

SUPREME COURT OF INDIA · ELECTRICITY ACT, 2003

# SKV Law Offices Secures Landmark Ruling for Tata Power Against Indian Railways on Surcharge Liability

May 9, 2026, New Delhi: SKV Law Offices successfully represented Tata Power Company Limited – Distribution before the Hon'ble Supreme Court of India in a batch of civil appeals concerning the liability of Indian Railways to pay Cross-Subsidy Surcharge and Additional Surcharge while availing open access for its own consumption.

## The Question of Law

The matter involved significant questions on the status of Indian Railways under the Electricity Act, 2003, including whether it could claim to be a deemed distribution licensee by relying on its status as an entity of the Central Government and the powers available under the Railways Act. The core issue was whether Indian Railways could avoid surcharge liability without undertaking the statutory obligations of a distribution licensee, particularly the obligation to supply electricity to consumers in an area of supply.

## Submissions by SKV Law Offices

SKV Law Offices, appearing for Tata Power Company Limited – Distribution, supported the position that Indian Railways could not selectively claim the benefits of deemed distribution licensee status while avoiding the corresponding obligations under the Electricity Act. It was advanced that Indian Railways consumes electricity only for its internal railway operations, including traction, signalling and allied infrastructure, and therefore remains an open access consumer liable to pay statutory surcharges under Section 42 of the Electricity Act.

## Decision & Significance

The Hon'ble Supreme Court upheld APTEL's judgment and held that Indian Railways is not a deemed distribution li-

censee and remains liable to pay Cross-Subsidy Surcharge and Additional Surcharge like any other open access consumer. The decision is significant for distribution licensees and the wider electricity sector, as it protects the cross-subsidy framework, safeguards DISCOM revenues, and ensures that large open access consumers bear their share of system costs. SKV Law Offices' representation contributed to an important precedent reinforcing regulatory certainty in India's electricity market.

## Team

The matter was led by Mr. Shri Venkatesh, Founding Partner, and Mr. Suhael Buttan, Partner, along with Mrs. Priya Dhankhar, Associate Partner, Mr. Vineet Kumar, Senior Associate, and Mr. Nikunj Bhatnagar, Senior Associate, of SKV Law Offices.

FOR FURTHER INFORMATION PLEASE CONTACT

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