BBMB dispute settled: Himachal to get 11,973 MU power arrears over 20 lean seasons

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16 November 2026: On 6 November, the Supreme Court settled the decades-old inter-State power-sharing dispute in **Original Suit No. 2 of 1996 (State of Himachal Pradesh v. State of Punjab and others)**. A bench of **CJI Surya Kant, Justice Joymalya Bagchi and Justice V. Mohana** laid down a **cashless settlement**: of the total arrears of **13,066 million units (MU)** from the Bhakra-Nangal and Beas projects, Himachal Pradesh will receive about **11,973 MU over 20 lean seasons** (October to March) after adjusting its capital-cost liability.

Background

- **Origin:** after the Punjab Reorganisation Act, 1966, Himachal sued in 1996 under **Article 131** (the Supreme Court's original jurisdiction) over its share in the Bhakra-Nangal and Beas projects.
- **The 2011 ruling (27.09.2011):** Himachal is entitled to **7.19%** of the total benefits; its claim of **12% free power** stood rejected.
- **The 2013 affidavit:** the Union (Power Ministry, BBMB, CEA) computed the shortfall at 13,066 MU for 01.11.1966 to October 2011 (Bhakra-Nangal 8,523 + Beas-I 3,145 + Beas-II 1,398). Punjab's counter of 11,094 MU (after deducting 1,972 MU at the "old Himachal rate") was not accepted.

The settlement framework (6 November 2026)

- **Energy arrears:** 13,066 MU to be supplied by Punjab and Haryana at **653 MU per year** over 20 lean seasons, in the inter se ratio of **58:42 for Bhakra-Nangal** and **60:40 for the Beas projects** (matching the actual 1966-2011 distribution).
- **Charges:** Himachal pays the BBMB charges for the year each tranche is received.
- **Capital-cost liability:** Himachal's 7.19% share of loan servicing borne by Punjab and Haryana since 1966-67 is fixed at **Rs 420.77 crore** (Rs 249.23 crore to Punjab, Rs 171.55 crore to Haryana).
- **Adjustment:** valued at **Rs 3.85 per unit**, this converts to about **1,093 MU** deducted from the arrears.
- **Balance:** about **11,973 MU**, to be supplied at roughly **598 MU per year** over 20 lean seasons, in the same ratios - a fully cashless settlement.

Other notable points

- The Court appreciated the **Attorney General's** sustained mediation and settlement-framework work.
- The directions are **binding**; a decree pending for decades cannot be frustrated by a recalcitrant judgment debtor. The suit stands disposed of.

Why it matters for the exam

- **Federalism in action:** Article 131 (original jurisdiction), Article 262 and Entry 56 of the Concurrent List (regulation of inter-State rivers) in a live dispute.
- **Institutions:** BBMB was constituted under Section 79 of the Punjab Reorganisation Act, 1966; the CEA and the Power Ministry computed entitlements.
- **Lean season:** October-March, when river flows and generation dip.

Quiz: Test your knowledge

▶ Q1: Consider: 1. Himachal's claim of 12% free power was accepted 2. Balance arrears of about 11,973 MU will be supplied over 20 lean seasons 3. The Punjab-Haryana inter se ratio for Bhakra-Nangal is 58:42. Which are correct?
▶ Q2: BBMB was constituted under which law?

Frequently Asked Questions (FAQ)

In short: The Supreme Court ordered Himachal's 13,066 MU power arrears to be settled cashlessly: its Rs 420.77 crore capital liability converts to 1,093 MU at Rs 3.85/unit, leaving ~11,973 MU to be supplied over 20 lean seasons; Punjab-Haryana ratios 58:42 (Bhakra) and 60:40 (Beas).

Question: What did the Supreme Court decide on 6 November 2026 in the BBMB case?

Himachal's 13,066 MU arrears will be supplied over 20 lean seasons; its Rs 420.77 crore capital liability is adjusted against 1,093 MU, leaving ~11,973 MU at ~598 MU per year.

Question: What is Himachal's share in the Bhakra-Beas projects?

7.19% of the total benefits since the 2011 ruling; its claim of 12% free power was rejected.

Question: Under which constitutional provision was the suit filed?

Article 131 - the Supreme Court's original jurisdiction in disputes between States; Original Suit No. 2 of 1996.

Sources:

- https://api.sci.gov.in/supremecourt/1996/76045/76045_1996_1_1501_75612_Judgement_06-Nov-2026.pdf (official: Supreme Court judgment, Original Suit No. 2 of 1996, 6 November 2026)