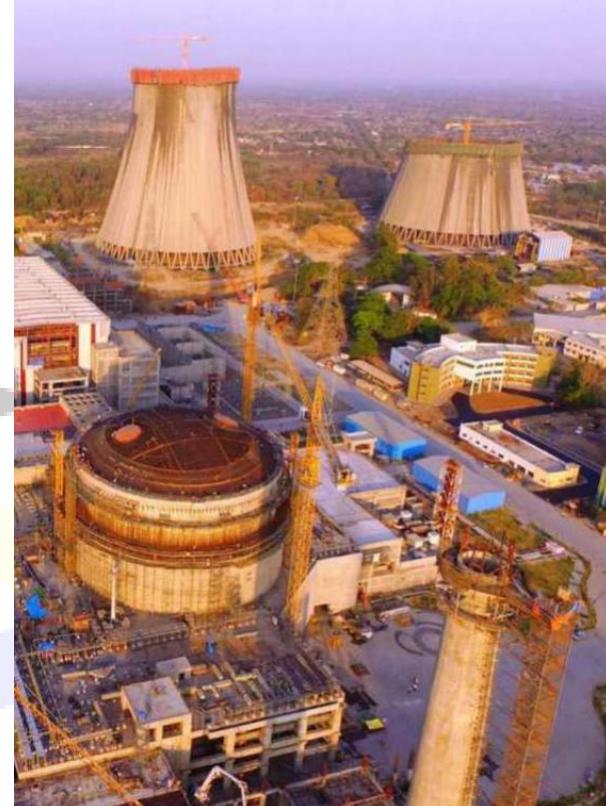


## Navigating Ambiguities in India's Nuclear Liability Law

### Introduction

India's Civil Liability for Nuclear Damage Act (CLNDA), 2010, created to ensure prompt compensation to victims of nuclear accidents, has emerged as a point of contention for foreign and domestic nuclear suppliers. Its deviation from international norms—especially concerning supplier liability—has resulted in stalled projects and hesitancy from foreign firms.



### Provisions of India's Nuclear Liability Law

- **Primary Law:** Civil Liability for Nuclear Damage Act (CLNDA), 2010.
- **Operator Liability:** Strict and no-fault liability on the operator (NPCIL), with a compensation cap of ₹1,500 crore.
- **Government Role:** Additional compensation (up to ₹2,100–2,300 crore) to be provided by the government if required.
- **Insurance Requirement:** Operator must secure insurance or other financial mechanisms to cover liability.
- **Scope:** Limited timeframe and liability caps are set for claims.

### Ambiguities and Supplier Liability

- **Deviation from Global Norms:** Unlike the international Convention on Supplementary Compensation (CSC), India's law introduces supplier liability under Section 17(b).
- **Key Clauses of Concern:**
  - **Section 17(b):** Allows operator to seek recourse from suppliers in cases of patent/latent defects in equipment or sub-standard services.
  - **Section 46:** Potentially allows civil suits under other laws, creating scope for unlimited liability on suppliers.
- **Foreign Concerns:**
  - Exposure to open-ended liability.
  - Absence of clarity on types of "nuclear damage".
  - Ambiguity in insurance requirements and indemnity scope.

### Impact on Nuclear Projects

- **Stalled Deals:**
  - **Jaitapur Project** (France): Delayed over unresolved liability issues.
  - **Kovvada Project** (U.S.): Facing similar hurdles.
- **Limited Foreign Presence:**
  - Russia's Kudankulam plant remains the only operational foreign collaboration, initiated prior to CLNDA.

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## Government's Position

- **Defending CLNDA:** Asserts compliance with CSC and claims that supplier liability is optional.
- **Interpretation Conflicts:**
  - Legal experts argue that Section 17(b) operates independently, enabling recourse against suppliers even without contractual stipulation.
  - Section 46 remains problematic due to the potential for additional civil suits.

## Way Ahead

- **Legal Clarification:** Define “nuclear damage” clearly and reassess Section 46 to limit unintended liabilities.
- **Amendments or Guidelines:** Issue specific rules on supplier insurance obligations and liability thresholds.
- **Stakeholder Dialogue:** Build trust with international suppliers via transparent and mutually acceptable agreements.
- **Judicial Clarity:** Seek definitive interpretations or possible reforms to harmonize law with global norms without compromising victim compensation.

## Conclusion

India's nuclear liability framework, while rooted in the ethical imperative to protect victims and ensure accountability, has introduced legal ambiguities that deter foreign collaboration. A delicate balance must be struck between supplier accountability and creating a predictable, investment-friendly environment for nuclear energy expansion. A re-examination of contentious provisions could unlock the vast potential of India's nuclear energy ambitions while preserving justice and safety.



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