



Karnataka High Court quashes KERC's captive status verification procedure in a significant win for captive power users

June 18, 2026, Mumbai: In a significant ruling, the Karnataka High Court on June 12, 2026, quashed the Captive Status Determination Procedure (**Impugned Procedure**), issued by the Karnataka Electricity Regulatory Commission (**KERC**) by way of its Order dated 28.03.2025.

By the Impugned Procedure, the KERC had sought to introduce extraneous and stricter captive qualification criteria than prescribed under Rule 3 of the Electricity Rules, 2005 (as applicable at the time of issuance of the Impugned Procedure) ("**Rule 3**").

By its judgment, the Karnataka High Court has:

- a. Found the Impugned Procedure to be *ultra vires* Rule 3;
- b. Held the Impugned Procedure was issued without any public consultation;
- c. Accordingly, directed the KERC to frame an appropriate procedure consistent with Rule 3 after following due consultative process and principles of natural justice.

The CAM Team representing JSW Energy Limited and JSW Steel Limited, was led by **Ramanuj Kumar**, *Partner (Co-Head - Projects (Energy & Energy Transition))*; **Lomesh Kumar Nimduri**, *Partner (Head – Disputes, South India)*; and **Vishal Binod**, *Partner*, along with **Sagnik Maitra**, and **Twinkle Chadwa**, *Senior Associates*; **Ajay T.K.** and **Swadha Sharma**, *Associates*.