

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 08-06-2026

CORAM

THE HONOURABLE MR JUSTICE N. SATHISH KUMAR

AND

THE HONOURABLE MR.JUSTICE M.JOTHIRAMAN



WEB COPY

WP(MD)No.15318 of 2026 & WMP(MD)Nos.11462 & 11464 of 2026

1. M/s.NTPC Green Energy Limited,
Represented by its Authorized Representative,
E-3, Ecotech-II, Udyog Vihar,
Gautam Buddha Nagar, Greater Noida - 201 306.

2. M/s.NTPC Renewable Energy Limited,
Represented by its Authorized Representative,
E-3, Ecotech-II, Udyog Vihar,
Gautam Buddha Nagar,
Greater Noida - 201 306.

3. NTPC Limited,
Rep by its Authorized Representative,
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi – 110 003.

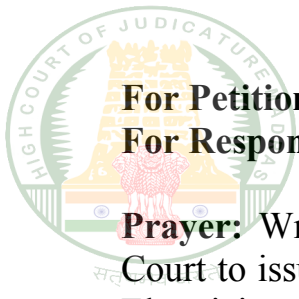
Petitioner(s)

Vs.

1. Union of India,
Through Secretary,
Ministry of Power (MoP),
Shram Shakti Bhawan, Rafi Marg,
New Delhi – 110 001.

2. The Secretary,
Ministry of New and Renewable Energy (MNRE),
Block – 14, CGO Complex, Lodhi Road,
New Delhi – 110 003.

3. Central Electricity Regulatory Commission,
Through its Secretary,
6th, 7th and 8th Floor, Tower B,
World Trade Centre, Nauroji Nagar,
New Delhi – 110 029.



Resq



For Petitioner(s): Mr.V.Raghavachari, Senior Counsel for Mr.S.Parthasarathy

For Respondent(s): Mr.K.Govindarajan, Deputy Solicitor General of India

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Declaration declaring Regulations 6(2)(b) and 8(4) of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 in Notification bearing No.L-1/260/2021/CERC dated 05.08.2024 issued by the 3rd Respondent as illegal, arbitrary, ultra vires and unconstitutional.

ORDER

(Order of the Court was made by the Hon'ble **N.SATHISH KUMAR, J.**)

WMP(MD)No.11462 of 2026 filed to permit the petitioners to file single writ petition is ordered.

2. Mr.K.Govindarajan, learned Deputy Solicitor General of India takes notice for the respondents 1 and 2.

3. The main contention of the learned Senior Counsel appearing for the petitioners is that the impugned Regulations 6(2)(b) and 8(4) of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 in Notification bearing No.L-1/260/2021/CERC dated 05.08.2024, have been issued by the 3rd Respondent without properly following the procedure and no opportunity has been given and the same are sought to be implemented from 01.04.2026. He would further submit that the impugned Regulations has been notified without compliance of mandatory requirement of previous publication prescribed under Section 178(3) of the Electricity Act, 2003 read with Rule 3 of the Previous Publication Rules. He would also submit that while notifying the impugned Regulations, the 3rd respondent introduced a wholly revised formula for computation of deviation percentage which was not disclosed in the Draft Regulations nor subjected to stakeholder consultation. Learned Senior Counsel further



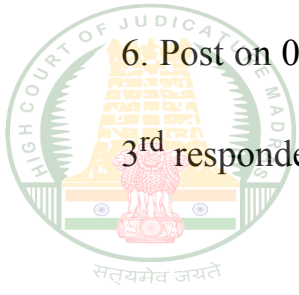
added that the objection of the petitioners had not been considered before the

Regulations are notified.

4. Learned Senior Counsel also brought to the notice of this Court that the very same impugned Regulations have been challenged before the Karnataka High Court in W.P.No. 13260/2026 contending that since the final regulation introduced a material departure from the draft without affording an opportunity to stakeholders to respond, the very purpose of publication stands defeated. Considering the said submission, the Karnataka High Court by order dated 27.04.2026, granted interim order that the operation of Regulations 6(2)(b) and 8(4) of DSM Regulations, 2024, shall not be enforced against the petitioners therein to the extent of revised formula and enhanced penalties. The Karnataka High Court further directed that the petitioners therein shall continue under the earlier DSM regime, deviation up to 15% shall be governed in terms of the earlier framework and the petitioners therein shall pay deviation charges accordingly. Relying upon the said order, the learned Senior Counsel would submit that since the petitioners herein are not parties in the writ petition before the Karnataka High Court, they are not entitled to the benefit of the said order. Thus, the learned Senior Counsel would pray for interim order in terms of the abovesaid order passed by the Karnataka High Court.

5. Considering the submission made by the learned Senior Counsel for the petitioners that the petitioners herein are willing to adhere to the earlier DSM regime and pay deviation charges accordingly including for deviation up to 15%, as was permissible under the last uncontested framework under the CERC (Deviation Settlement, Mechanism) Regulations, 2014, let the petitioners herein continue to pay the deviation charges as permissible under the earlier DSM regime and the impugned regulations shall not be enforced till the next

date of hearing.



6. Post on 01.07.2026 for filing counter affidavit by the respondents 1 and 2. No



3rd respondent by then. Private notice is also permitted.

WEB COPY

(N.SATHISH KUMAR J.) (M.JOTHIRAMAN J.)
08-06-2026

bala

To

1. The Secretary,
Union of India,
Ministry of Power (MoP),
Shram Shakti Bhawan, Rafi Marg,
New Delhi – 110 001.

2. The Secretary,
Ministry of New and Renewable Energy (MNRE),
Block – 14, CGO Complex, Lodhi Road,
New Delhi – 110 003.