Legal Updates

PNGRB issues Advisory on Reasonable Meter Rental Charges for Domestic Piped Natural Gas Connections

The Petroleum and Natural Gas Regulatory Board (**"PNGRB"**) through public notice [PNGRB/Monitoring/7/MiscMatters/(13)/2025(E-6251)] dated 12.03.2026 has issued an advisory to City Gas Distribution ("**CGD**") entities regarding the standardization of meter rental charges for Domestic Piped Natural Gas connections.

Under Section 11(a) of the Petroleum and Natural Gas Regulatory Board Act, 2006 ("**Act**") PNGRB is mandated to protect consumer interests by promoting fair trade and competition among regulated entities. The CGD entities provide Domestic Piped Natural Gas connections, under the PNGRB (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008 ("**2008 Regulations**"). At present, Regulation 14(1) of the 2008 Regulations allows CGD entities to collect an interest-free refundable security deposit of Rs. 6,000/- for standard meters and Rs.9,000/- for smart meters from consumers toward equipment security.

In practice, several CGD entities have introduced meter rental schemes, including EMI-based and fixed monthly/daily rental plans as an alternative to the one-time security deposit to make Domestic Piped Natural Gas connections more accessible. However, PNGRB has observed significant variation in rental charges, with fixed monthly rentals ranging from Rs. 30/- to Rs. 90/- (excluding taxes) across different CGD entities. PNGRB noted that such variability may lead to excessive recovery beyond the equivalent security deposit amount, potentially resulting in consumer disadvantage. To address this, PNGRB has advised that meter rental charges should remain reasonable and broadly uniform across CGD entities and geographic areas. Accordingly, exercising its mandate under Section 11(a) of the Act, the Board has

advised CGD entities to review their meter rental schemes and ensure that rental charges do not exceed the levels specified in the advisory notice.

The Board emphasized that such schemes should function as an enabling mechanism to promote wider adoption of Domestic Piped Natural Gas connections while safeguarding consumer interests.

Copy of the PNGRB Advisory can be accessed *here*.

TRAI releases Draft Telecom Commercial Communication Preference (Third Amendment) Regulations, 2026

Telecom Regulatory Authority of India ("**TRAI"**)vide its notification dated 13.03.2026, released a consultation paper proposing the Third Amendment to the Telecom Commercial Communications Customer Preference Regulations, 2018 ("**TCCCPR**"). The proposed changes aim to strengthen the framework for curbing Unsolicited Commercial Communications ("**UCC**"), especially in light of increasing use of automated and digital communication systems. The amendments are in line with the Telecommunications Act, 2023 and focus on use of advanced technology, stricter compliance requirements, and improved consumer protection.

Salient features:

- Access providers will be required to deploy AI/ML-based systems to identify and flag suspected spam senders, which may lead to KYC re-verification and possible disconnection.
- Senders of Application-to-Person (A2P) calls must declare such traffic in advance, failing which it will be treated as unsolicited commercial communication and attract penalties.
- The concept of "Explicit Consent" has been clarified and strengthened, with stricter rules for recording and maintaining consent on Distributed Ledger Technology (DLT) platforms.
- Third-party call management applications will not be allowed to block designated commercial number series, to prevent disruption of legitimate business communications.
- Financial disincentives for access providers failing to control UCC have been increased, with penalties up to Rs. 50 lakhs per month per Licensed Service Area.
- A system of secondary template validation has been introduced, requiring originating access providers to re-check commercial communication templates before transmission.

Copy of the Draft Telecom Commercial Communication Preference (Third Amendment) Regulations, 2026 can be accessed *here*.

Delhi High Court holds that the appointment of a serving employee as an arbitrator falls within the teeth of Section 12(5) read with Schedule VII of the Arbitration and Conciliation Act,1996

In *Railways Board, Ministry of Railways v. Titagarh Rail Systems Limited*, O.M.P (COMM) 475/2024, vide Judgment dated 26.02.2026, the High Court of Delhi has held that appointment of a serving employee as an arbitrator falls within the teeth of Section 12(5) read with Schedule VII of the Arbitration and Conciliation Act,1996. The Court held that the appointment being *void ab initio* will render the impugned award nullity.

In this case, disputes arose between the parties out of a contract for manufacture and supply of wagons, subsequent to which the Petitioner terminated the contract and cancelled the supply and forfeited the bank guarantee. The Petitioner proposed four names of its serving employees for appointment as arbitrator and the Respondent shortlisted two names out of the same. The award was passed allowing the claim of the Respondent. The Petitioner filed a Petition under Section 34 of the Arbitration and Conciliation Act, 1996 ("**AC Act**").

The Court observed that under Section 12(5) read with Schedule VII of the AC Act, an employee of the party in dispute is ineligible to be appointed as an arbitrator and cannot nominate or appoint any other person as an arbitrator. The unilateral appointment in absence of express agreement in writing between the parties to waive applicability of Section 12(5) of the

Arbitration Act is void *ab initio* and the unilateral appointment of the arbitrator can be objected to for the first time under Section 34 of the Arbitration Act. The Court reiterated that waiver involves a conscious decision to abandon the existing legal right and can be made only by a person fully aware of such right. A legal right cannot be taken away by implications and has to be an unequivocal expression.

Karnataka High Court holds that arbitral proceedings are deemed to commence on the date when the request for disputes to be referred to arbitration has been made unless the parties have agreed otherwise

In *R.K. Infra and Engineering (India) Pvt. Ltd. v. M/s The Sandur Manganese and Iron Ore Ltd.*, Commercial Appeal No. 63/2025, vide Judgment dated 25.02.2026, the Karnataka High Court has held that arbitral proceedings are deemed to commence on the date when the request for disputes to be referred to arbitration has been made unless the parties have agreed otherwise.

In this case, disputes arose between the parties out of a contract for construction of a road. Since the Appellant failed to complete the work within the stipulated time period, the Respondent No. 1 terminated the contract and invoked arbitration. The Respondent No. 1 filed a claim before the Indian Council of Arbitration ("**ICA**") in terms of the arbitration clause. The arbitral tribunal rendered its award against which the Appellant filed a Petition under Section 34 of the AC Act, which was dismissed. Thereafter, the Appellant filed an appeal under Section 37(1)(c) of the AC Act.

The main contention was that the claims were barred by limitation. The Appellant contended that the work was required to be completed within 6 months and the order for balance work could be cancelled if delay exceeded 8 weeks. Accordingly, the cause of action arose on the expiry of these 8 weeks. In this case, the Petition for appointment of arbitrator was filed after 3 years from the said date. Since no notice was issued under Section 21 of the AC Act, the limitation could only be considered as having stopped running, at the earlier, on the date of filing of the Petition for appointment of arbitrator.

Rejecting the contention of the Appellant, the High Court has held that it is apparent from the plain language of Section 21 of the AC Act that the arbitral proceedings are deemed to commence on the date when a request that the disputes be referred to arbitration is received by the non-claimant. However, the opening words of Section 21 make it clear that this is subject to the parties agreeing otherwise. In this case, the parties had agreed to be governed by the ICA Rules, according to which an arbitration commences on the date when the request for arbitration, the registration fee, and the statement of claim is received by the Council. Thus, the arbitral proceedings commenced on the date when the ICA received the request for arbitration and statement of claim. Consequently, the limitation period for the claims stood arrested on that date.

The High Court reiterated that the limitation period for claims and the limitation period for appointment of an arbitral tribunal are two separate periods of limitation. The first period concerns the limitation period for commencing the arbitral proceedings. The second period is the period of limitation for taking steps to appoint an tribunal. The question of limitation for seeking appointment of an arbitral tribunal after the arbitral proceedings have commenced is covered under Article 137 of the Limitation Act, 1963.

NCLAT holds that the Committee of Creditors (CoC) may litigate in its own name for matters arising within the insolvency process

In *Committee of Creditors of Think & Learn Pvt. Ltd. v. Riju Ravindran & Ors.*, Company Appeal (AT) (CH) (Ins) No. 475/2025, vide Judgment dated 24.02.2026, the National Company Law Appellate Tribunal ("**NCLAT**") has held that the Committee of Creditors ("**CoC**") may litigate in its own name for matters arising within the insolvency process.

In this case, Think & Learn Pvt. Ltd. was admitted into CIRP under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), subsequent to which the Resolution Professional ("**RP**") constituted a CoC. One of the suspended directors of the Corporate Debtor filed an application

against removal of a creditor from CoC. The CoC filed an application to be impleaded in this application, which was dismissed *inter alia* on the ground that CoC does not have a legal character and it can only be represented by the RP.

While examining the legal character of the CoC, the NCLAT has observed that CoC has not been defined under IBC however, it finds reference in Section 21 of IBC which stipulates that CoC comprises of all financial creditors of the Corporate Debtor, who may have a common objective but do not share an identical interest. Every CoC member has its right well defined by an independent contract that they have entered into with the Corporate Debtor.

The NCLAT has further observed that CoC cannot be equated to a company, society, partnership, club, association of persons or trust. Under the scheme of IBC, CoC is a statutory body and a decision making entity, with a functional role that binds all stakeholders however, the independent identity of the financial creditors within the CoC is not dissolved. On broader jurisprudential principles, a CoC cannot be termed as an entity with right to litigate as it cannot have an existence, nor can it seek any existence for any purposes outside the IBC. However, since CoC is the engine that runs the entire insolvency resolution process, the NCLAT adopted a pragmatic approach and held that it cannot be denied legal existence for all purposes.
The NCLAT has however clarified the following limitations:

i. A single-member CoC can litigate as the CoC.
ii. A multi-member CoC can litigate in its name if there is unanimity amongst members.
iii. If a multi-member CoC is being sued as a respondent, every member must be separately impleaded.

On facts, the NCLAT upheld the order dismissing the application filed by the CoC for impleading it as a party on the ground that the issue in question concerns individual rights of the creditor and not the collective rights of the CoC.

NCLAT sets aside Resolution Plan approved by sole CoC member acting as Resolution Applicant. Recommends Regulatory Review

NCLAT sets aside Resolution Plan approved by sole CoC member acting as Resolution Applicant. Recommends Regulatory Review In Pragiti Construction v. Committee of Creditor of the Corporate Debtor, Company Appeal (AT) (Ins) No. 2330-2331/2024, vide Judgment dated 06.02.2026, the NCLAT has held that the process of approving the Resolution Plan submitted by the sole member of the CoC, who was also an Operational Creditor, was fundamentally flawed due to a conflict of interest and a direct violation of Section 30(5) of the IBC.

In this case, two appeals have been filed – one appeal is against the order rejecting the Appellant's application seeking consideration of its Resolution Plan by the CoC and the RP, and the second appeal is against the order approving the Resolution Plan submitted by the sole member of the CoC, who was also an Operational Creditor.

In this case, the Operational Creditor was the sole CoC member with 100% voting share, and also the successful Resolution Applicant, thereby controlling the CIRP. The NCLAT observed that Section 30(5) of the IBC allows a Resolution Applicant to attend meetings but expressly bars them from voting unless they are a financial creditor. Thus, the vote of the operational creditor to approve its own plan was void-ab-initio.

The NCLAT invoked the principle of nemo judex in causa sua i.e., no person can be a judge in his own case. When the same entity proposes a Resolution Plan, evaluates competing plans, rejects them and approves its own plan, the process ceases to be fair, impartial or credible.

The NCLAT noted that the CoC ignored the core objective of IBC of maximizing asset value by rejecting a plan offering significantly higher recovery without a structured evaluation or an evaluation matrix. The Tribunal found further material procedural irregularities, including absence of an evaluation matrix, non-invitation of the applicant to the CoC meeting, and a pre-determined rejection of the competing plan. The Tribunal observed that the commercial wisdom of the CoC is not immune from scrutiny where the process is vitiated by conflict of interest, statutory violation, or lack of procedural fairness.

The NCLAT has directed the Insolvency and Bankruptcy Board of India (IBBI) to take note of the peculiar legal situation and initiate necessary amendments to the IBC.

A-142, Neeti Bagh
New Delhi – 110 049, India
T: +91 11 4659 4466 F: +91 11 4359 4466
E: mail@neetiniyaman.com
W: www.neetiniyaman.com

Office No. 501, 5th Floor,
Rehman House Premises CHS,
Nadirsha Sukhia Street,Fort,
Mumbai-400001, India