

MATTER UPDATE

HSA Advocates successfully represented Tata Power Company Limited before CERC and secured Interim Relief in the Remand Proceedings under Section 11(2) of the Electricity Act, 2003

HSA Advocates successfully represented **Tata Power Company Limited (“TPCL”)** before the **Central Electricity Regulatory Commission** in the remand proceedings in Petition No. 179/MP/2023, culminating in the computation order dated 29.04.2026 determining TPCL’s entitlement to interim relief at INR 650.89 crore for the period from 16.04.2023 to 10.03.2025. The proceedings arise from directions issued by the Ministry of Power under Section 11(1) of the Electricity Act, 2003, mandating generation using imported coal and the consequent claim for compensation under Section 11(2) of the Act.

TPCL is one of India’s leading integrated power companies with operations across generation, transmission and distribution. The Respondents comprise multiple state distribution utilities including GUVNL, PSPCL, MSEDCL, Rajasthan discoms and Haryana discoms, along with the Union of India. The dispute concerns the adverse financial impact suffered by TPCL on account of supplying power using imported coal at a notified Energy Charge Rate significantly lower than the actual cost of generation.

In its interim order dated 10.03.2025, CERC granted provisional relief by allowing recovery of 50% of the differential Energy Charge Rate, subject to adjustment. This order was challenged before APTEL, which by judgment dated 31.10.2025 upheld CERC’s jurisdiction to grant interim relief and substantially affirmed the relief granted, while issuing a limited remand for re-computation on specific aspects of methodology. The Supreme Court, by order dated 16.01.2026, declined to interfere with APTEL’s judgment, thereby allowing the interim relief framework to continue.

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Pursuant to the remand, CERC examined the methodology for computation of interim relief, including treatment of coal procured on CFR or CIF basis, applicable freight and insurance components and determination of admissible Energy Charge Rate.

By its order dated 29.04.2026, CERC clarified that computation must be anchored to the FOB price of coal, with appropriate adjustments for freight and insurance as per the contractual framework and laid down the detailed methodology for calculating monthly entitlements. Applying this framework, CERC determined TPCL's total entitlement to interim relief at INR 650.89 crore for the relevant period, subject to furnishing of bank guarantees and final adjudication of claims in the main proceedings.

This order brings closure to the interim relief phase of a multi forum litigation and provides clarity on the methodology for computation of compensation under Section 11(2), pending final determination of TPCL's claims.

This matter reflects HSA's expertise in complex regulatory and commercial disputes in the energy sector. The HSA team was involved across stages of the proceedings, including advising, strategizing and representing TPCL before the regulatory and appellate fora. The HSA team, led by **Shubhi Sharma** (Partner), along with **Shambhavi Jha** (Associate) and **Vandana Ragwani** (Associate), assisted P. Chidambaram, Senior Advocate; and Sanjay Sen, Senior Advocate, in representing TPCL before the CERC. The client was also ably assisted by Co Counsel SKV Law Offices and HSA and SKV Law Offices worked in close tandem in the entire proceedings.