

Supreme Court Grants Interim Relief to SPV's of Sembcorp India in their Challenge to Telangana's Deviation Charges Regulations



On 26.06.2025, the Supreme Court of India granted interim relief to special purpose vehicles of Sembcorp India (i.e., Winsol Solar Fields (Polepally) Private Limited, Polepally Solar Parks Private Limited and Mahabubnagar Solar Parks Private Limited) (“**Petitioners**”), in a Special Leave Petition challenging Regulation 15 of the Telangana State Electricity Regulator Commission’s (“**TSERC**’s”) 2018 Deviation Settlement Mechanism (“**DSM**”) Regulations (“**Impugned Regulations**”).

The Petitioners being renewable energy (“**RE**”) generators operating various solar projects in the State of Telangana, vide the SLP challenged the order dated 16.10.2024 (“**Impugned Order**”), passed by the High Court for the State of Telangana (“**High Court**”). The High Court vide the Impugned Order had granted a partial relief by protecting the Petitioners from coercive recovery actions of the state entities of Telangana (including the TSERC, State Load Dispatch Centre and Transmission Corporation of Telangana Limited) conditioned on payment of 50% of the periphery deviation charges computed under Regulation 15 of the Impugned Regulations.

ARGUMENTS ON BEHALF OF THE PETITIONER

On 26.06.2025, SKV Law Offices, representing the Petitioners, pointed out that Impugned Order referred an earlier High Court ruling from 2.09.2024, and that ruling had already been altered by the Supreme Court on 31.01.2025 in SLP No. 3251 of 2025. The Petitioners argued that the Supreme Courts fresh direction limited their payment obligation to only 25 percent of the invoiced sum, a fact the Telangana Government body responsible for issuing those invoices had failed to recognize or adjust for.

The Petitioners stated that no invoices were raised by Transmission Corporation of Telangana Limited (“**TSTRANSCO**”) after September 2024 until June 2025, explaining the delay in approaching the Supreme Court. In June 2025, demands for deviation charges from June 2023 to April 2024 were suddenly issued by TSTRANSCO. Since the Petitioners’ participation in the High Court was through the Sustainable Power Developers Association, and while the Petitioners made several attempts to coordinate with them on filing an SLP, finality was not achieved and the Petitioners thereby had no option but to approach the Court independently. The Petitioners also pointed out that every outstanding invoice had been settled in full to avoid any default, yet because the Supreme Court later cut their overall liability to 25% they now ask to credit the surplus against bills still to come. They added that they are still fighting Regulation 15 of the Impugned Rules in High Court, claiming it punishes the same deviation twice and so strikes them as unfair and unreasonable.

SUPREME COURT’S ORDER:

The Hon’ble Bench, after hearing the submissions, condoned the delay in filing the SLP, acknowledging the reasons provided by the Petitioners. The Court issued notice in the matter and directed that the present SLP be tagged along with SLP No. 3251 of 2025, which concerns the same regulatory issue.

The Court noted that the Petitioners had already settled half of the bills, revised the original order, and now require them to pay only 25 percent of the outstanding amount. The Supreme Court also permitted the Petitioners to offset this remaining sum against future invoices, as outlined in the earlier direction from 31.01.2025, giving the petitioners interim relief for payments they have already made.

The judges recognized the challenge to the double tax levied under Regulation 15 and found that the claim of arbitrariness raises a serious, arguable point. By linking this special leave petition to the pending appeal, the Court signalled that it will review the double-levy argument thoroughly along with other similar cases.

Through this order, the Court effectively protected the Petitioners from making duplicate payments and protected their right to adjustment of excess amounts while keeping the broader issue of the validity of Regulation 15 under consideration for adjudication in the connected proceedings.

The petition is now tagged with the previously pending litigation on this issue for further adjudication.

Click [here](#) to read the Supreme Court’s Interim Order in this case

Winsol Solar Field (Polepally) Private Limited was represented before the Supreme Court of India by Shri Venkatesh (Founding Partner), Suhael Buttan (Partner), Priya Dhankhar (Counsel) and Manav Bhatia (Associate) of the SKV Law Offices Team.