SAGUS SPEAKS

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

REGULATORY AND POLICY UPDATES

SEBI notifies acceptance of digitally signed POA from FPIs

The Securities and Exchange Board of India ("SEBI"), by circular dated 20.08.2026[1] ("FPI Circular"), has notified the acceptance of digitally signed power of attorney ("POA") by foreign portfolio investors ("FPI") and has accordingly amended the Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors ("FPI Master Circular").

The FPI Circular states that for digitization of FPI onboarding process, it has now been decided that POAs digitally signed by FPIs in accordance with the provisions of Information Technology Act, 2000 ("IT Act") shall be permitted. Accordingly, the FPI Circular notifies amendment to FPI Master Circular whereby POA given by FPI to custodians specifying the address, executed using digital signature in accordance with the provisions of the IT Act shall now be considered as a valid proof of address under Para 9(B) of the FPI Master Circular.

The provisions of the FPI Circular have come into force on 20.08.2026.

GOVERNMENT NOTIFICATIONS

MPERC issues Standard Operating Procedure for banking of power in the State of Madhya Pradesh

[1] Acceptance of digitally signed Power of Attorney from FPIs

The Madhya Pradesh Electricity Regulatory Commission ("MPERC") *vide* its Order dated 17.08.2026 [2] has issued the Standard Operating Procedure ("SOP") for Banking of Power for Green Energy Open Access Consumers ("GEOA Consumers") in the State of Madhya Pradesh. The SOP has been introduced to establish a standardised and transparent framework for the banking of surplus renewable energy by GEOA consumers in Madhya Pradesh.

The key highlights of the SOP are as follows:

i. Applicability**:** The SOP applies to all GEOA Consumers as defined under the MPERC (Methodology for Determination of Open Access Charges and Banking Charges for Green Energy Open Access Consumers) Regulations, 2023 who are connected to the intra-State transmission and/or distribution system in Madhya Pradesh and intend to avail the banking facility.

ii. Application for Banking**:**

a. Long-Term Open Access and Medium-Term Open Access Consumers: An application for banking is required to be submitted to the concerned distribution licensee at least 15 days prior to the proposed commencement of banking. The application is required to be accompanied by the relevant authorisation, connectivity agreement, PP&WA and Power Purchase Agreement/ Power Sale Agreement, meter testing/ calibration reports for the 0.2S class ABT meters, no objection certificates from the concerned generator, where applicable, and a no-dues certificate issued by the concerned distribution licensee.

b. Short-Term Open Access Consumers: The banking application is required to be submitted concurrently with the short-term open access application. The applicant must also have obtained the requisite connectivity approvals and open access permission from the designated nodal agency.

iii. Banking Cycle and Carry Forward: The SOP provides that the eligible GEOA Consumers may bank surplus energy with the distribution licensee on a monthly basis throughout the year. Energy banked in a month may be utilised during the immediately succeeding 2 months. Each banking cycle shall automatically expire upon completion of the 3 month period and any surplus banked energy remaining unutilised at the end of the banking cycle shall ordinarily lapse and shall not be carried forward to a subsequent banking cycle. However, the GEOA Consumer may once in a financial year, request an extension of any single banking cycle, subject to technical feasibility approval and the other conditions prescribed under the SOP.

iv. Determination of Banked Energy: The distribution licensee shall determine the quantum of banked energy on a monthly basis at the end of each calendar/billing month. The calculation shall be undertaken on a 15-minute time-block basis by comparing the actual energy injected into the grid by the renewable energy generator, after factoring in applicable transmission and distribution losses, with the actual energy consumed by the GEOA Consumer as recorded by the ABT meter installed at the consumer end.

v. 30% Cap on Banked Energy: The SOP stipulates that the quantum of energy that may be banked by a GEOA Consumer in any banking month shall be limited to 30% of the consumer's total monthly electricity consumption recorded from the concerned distribution licensee, subject to technical feasibility. Where the surplus energy exceeds the 30% limit, the banked energy shall be proportionately reduced across the relevant time blocks, including peak and off-peak periods.

vi. Utilisation and Drawl of Banked Energy: The SOP provides that within the first 3 working days of the month immediately following the banking month, the distribution licensee is required to furnish the GEOA Consumer with a detailed statement of the surplus energy banked during the preceding month. The statement must contain 15-minute time block data and separately identify peak and off-peak banked energy in accordance with the prevailing time of day structure.

vii. Treatment of Peak and Off-Peak Energy: The SOP stipulated that energy banked during peak periods may be utilised during both peak and off-peak periods, whereas off-peak banked energy may be utilised only during off-peak periods.

viii. Banking Charges: The SOP prescribes an 8% in-kind banking charge, or such other charge as may be determined by MPERC from time to time. The banking charge is an energy-unit deduction and is not a monetary charge. The applicable percentage shall be deducted from the surplus energy calculated in each 15-minute time block, and only the balance shall be credited as banked energy. Separately, additional monetary charges may be

[2] Standard Operating Procedure for Banking of Power

levied for the cost of arranging power for return of banked energy, subject to the mechanism prescribed under the SOP.

ix. Events of Default**:** The SOP identifies the following, *inter alia*, as events of default by a GEOA Consumer:

a. The occurrence of any material breach, failure, omission or refusal to comply with the obligations under the SOP, non-payment or delayed payment of applicable charges or statutory dues, submission of forged, fabricated, falsified or misleading documents or declarations, or any unauthorised interference with or tampering of metering and telemetry systems shall constitute an event of default.

b. Further, the commencement of any insolvency, bankruptcy, winding-up or liquidation proceedings against the GEOA Consumer shall also constitute an event of default under the SOP.

x. Termination of Banking Arrangement: The SOP prescribes that on the occurrence of an event of default; the concerned distribution licensee may issue a written notice specifying the nature of the default. The GEOA Consumer shall be provided a 7 (seven) day cure period from receipt of the notice to remedy the default. If the default is not cured within the prescribed period, the banking arrangement may be terminated with immediate effect.

xi. Removal of Difficulties: That where the difficulties arise in implementation of the SOP, the Distribution License/ MPPMCL may approach MPERC for review or revision of the procedure with the requisite data.

KERC issues Draft Karnataka Electricity Regulatory Commission (Electricity Supply) Regulations, 2026

The Karnataka Electricity Regulatory Commission ("KERC") *vide* notification dated 14.08.2026 has invited stakeholder comments on the Draft Karnataka Electricity Regulatory Commission (Electricity Supply) Regulations, 2026 ("Draft ESR")[3]. The Draft ESR are aimed at streamlining electricity connections and related consumer services across the State and consolidate several existing regulations into a single framework governing supply of electricity in the State. Stakeholders may submit their comments on the Draft ESR within 30 days from the date of notification in the Gazette.

The key highlights the Draft ESR are as follows:

i. Applicability: The Draft ESR shall extend to the whole of the State of Karnataka and shall be applicable to all the distribution licensees operating within the State and to all consumers and applicants for supply of electricity, unless otherwise specifically provided.

ii. Classification of supply and connection procedure: The Draft ESR classifies supply to consumers/applicants by voltage level into three categories i.e., Low Tension, High Tension and Extra High Tension based on contracted or sanctioned load. The Draft ESR prescribe a time-bound, online procedure for new and additional connections, along with the documentation, power sanction, service line execution and commissioning of supply, with defined timelines for the licensee depending on the nature of works required.

iii. Metering, billing and disconnection: Every new connection requires a meter conforming to Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006. The Draft ESR prescribe the billing cycle and bill contents, treatment of disputed or defective-meter bills, delayed payment charges, and the procedure for disconnection and reconnection, along with recourse to the Consumer Grievance Redressal Forum and Electricity Ombudsman.

iv. Security deposit: The licensee may require security from a person seeking supply, towards dues for electricity supplied and for provision of line, plant or meter. The Draft ESR set out the basis for computation, periodic review, refund and interest payment on such security.

v. Unauthorised use and theft of electricity: The assessment for unauthorised load, misuse of electricity and unauthorised extension of supply is twice the applicable tariff, capped at 12 months' back-billing where the period of such use cannot be determined. The Draft ESR provides for provisional and final assessment orders, followed by appeal before the Appellate Authority as per Section 127 of the Electricity Act, 2003 ("EA 2003"). The Government may accept from any consumer who has committed an offence of theft of electricity, a

[3] Draft Karnataka Electricity Regulatory Commission (Electricity Supply) Regulations, 2026

sum of money by way of compounding of offences as per Section 152 of the EA 2003.

vi. Power to amend, remove difficulties and relax: The KERC may issue directions for effective implementation of the Draft ESR, remove any difficulty arising in giving effect to its provisions, and add to, vary, alter, modify, amend or repeal any provision at any time in accordance with the EA 2003.

vii. Repeal and Savings: Upon coming into force, the Draft ESR repeals the (a) KERC (Electricity Supply) Code, 2004; (b) KERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2004; (c) KERC (Interest on Security Deposit) Regulations, 2005; (d) KERC (Procedure for filing Appeal before the Appellate Authority) Regulations, 2005; (e) Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka, 2006; and (f) KERC (Security Deposit) Regulations, 2007, together with amendments thereto.

viii. Interpretation: In the event of any question relating to the interpretation of these regulations, the decision of the KERC shall be final and binding, subject to the provisions of the EA 2003.

MNRE has issued compliance guidelines regarding inverter-level generation data and storage of inverter-level data of Rooftop Solar systems

The Ministry of New and Renewable Energy ("MNRE") *vide* its office memorandum dated 17.08.2026[4] ("OM") has issued directions regarding compliance with guidelines on inverter-level generation data and storage of inverter-level data of Rooftop Solar systems ("RTS") installed under PM Surya Ghar: Muft Bijli Yojana ("PMSG: MBY"). This OM is issued in continuation of the earlier guidelines issued by MNRE from time to time on secure communication of generation data and the compliance requirements for inverters and communication devices used under PMSG: MBY.

MNRE while noting the significant integration and cybersecurity challenges arising from data communication by RTS plants installed at large scale has directed the following:

i. Data residency within India: Inverter OEMs/manufacturers must ensure that any application, associated monitoring and control servers, and the real-time data of such systems are stored in an encrypted, secure and protected environment, and reside exclusively within India. Additionally, data logger warranty is to be included as part of the inverter warranty.

ii. Written confirmation within 30 days: All Inverter OEMs/manufacturers operating in the country for RTS installations are required to confirm in writing to REC Limited (with a copy to MNRE) in the prescribed format, within 30 days from the date of the OM, their adherence to (a) the earlier guidelines on secure communication of generation data, and (b) the requirement of storing all inverter-level data parameters, including generation data, on servers/cloud located within India.

iii. Consequence of non-compliance: Inverter OEMs/manufacturers will not be permitted to install their systems on RTS installations under the scheme in case of non-compliance with the requirement to furnish written confirmation.

iv. Intimation of Point of Contact: All Inverter OEMs/manufacturers are also required to intimate to MNRE the details of an official point of contact, along with the written confirmation, in the prescribed format under Annexure-I.

v. Sharing of daily generation data: All Inverter OEMs are required to provide daily generation data (i.e., cumulative energy generation data for a day), mapped against the Inverter Serial Number (or any other unique identity decided by MNRE), to the National Portal through a uniform API, for installations done under PMSG: MBY. This arrangement will continue until central servers are developed at the State/DISCOM level and States/DISCOMs are able to capture and provide such generation data to the National Portal themselves.

MNRE has issued advisory for extension of timelines for implementation of renewable energy power projects due to Force Majeure

The MNRE *vide* its advisory dated 21.08.2026[5] has advised Renewable Energy Implementing Agencies ("REIAs") to consider extension of Scheduled Commencement of Supply Date ("SCSD") and Scheduled Commissioning Date ("SCD") on account of Force Majeure event due to West Asia Situation.

The advisory of MNRE relies upon the advisory issued by the Ministry of Finance ("MoF") *vide* Office Memorandum dated 29.04.2026, wherein the MoF has stated that West Asia situation shall be treated as "war" for Force Majeure purposes. In light of the same, MNRE

[4] Compliance guidelines regarding inverter-level generation data and storage of inverter-level data of Rooftop Solar systems

[5] Advisory for extension of timelines for implementation of renewable energy (RE) power projects due to 'Force Majeure'

has further noted that the Standard Bidding Guidelines for procurement of renewable power, issued under Section 63 of the EA 2003, require Power Purchase Agreements ("PPA") to contain provisions on Force Majeure definitions, exclusions, applicability and available relief, and that "war" is generally included therein as a Force Majeure event.

MNRE has advised REIAs and the Power/Energy/Renewable Energy Departments of State/UT Governments and Agencies thereunder to consider granting time-extension in the SCSD/SCD for such renewable energy power projects whose SCSD/SCD or extended SCSD/SCD falls on or after 28.02.2026, for a period of upto four (4) months, in line with the Force Majeure provisions contained in the applicable PPAs. The Advisory further proposes that the Ministry of Power grant relief to the extent Force Majeure is declared with respect to GNA/Connectivity without penalty and continuation of ISTS waiver/concession for the extended project period.

High Court of Delhi notifies listing of pending execution petitions under Section 36 of the Arbitration and Conciliation Act, 1996 for verification of stamp duty payment.

The High Court of Delhi, by notification dated 17.08.2026 ("Stamp Duty Circular") [6], has notified that the Hon'ble Chief Justice has directed that all the pending execution petitions under Section 36 of the Arbitration and Conciliation Act, 1996 ("Arbitration Act") shall be listed before the Joint Registrars (Judicial) to verify payment of requisite stamp duty.

In accordance with the Stamp Duty Circular, all the pending execution petitions under Section 36 of the Arbitration Act shall be listed before the Joint Registrars (Judicial) for verifying whether requisite stamp duty on the arbitral award has been paid and where the awards are unstamped or insufficiently stamped, to take steps as per the law. Further, similar exercise shall also be carried out by all the district courts in Delhi in execution petitions under Section 36 of the Arbitration Act. The Stamp Duty Circular further provides that in fresh cases, apart from making a declaration in the requisite format at the top of the index stating that the requisite stamp duty on the arbitral award has been paid, proof thereof shall also be required to be enclosed.

JUDICIAL PRONOUNCEMENTS

Supreme Court holds that High Courts in exercise of certiorari jurisdiction can set aside orders passed by quasi-judicial authorities which are grossly perverse.

The Supreme Court through its judgement dated 31.08.2026 in the matter of *Shri Prakash Narain Sharma Dead Through Legal Representative v M/s Burmah Shell Co-Operative Housing Society (Regd.) through Managing Committee Member Sh. P. Jindal & Others*[7] held that High Courts exercising their supervisory jurisdiction under Article 226 of the Constitution can set aside orders passed by quasi-judicial authorities.

The court observed that a case for interference by the High Courts would be made out, in case a finding is recorded by the authority without there being any evidence on record or without there being any supporting document as such finding would amount to an error of law.

Supreme Court holds that court while deciding an Order VII Rule 11 CPC plea, can reject a plaint at the threshold when the limitation period has expired and the same is evident from the pleadings.

The Supreme Court through its judgement dated 17.08.2026 in the matter of *N Asha Devi v R Aravind Kumar & Another*[8] held that a court while deciding a plea of Order VII Rule 11 of the Code of Civil Procedure, 1908 ("CPC"), can reject a plaint when it is obvious from the pleadings that the plaint is barred by limitation.

The court observed that while limitation is generally a mixed question of fact and law, however, where the facts about the plaint being barred by limitation are glaring from the averments in the plaint itself, then the court must exercise its power under Order VII Rule 11 of the Code of Civil Procedure, 1908 to reject the plaint at the threshold.

High Court of Bombay affirmed that public authority is not obliged to collect information from a third party under the RTI Act.

The High Court of Bombay, in the matter titled *Securities and Exchange Board of India v. Yogesh Babulal Mehta & Ors.*[9], through its judgment dated 18.08.2026, held that a public authority is not under an obligation to collect or obtain information from a private body to furnish the same to an applicant seeking information under the Right to Information Act, 2005 ("RTI Act").

The High Court examined Section 2(f) of the RTI Act and observed that where the information sought is not a part of the record of a public authority, and where such

[6] Stamp Duty Circular
[7] Civil Appeal No. 10693-10694 of 2026
[8] Civil Appeal No. 11194 of 2026
[9] WP No. 1664 of 2009

information is not required to be maintained under any law or the rules or regulations of the public authority, then the RTI Act does not cast an obligation upon the public authority to collect or collate such information and then furnish it to an applicant.

High Court of Delhi affirms that Court cannot prescribe methodology for fixing of property tax in writ jurisdiction.

The High Court of Delhi through its judgement dated 21.08.2026 in the matter of *Khan Market Welfare Association (Regd.) v. UOI & Ors.*[10], held that reliefs seeking a direction to New Delhi Municipal Council ("NDMC") to formulate a uniform method for fixing rateable values and constitution of an expert committee to inquire into alleged irregularities in taxing of properties, travel beyond the permissible scope of a writ of mandamus and cannot be granted in exercise of the jurisdiction under Article 226 of the Constitution of India.

The Court observed that where the complaint is regarding the assessment methodology adopted by the authority, and the relief sought is a direction to substitute or formulate another methodology, in such cases the Court would not ordinarily issue a mandamus merely because another method may appear fairer. In addition to this the court also observed that the Court does not ordinarily take over the functions of a statutory authority or prescribe the manner in which a statutory discretion is to be exercised.

NCLAT held that a party cannot extend period of limitation under Section 18 of Limitation Act by relying on own One-Time Settlement proposal.

The National Company Law Appellate Tribunal, Principal Bench ("NCLAT") through its order dated 21.08.2026, in *Kanta Gupta vs. Bank of India & Ors.*[11], held that one-time settlement ("OTS") proposal made by a party cannot be used by the same party to extend period of limitation under Section 18 of the Limitation Act, 1963 ("Limitation Act").

The Court observed that Section 18 of the Limitation Act pertains to getting the benefit of the acknowledgement made in writing by the opposite party against whom some right is being claimed, however, the same could not be claimed by the person on the basis of an acknowledgement which has been given by the person themselves.

[10] W.P.(C) 3534/2024
[11] Company Appeal (AT) (Insolvency) No. 1058 of 2026

NCLT Special Bench held that requisite approval of CoC does not bind the Adjudicating Authority to approve the resolution plan

The NCLT, New Delhi (Special Bench) *vide* order dated 25.08.2026 in *Indiabulls Housing Finance Limited vs. Dr. Subash Chandra*[12] approved the repayment plan of INR 6.50 Crores submitted by the Personal Guarantor as against admitted claims of approximately INR 22,006.57 Crores.

It was held that once the repayment plan is approved under Section 114, its binding effect is governed by Section 115 of the Insolvency and Bankruptcy Code, 2016. The Adjudicating Authority cannot make the plan binding only on the creditors who voted in its favour while allowing dissenting creditors to independently pursue recovery of their full original debt. Further, the court observed that Section 115 does not contemplate selective application of an approved repayment plan. Accordingly, the approved plan is binding on all creditors covered by it, whether assenting or dissenting. Granting dissenting creditors liberty to recover the full debt outside the plan would defeat the statutory scheme and result in unequal treatment of creditors.

[12] CP (IB) No. 97 of 2022

ABOUT SAGUS LEGAL

Sagus Legal is a full-service law firm that provides comprehensive legal advisory and advocacy services across multiple practice areas. We are skilled in assisting businesses spanning from start-ups to large business conglomerates including Navratna PSUs, in successfully navigating the complex legal and regulatory landscape of India. Our corporate and M&A, dispute resolution, energy, infrastructure, banking & finance, and insolvency & restructuring practices are ranked by several domestic and international publications. We also have an emerging privacy and technology law practice.

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