

**CASE UPDATE****APTEL Modifies Interim Stay, Allows DVC to Recover 50% Arrears in West Bengal Tariff Dispute**

In a significant relief to Damodar Valley Corporation (**DVC**), the Appellate Tribunal for Electricity (**APTEL**) has modified its earlier interim order of 29.07.2022 in an ongoing tariff dispute with High Voltage Consumers. The earlier interim stay, granted on 29.07.2022, restrained DVC from recovering arrears arising from a tariff revision ordered by the West Bengal Electricity Regulatory Commission (**WBERC**) on 17.06.2022 for FYs 2018-19 and 2019-20. The modified order dated 11.08.2025 now permits DVC to recover 50% of the arrears while securing the remaining 50% through unconditional bank guarantees.

The tariff order of 17.06.2022 applied revised tariffs retrospectively from 01.04.2018, creating substantial arrears because electricity had been supplied earlier at lower rates. The stay order prevented DVC from recovering 308.82 crore, which comprised 217.40 crore from connected consumers and 91.42 crore from past consumers who had disconnected. DVC later filed Interim Application No. 667 of 2025 under Order 39 Rule 4 CPC for vacation or modification of the stay, arguing that subsequent events justified revisiting the order.

DVC's application cited two key developments: (i) WBERC's true-up orders issued on 11.12.2023 and 11.01.2024, which further increased tariffs (from 5.01/kWh to 5.40/kWh for 2018-19, and from 5.08/kWh to 6.114/kWh for 2019-20); and (ii) APTEL's January 2025 decision in similar FY 2017-18 appeals directing payment of 50% arrears plus bank guarantees for the remainder, this is an approach later upheld by the Supreme Court on 14.02.2025. DVC argued these constituted a "material change in circumstances" under Order 39 Rule 4 CPC and highlighted the financial strain caused by prolonged non-recovery.

The Damodar Valley Power Consumers Association (**DVPCA**) opposed the plea, maintaining that the original stay was grounded in the illegality of retrospective tariff hikes, this is an issue still pending decision. They also contended that arrears attributable to their members amounted to only 70.3 crore, less than 1% of DVC's aggregate revenue requirement, and therefore caused no undue hardship.

APTEL held that the issuance of the true-up orders did amount to a change in circumstances, as they demonstrated the need for upward tariff revision. The Tribunal also considered its own consistent approach in similar matters, which had been affirmed by the Supreme Court, as a basis for modifying interim relief. Accordingly, APTEL directed that members of the Appellant Association must pay 50% of the arrears within three months and provide unconditional bank guarantees for the remainder.

DVC was represented by SKV Law Offices in these proceedings before APTEL. This decision marks a significant step for DVC in recovering pending dues while the core legal questions remain undecided.

Click [here](#) to read the order

*Damodar Valley Corporation was represented in the Appellate Tribunal For Electricity by Shri Venkatesh (Founding Partner), Nihal Bhardwaj (Counsel), Aashwyn Singh (Senior Associate) from the SKV Law Offices team.*