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This Newsletter covers key Regulatory & Policy Updates, Government Notifications and Judicial Pronouncements.

REGULATORY AND POLICY UPDATES

SEBI amends ICDR Regulations to introduce draft abridged prospectus and revises disclosure requirements.

The Securities and Exchange Board of India ("SEBI") by way of notification dated 16.03.2026, has issued the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026 ("ICDR Amendment Regulations")[1] amending the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").

The key amendments introduced in the ICDR Amendment Regulations are as follows:

i. Lock-in *via* non-transferability: A new provision has been included which provides that where lock-in of specified securities cannot be created, depositories shall, upon receipt of instructions from the issuer, record such securities as "non-transferable" for the duration of the applicable lock-in period.

ii. Introduction of Draft Abridged Prospectus: Several regulations have been amended to integrate a draft abridged prospectus (as per Part E of Schedule VI) into the IPO documentation framework. Specifically, Regulations 25 and 59C (mainboard IPOs), Regulations 123 and 124 (rights issues), and Regulation 246 (SME IPOs) have been amended to require submission of a draft abridged prospectus alongside the draft offer document. The draft

[1] SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026.

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abridged prospectus must be hosted on the websites of the issuer, SEBI, relevant stock exchanges, and lead managers.

iii. Public hosting and filing requirements: The ICDR Amendment Regulations require the draft abridged prospectus to be hosted alongside the draft offer document on the websites of lead managers, and that the abridged prospectus be hosted alongside offer documents once filed.

iv. Application form requirements: The requirement of attaching a copy of the abridged prospectus with each application form has been substituted. Each application form distributed in connection with an issue must now include a QR code and link to access the red herring prospectus, the abridged prospectus, and the price band advertisement.

v. Revised disclosure standards for Abridged Prospectus: Schedule VI has been amended to additionally require a summary of contingent liabilities and a summary of related party transactions. The general instructions have been updated to require, among other things, that the cover page of the offer document serve as the first page of the abridged prospectus, that cross-references to the offer document be provided, that a QR code and link to the offer document be included, and that all disclosures be in clear and simple language. Annexure I has been substituted in its entirety with a standardized disclosure format covering the issuer's primary business and industry, promoter details, objects of the issue, pre- and post-offer shareholding pattern, restated consolidated financial information, key performance indicators, top 10 internal risk factors, weighted average cost of acquisition for promoters and selling shareholders, board and key managerial personnel, auditor qualifications, and outstanding litigations.

The ICDR Amendment Regulations shall come into force on the date of their publication in the Official Gazette i.e., 21.03.2026.

CERC notifies CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026.

The Central Electricity Regulatory Commission ("CERC") by way of notification dated 20.03.2026, has notified the CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026 ("Tariff Amendment Regulations")[2], amending the CERC (Terms and Conditions of Tariff) Regulations, 2024 ("Tariff Regulations").

The key highlights of the Tariff Amendment Regulations, *inter-alia*, are:

i. Integrated Energy Storage Systems included in the Principal Tariff Regulations: The Tariff Amendment Regulations increase the applicability of Tariff Regulations to all cases where the coal or lignite or gas-based thermal generating station or inter-state transmission system ("ISTS"), installs for storage and supply of electricity from the integrated energy storage system ("IESS"), for the use of the beneficiaries or the designated ISTS customers, whose tariff is required to be determined by CERC under section 62 of Electricity Act, 2003 read with section 79 thereof.

ii. Supplementary tariff for IESS: The Tariff Amendment Regulations provide that tariff for IESS shall be determined separately as a supplementary tariff. The concerned entity shall apply for determination of the supplementary tariff not later than 90 days from the date of commercial operation date. The supplementary charge shall be computed based on cost of electricity used for charging the IESS and is adjusted for round-trip efficiency and auxiliary consumption of the IESS.

iii. Inclusion of IESS in tariff components: Tariff Amendment Regulations have incorporated IESS in various tariff components, including capital cost, depreciation, interest on loan, working capital, additional capitalisation and operation and maintenance expenses, by specific amendments to the respective provisions.

iv. Provision for additional capitalisation and cost sharing: Provisions have been introduced for additional capital expenditure on IESS, including requirement of prior consultation with beneficiaries, submission of detailed cost estimates and justification and consideration of cost benefit aspects by CERC at the stage of granting approval.

v. Regulation 101A has been introduced in the Tariff Regulations to allow participation in a regulatory sandbox for undertaking innovation and research project in the power sector, with prior approval of CERC. The additional cost for this shall be allowed up to 1% of annual fixed cost or INR 100 Crores, whichever is lower.

[2] CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2026.

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The Tariff Amendment Regulations shall come into force from the date of publication in the Official Gazette, except for Regulations 51 and 52, which shall be applicable retrospectively from 01.04.2024.

CERC notifies CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026.

CERC by its notification dated 24.03.2026, has notified the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026 ("REC Amendment Regulations")[3] amending the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ("REC Regulations").

The key highlights of the REC Amendment Regulations are as follows:

i. Insertion of New Definitions: Definitions for 'Designated Consumer', 'Renewable Consumption Obligation ("RCO")' and 'Virtual Power Purchase Agreement ("VPPA")' have been added.

ii. Eligibility for Renewable Energy Certificate ("REC"): Regulation 4(3) has been amended to expand eligibility by including renewable energy generating plants not fulfilling the conditions of captive generating plant under the Electricity Rules, 2005 but having self-consumption.

iii. Application for Issuance of REC: The timeline for application has been revised by amending Regulation 10, which requires eligible entities to apply within 3 months from the date of certification by the concerned State Commission, instead of from the end of the financial year.

iv. Certificate Multiplier (Amendment to Regulation 12):

(a) Technology-specific multipliers have been introduced for different renewable energy sources.

(b) Projects commissioned after 05.12.2022 and before REC Amendment Regulations will be entitled to certificate multipliers such as: On-shore Wind and Solar – 1; Hydro – 1.5; Municipal Solid Waste ("MSW")/non-fossil co-generation – 2, Biomass/Biofuel – 2.5.

(c) For projects commissioned after the issuance of REC Amendment Regulations, multipliers will be assigned as per Appendix-1 of the REC Amendment Regulations.

(d) The multiplier, once assigned, shall remain valid for 15 years from commissioning and 1 REC shall be issued per 1 MWh.

v. RECs under VPPAs (Insertion of Regulation 14A):

(a) RECs issued to generating stations under a VPPA shall stand transferred to the consumer or designated consumer, who shall use these RECs to meet their renewable purchase obligation ("RPO") or renewable consumption obligation ("RCO").

(b) The RECs once transferred to the consumer or designated consumer shall stand extinguished.

vi. Principles for REC Multiplier (Appendix-1): Certificate multipliers will be determined based on tariff range, technology maturity, and capacity credit/peak support.

RBI notifies Master Directions – Reserve Bank of India (Unique Identifiers in Financial Markets) Directions, 2026.

The Reserve Bank of India ("RBI") by way of notification dated 27.03.2026 notified the Master Directions – RBI (Unique Identifiers in Financial Markets) Directions, 2026 ("UI Directions")[4].

The salient features of the UI Directions are as follows:

i. Commencement: Section A of the UI Directions relating to Legal Entity Identifier ("LEI") shall come into effect immediately, while Section B relating to Unique Transaction Identifier ("UTI") shall come into effect from 01.01.2027.

ii. LEI:

(a) LEI is a 20-character unique identification code assigned to entities participating in financial transactions.

[3] CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) (First Amendment) Regulations, 2026.

[4] Master Direction - Reserve Bank of India (Unique Identifiers in Financial Markets) Directions, 2026.

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(b) LEI shall be applicable to all over-the-counter transactions undertaken by entities other than individuals in markets for government securities, money market instruments, foreign exchange instruments and derivatives covered under section 45U of Chapter III-D of the Reserve Bank of India Act, 1934.

(c) In case of non-derivative foreign exchange transactions, LEI shall be applicable only where the transaction amount is equivalent to or exceeds USD one million or equivalent in other currency.

(d) All eligible participants, whether resident or non-resident, are required to obtain an LEI from a Global LEI Foundation-accredited Local Operating Unit ("LOU") in India, such LOU must be recognised by the Reserve Bank under the Payment and Settlement Systems Act, 2007. Non-residents that are not legal entities in their country of incorporation may use the LEI code of the parent / management company.

(e) Entities responsible for execution, reporting, or depository functions in RBI-regulated markets shall capture the LEI of transacting participants. Entities without a valid LEI shall not be permitted to undertake such transactions and must ensure their LEI remains current and not lapsed under the global LEI system.

iii. UTI:

(a) UTI is a unique identifier assigned to over-the-counter derivative transactions to enable comprehensive reporting and monitoring of such transactions.

(b) UTI shall be applicable to all over-the-counter derivative transactions undertaken under the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000, Master Direction – Risk Management and Inter-Bank Dealings, Master Direction – RBI (Rupee Interest Rate Derivatives) Directions, 2025, RBI (Forward Contracts in Government Securities) Directions, 2025 and Master Direction – RBI (Credit Derivatives) Directions, 2022 as specified by RBI.

(c) UTI shall be generated and reported for all OTC derivative transactions undertaken under the UI Directions and shall apply to transactions entered into on or after the effective date.

The UI Directions shall come into force from 27.03.2026.

RBI notifies revised Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026.

RBI by way of notification dated 30.03.2026, has notified the RBI (Commercial Banks – Credit Facilities) Amendment Directions, 2026 ("Revised CF Amendment")[5], to amend the RBI (Commercial Banks – Credit Facilities) Directions, 2025 ("CF Directions"). The key features of the Revised CF Amendment are as follows:

i. The definition of 'Acquisition Finance' has been revised from being tied to acquisition of equity shares/CCDs in a target or its holding company (leading to control) to a broader concept that focuses on acquiring 'control' in the target company itself (including via mergers/amalgamations).

ii. The definition of 'cash and cash equivalents' has been introduced to include cash, balances in demand and term deposits with the lending bank, and investments in units of overnight mutual funds (with a minimum haircut of 10 per cent).

iii. Framework for Acquisition Finance:

(a) The framework has been revised from permitting finance for 'strategic' equity acquisitions in domestic or foreign companies, to permitting finance only for acquiring (or increasing stake towards) 'control' over a domestic or foreign non-financial target company, expressly subject to FEMA, with additional restrictions where the target has financial-sector subsidiaries or JVs.

(b) Where control over a target results in control over multiple downstream companies, the 'potential synergy' test for strategic investment shall be applied at the consolidated group level, and it expressly prohibits extending acquisition finance for acquisition of a non-financial target company that has one or more financial entities as subsidiaries or joint ventures.

[5] Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026 (Revised).

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(c) Scope of refinancing of the existing acquisition debt has been revised from permitted refinance of existing acquisition finance, subject to the CF Directions and stressed-asset norms, to refinancing of existing acquisition debt only after control has been fully established, and only for retiring that acquisition-finance debt (not for repaying the acquirer's own equity/contribution or any other purpose).

iv. Eligible Entities: The scope has been broadened, while being subject to more clearly defined and specific conditions - (i) direct acquisition by the acquiring company, (ii) on-lending by the acquiring company to a non-financial subsidiary in India or overseas, (iii) direct borrowing by an existing non-financial subsidiary in India or overseas 'on the strength' of the acquiring company, or (iv) a step-down SPV in India or overseas (including joint SPVs with another non-financial company) with no business other than acquisition/holding of the target, subject to the additional requirement that, where the acquirer holds less than a majority of voting rights in the SPV or subsidiary, it must still hold the single largest voting block and face no veto/override rights from any other shareholder or concert group.

v. The requirement of the acquiring company to fund the non-bank portion of the acquisition from its 'own funds' such as internal accruals or fresh equity has been revised to include only internal accruals, asset sale/redemption proceeds or fresh equity (explicitly excluding any borrowings, instruments with fixed repayment/put options, or intragroup funding sourced from borrowings).

vi. Control Acquisition Requirements: The control acquisition requirements have been revised so that control may be achieved via equity shares, compulsorily convertible preference shares or CCDs conferring control. Additionally, all debt claims of the acquirer or its group on the target must be subordinated to banks' acquisition-finance claims for the full tenor. The 12-month completion window is now computed from the date of first disbursal of acquisition finance instead of the date of execution of the acquisition agreement.

vii. The framework for Prudential ceilings for individuals has been revised to cap loans against eligible securities (other than specified government/debt instruments) at INR 1 crore per individual, at the level of the entire banking system rather than per bank. Similarly, for IPO/FPO/ESOP financing, banks can still extend loans to individuals for subscribing to shares in IPOs, FPOs or under ESOPs, but the INR 25 lakh limit is now a banking-system-wide cap.

The Revised CF Amendment shall come into force on 01.07.2026.

GOVERNMENT NOTIFICATIONS

MCA re-issues Advisory for stakeholders for name reservation and incorporation of company and LLP.

MCA has re-issued an Advisory for stakeholders for Name Reservation and Incorporation of Company and LLP on 25.03.2026 ("Advisory")[6] adding further clarifications to the existing advisory issued on 12.03.2026 focusing on recurring errors in applications relating to name reservation, incorporation and change of name of companies and LLP. Some of the key clarifications include:

i. Where a proposed name includes references to foreign countries such as "French," "British," or "German," such usage will only be permitted upon submission of documentary proof establishing a genuine collaboration or connection with entities or individuals from that jurisdiction, in line with Rule 18(2)(xv) of the LLP Rules, 2009 or as per Rule 8A(1)(t) of the Companies (Incorporation) Rules, 2014 (as applicable).

ii. Accurate filling of all relevant industrial classification details, including Type, Class, Category, Sub-Category, and Main NIC is required. and also requests for withdrawal or reuse of an already approved name for a different entity structure are expressly disallowed.

iii. Only registered "Word Mark" trademarks will be considered for the purpose of name approval under Rule 8A(1)(b) of the Companies (Incorporation) Rules, 2014. Device marks, label marks, or other forms of trademarks are excluded from this consideration. Consequently, a No Objection Certificate (NOC) is required only where the proposed name includes a registered word mark, and not where the trademark is merely a device or logo.

[6] Advisory for Stakeholders for Name Reservation and Incorporation of Company and LLP dated 25.03.2026.

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iv. Where the proposed name or objects of a company or LLP include regulated terms such as "Banking" or "Insurance," applicants must submit a declaration confirming compliance with the requirements prescribed by the relevant regulators, namely the RBI and the Insurance Regulatory and Development Authority of India.

MCA issues update for Directors on New DIR-3 KYC Web Form.

MCA had introduced significant amendments to the DIR-3 KYC (a form for periodic KYC compliances for directors) compliance framework *vide* notification dated 31.12.2025 ("Amendment"). Further, the MCA has, by way of an update dated 31.03.2026 ("MCA Update")[7], notified that the said Amendment shall come into force from 31.03.2026. The key highlights of the Amendment are set out below:

i. Directors holding a DIN as on 31st March of a financial year shall now be required to file Form DIR-3 KYC Web once every third consecutive financial year, on or before 30th June, whereas previously such DIR-3 was required to be filed annually.

ii. Any change in a director's mobile number, email ID, or residential address must be updated within 30 days through DIR-3 KYC Web along with the prescribed fee under the Companies (Registration Offices and Fees) Rules, 2014.

iii. Form DIR-3-KYC and DIR-3- KYC-Web have been substituted with Form DIR-3 KYC Web.

iv. Any pending DIR-3 KYC web or DIR-3 KYC e-forms currently in 'Draft/pending' or 'Pending for DSC upload and payment' status will be marked under 'Cancelled' status and stakeholders are requested to file new DIR-3 KYC web form effective from 31.03.2026.

JUDICIAL PRONOUNCEMENTS

Supreme Court holds that post-facto shareholder approval cannot legitimise diversion of funds.

The Supreme Court of India, by way of its judgement dated 17.03.2026 in the matter of *Securities and Exchange Board of India v. Terrascope Ventures Limited Etc.*[8], held that allegation of diversion of funds arising from a preferential allotment cannot be cured by subsequent ratification or approval by shareholders.

The court observed that Securities and Exchange Board of India Act, 1992, read with regulations framed thereunder, is designed to pre-empt manipulative trading and address all forms of impermissible conduct adopted by market participants. Its objective is to ensure that innocent investors are not misled and to foster an environment conducive to greater participation and investment in the securities market, an outcome that is vital for the growth and development of the economy. Hence, any practice that fails to conform to the principles of fairness and transparency governing stock market trading would fall within the ambit of unfair trade practices in the securities market. The court further held that the objects underlying the issuance of securities, including preferential allotment of shares, are of paramount significance as they materially influence the conduct of the stakeholders in the securities market, which cannot be cured by subsequent ratification/ approval by shareholders.

The court also took a note of the conduct of the parties and observed that, since the amounts received were disbursed immediately and in a manner contrary to the objective of the preferential allotment, this further supports the inference that the funds were diverted illegally.

Supreme Court holds that the plea of set-off can be raised as a defence in arbitration proceedings even after approval of resolution plan.

The Supreme Court of India, by way of its judgement dated 20.03.2026 in the matter of *Ujaas Energy Limited v. West Bengal Power Development Corporation Limited*[9], held that the plea for set-off can be raised as a defence in arbitral proceedings even after approval of resolution plan by National Company Law Tribunal.

In the present matter, West Bengal Power Development Corporation Limited ("WBPDCL") issued a letter of award in favour of Ujaas Energy Limited ("UEL") for manufacture, procurement, installation, etc. of grid connected rooftop solar PV power plant. Thereafter, UEL was admitted into Corporate Insolvency Resolution Process ("CIRP"). WBPDCL had failed to raise any claim before the resolution professional prior to approval of the resolution plan of UEL and raised its counterclaim before the arbitral tribunal in an arbitration invoked by UEL. It was contended by UEL that WBPDCL cannot raise any claim / counterclaim after approval of the resolution plan, as the same is against the 'clean slate' principle under Insolvency and Bankruptcy Code, 2016 ("IBC").

[7] Important MCA Update for Directors on New DIR-3 KYC Web form.

[8] Civil Appeal Nos. 5209-5211 of 2022.

[9] SLP (Civil) No. 29651 of 2024.

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The court perused the resolution plan of UEL and observed that, although the resolution plan barred claims for any payment, settlement, including a counterclaim, the resolution plan did not bar a plea of set-off being raised as a defence in any pending arbitral proceedings. The court also clarified that WBPDCL shall not derive any positive or affirmative relief on the basis of the said defence and may only defend itself against the claim raised by the UEL, i.e., in the event the amount claimed by WBPDCL in counterclaim is found to be due and payable by UEL, and such amount exceeds the amount awarded to UEL, then such surplus amount will not be recoverable by WBPDCL. Similarly, if an amount remains payable to UEL after adjustment of WBPDCL's seat-off plea, the same shall be recoverable by UEL.

Supreme Court holds that once a moratorium under Section 14 of IBC comes into effect, any security deposit made by the corporate debtor cannot be set off against the pre-CIRP dues of the corporate debtor.

The Supreme Court of India, by way of its judgement dated 23.03.2026 in the matter of *Central Transmission Utility of India Limited v. Sumit Binani & Ors.*[10], held that, once moratorium under Section 14 of IBC is imposed on the Corporate Debtor ("CD"), any security deposit made by the CD cannot be set off against the pre-CIRP dues of the CD.

The court reiterated that pre-CIRP dues cannot be appropriated by setting off amounts from the CD's security deposit with the creditor. In addition, the court also observed that even if the deposit was made by the CD as a security mechanism, it continued to remain as an asset of the CD, unless the same is lawfully appropriated.

Supreme Court holds that an arbitral award can be challenged on the ground of lack of arbitration agreement, even after the party challenging it has participated in the arbitration proceedings.

The Supreme Court of India, by way of its judgement dated 24.03.2026 in the matter of *M/s. Bharat Udyog Limited v. Ambernath Municipal Council Through Commissioner & Anr.*[11], held that even though a party has participated in an arbitration proceeding, the absence of a valid arbitration agreement renders the arbitral award *non-est* and a nullity.

In the present matter Bharat Udyog Limited ("BUL") entered into an agreement with Ambernath Municipal Council ("Municipal Council") for collection of octroi. However, a dispute subsequently arose between the parties regarding the computation of reserve minimum price, and the matter was referred to arbitration. The arbitral tribunal directed Municipal Council to reduce the reserve minimum price. BUL approached the civil court seeking to make the arbitral award a rule of the court, which was allowed by the civil court. However, the order of the civil court was overturned by the High Court of Bombay, following which BUL filed an appeal.

The court observed that, mere participation in arbitral proceedings is no estoppel against a party to challenge the arbitral award on the ground that the contract / agreement did not stipulate for arbitration.

Supreme Court holds that government incentives/grants can be considered by Electricity Regulatory Commissions while determining tariff, subject to the purpose of the incentives not being defeated.

The Supreme Court of India, by way of its judgment dated 25.03.2026, in the matter of *Southern Power Distribution Company of Andhra Pradesh Limited & Anr. v. Green Infra Wind Solutions Limited & Ors.*[12], held that while State Electricity Regulatory Commissions ("SERCs"), in determining tariff under Section 62 of Electricity Act, 2003, can consider incentives/ grants offered by the Union Government to renewable energy generators, such power must not be exercised in a manner which defeats the purpose of the incentive scheme.

In the present case the Central Government introduced the Generation Based Incentive ("GBI") scheme to promote renewable energy by providing incentive to wind power generators, intended to operate 'over and above' the tariff determined by SERCs. Pursuant to the same, Andhra Pradesh Electricity Regulatory Commission ("APERC") initially issued levelized generic tariff orders dated 01.08.2015 and 26.03.2016 ("Tariff Orders") for wind power projects without factoring in the GBI availed by generators. Subsequently, however, in a petition filed by Andhra Pradesh ("AP") Discoms, APERC permitted deduction of GBI from tariff, relying on Regulation 20 of the APERC (Terms and Conditions for Tariff Determination for Wind Power Projects Regulations, 2015 ("Tariff Regulations 2015"), which provides for consideration of incentives extended by the Central / State Government while determination of tariff.

The Appellate Tribunal for Electricity ("APTEL") set aside APERC's order, holding that Regulation 20 merely requires 'consideration' of incentives such as GBI and does

[10] Civil Appeal Nos. 2216-2217 of 2025.
[11] SLP (C) No. 1127 of 2017.
[12] Civil Appeal No. 4495 of 2025.

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not mandate their deduction from tariff. Thus, APERC erred in treating its earlier omission to factor in GBI as a violation of the Tariff Regulations, 2015 and in amending the Tariff Orders on that basis.

In the Civil Appeal filed by the AP Discoms, the court observed that Regulation 20 obligates APERC to 'take into consideration' such incentives, which does not imply a mandatory deduction or an automatic pass through, but instead calls for a purposive interpretation. It further noted that schemes such as GBI are not intended as a 'consumer subsidy', but as a 'generator-focused incentive', integral to the fulfilment of national / international policy objectives. The court held that SERCs cannot exercise their regulatory authority in a manner that defeats the legislative intent or the purpose of such incentives, merely because the power to determine tariff is exclusively vested in them.

Supreme Court reiterates that foreign arbitral awards cannot be re-examined on merits at the stage of enforcement.

The Supreme Court of India, by way of its judgement dated 25.03.2026, in the matter of *Nagaraj V. Mylandla v. P.I. Opportunities Fund-I and Others Etc.*[13], reiterated that foreign arbitral awards can be resisted in India only on limited public policy grounds and courts cannot re-examine such awards on merits at the enforcement stage.

The court emphasized that it is the sovereign commitment of India to honour foreign awards, except on the exhaustive grounds provided under Article V of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958 (New York Convention). In addition to this, the court relied on the principle of 'transnational issue estoppel' which prevents a party from re-litigating the same factual or legal issues in an Indian enforcement court, which has already been adjudicated by the foreign court at the seat of arbitration. The court also observed that the application of the doctrine of 'transnational issue estoppel' would effectively curb the propensity of parties to relitigate settled factual issues taking advantage of the fact that they are before a different court in a different jurisdiction.

High Court of Delhi holds that property purchased from proceeds of crime prior to enforcement of the Prevention of Money Laundering Act, 2002 may still be liable to attachment if possession continues thereafter.

The High Court of Delhi, by way of its judgment dated 16.03.2026, in the matter of *Directorate of Enforcement v. M/s. Mahanivesh Oils & Foods Pvt. Ltd.*[14], allowed the appeal against the order of the Single Judge which had quashed a Provisional Attachment Order issued under Section 5(1) of Prevention of Money Laundering Act, 2002 ("PMLA"). The court held that where property constitutes 'proceeds of crime' and the person continues to remain in possession or use thereof even after PMLA coming into force, the offence of money-laundering is a continuing one and attachment of such property can be sustained.

The issue before the court was whether the immovable property allegedly purchased out of proceeds generated from a scheduled offence, but acquired prior to the enforcement of the PMLA, could still be attached under Section 5(1) of PMLA where the accused continued to possess and utilise such property after the statute came into force.

The court held that the offence of money laundering under Section 3 of PMLA is independent of the scheduled offence and includes continued activities such as concealment, possession, acquisition or use of proceeds of crime. It was observed that continued possession or enjoyment of the property from the proceeds of crime after PMLA came into force, amounts to a continued offence, thereby enabling attachment and confiscation of the proceedings. Consequently, the findings underlying the Provisional Attachment Order were justified and necessary to safeguard the confiscation proceedings.

High Court of Delhi holds that filing of an application under Order VII Rule 11 of Civil Procedure Code, 1908, does not extend or revive the limitation period for filing written statement in commercial suits.

The High Court of Delhi, by way of its judgment dated 23.03.2026 in *IDBI Trusteeship Services Ltd. v. Manish Jain & Ors.*[15], held that filing of an application under Order VII Rule 11 of Code of Civil Procedure, 1908 ("CPC") does not extend the statutory timeline for filing a written statement, and cannot be used to revive a right that has already been forfeited upon expiry of the prescribed period.

The issue before the court was whether a defendant, whose right to file written statement stood closed after expiry of the statutory period of 120 days, could rely on a subsequently filed application under Order VII Rule 11 of CPC to contend that the limitation period ought to be extended.

The court, after placing reliance on *R. K. Roja v. U.S. Rayudu and Another*[16], held that although a defendant is entitled to file an application under Order VII Rule 11 of

[13] SLP (Civil) Nos. 31945-31947 of 2025.
[14] LPA No. 144/2016.
[15] CS(COMM) 800/2025.
[16] (2016) 14 SCC 275.

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CPC prior to filing a written statement, such procedural right cannot be used as a device to retrieve a lost opportunity. Since, in the present case, the statutory period of 120 days for filing the written statement had already expired prior to filing of the application under Order VII Rule 11 of CPC, the court clarified that once the limitation period has lapsed, a subsequent application under Order VII Rule 11 of CPC does not revive or extend the time for filing the written statement. Accordingly, the court upheld the closure of the right to file the written statement and dismissed the appeal.

High Court of Delhi holds that amendment of written statement cannot be permitted to withdraw clear admissions and set up a wholly inconsistent defence.

The High Court of Delhi, by way of its judgment dated 25.03.2026, in the matter of *Smt. Bindu Sharma v. Kapil Sud & Anr.*[17], held that although courts adopt a liberal approach while allowing amendments to written statements under Order VI Rule 17 of CPC, such amendments cannot be permitted where they seek to withdraw clear and categorical admissions and substitute an entirely contradictory defence.

The issue before the court was whether the written statement could be permitted to be amended after a lapse of more than four years in order to withdraw earlier admissions.

The court held that the law governing the amendment of pleadings under Order VI Rule 17 of CPC is well settled. While the power of amendment is wide and courts ordinarily adopt a liberal approach, such discretion is circumscribed by certain settled limitations. One such restriction is that a party cannot ordinarily be permitted to withdraw clear and categorical admissions made in the pleadings, particularly when such admissions confer a valuable right upon the opposite party. Further, the court observed that the proposed amendment did not merely clarify or elaborate the defence but sought to completely replace its earlier admissions with introduction of a diametrically opposite case. Allowance of such an amendment would cause irretrievable prejudice to the other party and cannot be permitted. Accordingly, the application under Order VI Rule 17 of CPC was dismissed and the suit was directed to proceed on the basis of the original written statement.

High Court of Delhi holds that an objection to territorial jurisdiction cannot be raised at a belated stage, and such objection is deemed to have been waived.

The High Court of Delhi, by way of its judgment dated 25.03.2026 in the matter of *Hanuman Prasad Sharma @ H.P. Sharma v. J. Mithyleshwar*[18], held that objections relating to territorial jurisdiction must be raised at the earliest opportunity, failing which the same are deemed to be waived in terms of Section 21 of CPC.

The issue before the court was whether an objection to territorial jurisdiction of the Trial Court could be raised at a later stage by way of an application under Order VII Rule 10 of CPC when such an objection had not been raised in the written statement or at the stage of framing of issues.

The court held that neither consent nor waiver can cure a defect arising from an inherent lack of jurisdiction. In contrast, territorial jurisdiction can be assumed by a court if the objection is waived by a party, in accordance with the principles laid down in Section 21 of CPC. Independently of Section 21 of CPC, a defendant may also waive an objection to territorial jurisdiction and would thereafter be precluded from raising it. Since no objection to territorial jurisdiction was raised in the written statement and no issue on this aspect was framed, the objection was deemed waived.

High Court of Bombay affirms that withdrawal with liberty does not confer right to introduce fresh claims.

The High Court of Bombay, by way of its judgment dated 24.03.2026 in *M/s. Lahoti Properties & Ors. v. Gangabhishan & Ors.*[19], has held that withdrawal of a suit with liberty to file afresh on the same cause of action does not permit the plaintiff to introduce new or additional reliefs in the subsequent suit, unless specific liberty to claim such reliefs was expressly granted by the court. Further, omission to claim available reliefs in the earlier suit attracts the bar under Order II Rule 2(3) and Order XXIII Rule 1(4) of CPC, thereby rendering the subsequent suit not maintainable. It was also held that such bar can be examined at the stage of Order VII Rule 11 of CPC without requiring a full-fledged trial.

In the present case, the maintainability of the subsequent suit was challenged, contending that the additional reliefs, though available at the time of the earlier suit, were deliberately omitted and could not be agitated subsequently in the absence of specific leave of the court.

[17] FAO(OS) 3/2026.
[18] FAO 290/2022.
[19] Civil Revision Application No. 61 of 2026.

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The court observed that the cause of action in the subsequent suit was identical to that in the earlier suit and that the reliefs sought in the subsequent suit were available at the time of institution of the earlier suit but were consciously not claimed, thereby attracting the statutory bar under Order II Rule 2(3) of CPC. It was further observed that withdrawal of the earlier suit with liberty did not extend to permitting institution of a fresh suit for omitted reliefs in the absence of specific permission. In view thereof, it was held that the subsequent suit was not maintainable and accordingly allowed the revision application.

APTEL lays down triple test for an event to qualify as a Force Majeure event.

APTEL, by way of its judgment dated 16.03.2026 in *M/s. Simbhaoli Power Private Limited v. Uttar Pradesh Electricity Regulatory Commission and Others*[20], upheld the order of the Uttar Pradesh Electricity Regulatory Commission ("UPERC"), rejecting the claim of M/s. Simbhaoli Power Private Limited ("SPPL") for reduction of contracted capacity under its Power Purchase Agreement ("PPA") executed with Uttar Pradesh Power Corporation Limited ("UPPCL"). APTEL held that SPPL is not entitled to such reduction and that the sanctity of the PPA cannot be permitted to be breached on account of a commercial consideration taken by SPPL.

SPPL had dismantled a 12 MW generating unit on account of increase in cost and non-availability of bagasse and sought reduction of export capacity under the Force Majeure clause of the PPA. APTEL held that such circumstances are 'usual and natural events' which could have been foreseen at the time of execution of the PPA and do not constitute a Force Majeure event. Further, Force Majeure and doctrine of frustration are to be applied narrowly and that mere rise in cost or expense or the contract becoming financially and commercially difficult to perform does not render performance impossible. APTEL also emphasised that the decision to dismantle the unit was a purely commercial decision of SPPL and not an event beyond its control and that where an alternative mode of performance exists, the Force Majeure clause cannot be invoked. Accordingly, APTEL laid down a 'triple test' for an event to qualify as Force Majeure, namely: (i) the event projected as Force Majeure should be impractical and unenforceable (i.e. impracticality); (ii) the event must make the execution of the contractual obligations impossible (i.e. impossibility); and (iii) the event must not be created on account of default or negligence of the party claiming it (i.e. externality).

In view of the above, APTEL upheld UPERC's order and dismissed the appeal filed by SPPL, reiterating that parties are bound by the terms of the PPA and cannot seek to avoid contractual obligations on the ground of commercial hardship.

CERC proposes revision of congestion charge framework and declines exemption for renewable energy generators.

The Central Electricity Regulatory Commission ("CERC") by way of its order dated 13.03.2026 in Petition No. 1/SM/2026[21] has proposed to revise the rate of congestion charges applicable in real-time operation of the inter-State transmission system and has also clarified that renewable energy ("RE") generators cannot be exempted from such charges.

CERC noted that the existing congestion charge of Rs. 5.45/kWh was fixed in 2010 based on the then Unscheduled Interchange regime. It further observed that the power sector has undergone significant changes over the past 15 years.

CERC held that congestion is a matter of grid security and all entities contributing to congestion must remain subject to the same framework. It also noted that, with large-scale integration of RE, RE sources cannot be excluded from the congestion charge mechanism. Therefore, CERC declined to exempt RE generators from congestion charges.

Simultaneously, CERC proposed that the congestion charge be linked to the applicable deviation settlement mechanism ("DSM") rate and be fixed at 1.5 times the relevant Reference Charge Rate, Contract Rate or Normal Rate of Charges for Deviation, subject to a minimum of Rs. 3 per unit and a maximum of INR 10 per unit. CERC further proposed that no congestion charge should be levied where power flow in the transmission corridor aligns with the schedule, but congestion arises due to forced outage of a line after the drawal schedule has been fixed. In such cases, the situation would be managed through emergency instructions issued by the respective load dispatch centres.

In this regard, CERC has invited comments and suggestions from stakeholders on the above proposal by 06.04.2026 and directed that the matter be listed for public hearing before a final decision is taken.

[20] Appeal No. 128 of 2021.

[21] Petition No. 1/SM/2026.

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