



December 2025

The Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Bill, 2025

Overview

In December 2025, India's Parliament passed the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Bill, 2025 (the "**SHANTI Bill**" or the "**Bill**"), marking a major overhaul of the country's nuclear energy legal framework. The Bill consolidates and modernises regulations, introduces private sector participation, clarifies liability regimes, and establishes robust regulatory and dispute resolution mechanisms. Upon Presidential assent and publication in the Official Gazette of India, the SHANTI Bill will replace the Atomic Energy Act, 1962 ("**AE Act**") and the Civil Liability for Nuclear Damage Act, 2010 ("**CLND Act**"), creating a unified and self-contained regime for nuclear energy governance. The Bill also preserves existing subordinate regulations under the repealed statutes until new rules are enacted, providing continuity during the transition.

Opening the Door to Private Sector Participation

A significant shift under the SHANTI Bill is the opening of nuclear energy generation to private sector entities, previously reserved for government bodies. Private operators may now apply for licences to build and operate nuclear power plants, handle nuclear material, and engage in related activities. However, strategic functions such as mining, enrichment and handling of fissile material, ore and other source material remain under exclusive Central Government control. The Bill also allows exemptions for certain research and low-risk activities from licence requirements and compliance with the new law.

Licensing and Safety Oversight

All nuclear energy activities require licensing from the Central Government, with an additional safety authorisation to be issued by the reconstituted Atomic Energy Regulatory Board ("**AERB**") for activities resulting in radiation exposure. The AERB is empowered to conduct inspections, investigations,

and enforce compliance, ensuring rigorous safety standards across the sector.

Clarified Liability and Insurance Requirements

The SHANTI Bill addresses longstanding ambiguities in nuclear liability, aligning India's regime with international treaty obligations under the Convention on Supplementary Compensation, 1997 ("**CSC**"). Liability for nuclear incidents is exclusively channelled to the operator, with a tiered approach based on facility size, with the maximum for larger plants (above 3.6 GW) increasing to INR 30 billion from INR 15 billion under the CLND Act. The Central Government remains liable for the difference between the operator's cap and the overall limit of 300 million SDR.

The Bill resolves ambiguities from the CLND Act regarding supplier liability by removing provisions that created a mandatory right of recourse for operators against suppliers. Under the Bill, an operator's right of recourse is now consistent with the CSC and limited to (i) instances specified in a contract, or (ii) where the nuclear incident results from an act or omission done with intent to cause damage.

Operators must maintain insurance or financial security to cover liability for nuclear damage, and additionally for safe disposal of radioactive substances, and decommissioning costs.

Tariff Regulation for Nuclear Power

The Bill introduces a framework for tariffs to be determined by the Central Government for electricity generated from nuclear plants, factoring in fuel costs, spent fuel management, decommissioning, and other relevant expenses. Detailed regulations are expected to follow, which will provide greater clarity for investors and operators.



Legislative Update

Regulatory and Dispute Resolution Mechanisms

A comprehensive regulatory structure has been established, with the Central Government retaining overarching authority in the nuclear sector. The AERB serves as the primary technical and safety regulator. For grievances and claims, the Bill creates the Atomic Energy Redressal Advisory Council, with the Appellate Tribunal for Electricity, and ultimately the Supreme Court having appellate authority. In the event of a nuclear incident, a Claims Commissioner or Nuclear Damage Claims Commission (depending on the severity) will adjudicate compensation claims, ensuring timely redressal.

Patentability of Nuclear Inventions

The SHANTI Bill amends the Patents Act, 1970, permitting patents for peaceful nuclear inventions, previously excluded under the old regime. The Bill amends the Patents Act, 1970, to bring such patents within the ambit of the wider patent law regime.

Overriding Effect

The Bill removes the recourse to claims under tort or general law, a previous concern under the CLND Act, expressly excludes civil court jurisdiction over matters governed by the Bill, including tariffs and nuclear damage claims, and provides overriding effect to the statute, thus preventing dual claims. To this extent, the SHANTI Bill is, in effect, a self-contained regime.

Key Takeaways

- The SHANTI Bill consolidates and modernises India's nuclear energy laws, enabling private sector participation under strict regulatory oversight.
- Operators face clear, exclusive liability for nuclear incidents, with mandatory insurance and financial security requirements.
- Supplier liability ambiguities have been resolved, streamlining risk management for operators and suppliers.
- Robust regulatory, inspection, and dispute resolution mechanisms are established, enhancing sector governance and investor confidence.
- The Bill's overriding effect and exclusion of civil court jurisdiction provide legal certainty and prevent conflicting claims.

Businesses considering entry or expansion in India's nuclear energy sector should closely monitor the implementation of the SHANTI Bill and forthcoming regulations, as the new regime promises opportunities and streamlined compliance obligations.

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