SUPREME COURT OF INDIA

SKV Law Offices Secures ₹9,000 Crore Win for DVC in the Supreme Court: APTEL Review on Sinking Fund Set Aside

The Hon'ble Supreme Court, by its judgment dated 30 October 2026, allowed DVC's appeal against APTEL's 2024 review judgment on the recovery of depreciation and Sinking Fund contributions through electricity tariff for the period 2009 to 2014. SKV Law Offices represented DVC. A Bench of Justices J.B. Pardiwala and K. Vinod Chandran restored APTEL's original judgment dated 17 May 2019.

APTEL had initially upheld CERC's allowance of both amounts, relying on the Supreme Court's decision in *Bhaskar Shrachi Alloys Ltd. v. DVC*, (2018) 8 SCC 281. No appeal was filed against that judgment, but Maithan Alloys sought its review. Five years later, APTEL allowed the review and held that recovering both amounts for assets financed through bonds amounted to a double allowance.

The Hon'ble Supreme Court rejected this reasoning. It held that the DVC Act and the Tariff Regulations expressly permit recovery of both depreciation and Sinking Fund contributions. The Court recognised DVC's special statutory responsibilities, including flood control, irrigation and development of the Damodar Valley, and explained that DVC's statutory framework departs from ordinary accounting principles and must be given effect.

Maithan Alloys defended the review judgment, and Steel Authority of India Limited (SAIL) intervened in its support. The Court rejected their double allowance argument, noting that simultaneous recovery had already been considered and upheld in *Bhaskar Shrachi*. The issue could not be reopened on the premise that it had escaped the Supreme Court's attention.

The Court set aside the review judgment with strong observations on judicial discipline and the binding effect of its decisions under Article 141 of the Constitution. It reiterated that review cannot become an appeal in disguise, and an issue requiring lengthy reasoning cannot be treated as an error apparent on the face of the record. The judgment emphasised finality in litigation and adherence to binding precedent.

Finding the attempt to reopen a settled issue to be an abuse of process, the Court imposed exemplary costs of ₹2 lakh on Maithan Alloys and ₹1.5 lakh on SAIL, payable to DVC within one month, failing which interest at 18% per annum will apply. DVC was also awarded the costs of the appeal, in addition to the exemplary costs.

Damodar Valley Corporation v. Maithan Alloys Limited & Ors., Civil Appeal No. 11106 of 2024, 2026 INSC 1178.

The SKV Law Offices team that represented DVC comprised Shri Venkatesh (Founding Partner), who led the matter, along with Ashutosh K Srivastava (Partner), Priya Dhankhar (Associate Partner), Nihal Bhardwaj (Counsel), and Adarsh Singh (Associate).

FOR FURTHER INFORMATION PLEASE CONTACT

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