates construction, tourism, hotels and resorts, road expansion, infrastructure development, groundwater extraction, waste management, tree felling and other developmental activities in accordance with applicable environmental laws and the Zonal Master Plan; (iv) mandates compliance with the Solid Waste, Plastic Waste, Biomedical Waste, Construction and Demolition Waste and E-Waste Management Rules; (v) promotes rainwater harvesting, organic farming, renewable energy, agro-forestry, eco-friendly transport, ecological restoration and other sustainable livelihood measures; and (vi) provides for the constitution of a Monitoring Committee to oversee implementation of the notification, review regulated activities, and ensure compliance with the provisions of the Environment (Protection) Act, 1986. [Draft Notification dated 28.07.2026] **[Notification No. S.O. 4172(E)]**

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