



W.P(MD)No.19784 of 2026

WEB COPY BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 16.07.2026

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P(MD)No.19784 of 2026

and

W.M.P(MD)Nos.14609, 14614 & 14615 of 2026

M/s. Harihar Alloys (P) Ltd.,
Represented by its Director,
C.Baksaran,
No.6, Thomas Street, Race Course Road,
Trichy 620 020,
Factory Address:
S.F.No. 80/61, 62 and 68,
Vellur Village, Viralimali Taluk,
Viralimali,
Pudukkottai – 621 316.

... Petitioner

Vs

1.Tamil Nadu Power Distribution
Corporation Limited (TNPDC),
Formerly TANGEDCO,
Represented by its Chairman and Managing Director,
144, Anna Salai,
Chennai - 600 002.



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2.The Superintending Engineer,
Pudukkottai Electricity Distribution Circle,
TNPDC (Formerly TANGEDCO)
Pudukkottai - 622 001.

3.The Assistant Executive Engineer,
I and C/Viralimalai,
Pudukkottai Electricity Distribution Circle,
TNPDC (Formerly TANGEDCO)
Pudukkottai - 622 001.

4.The Assistant Audit Officer,
Audit Branch / TNPDC,
Trichy Region, Trichy.

... Respondents

PRAYER: Writ Petition filed under Article 226 of Constitution of India, to issue a Writ of Certiorari, calling for the records pertaining to the fourth respondents Audit Slip No.22 dated 24.03.2025 in so far as it relates to HTSC No.181 of the petitioner and the consequential demand letter of second respondent in Lr.No.SE/PEDC/PDKT/DFC/AO/REV/F.HT.SC.No. 181/respondent D.No.265/25, dated 17.04.2025 and communication letter in Ka.No.Mo.Po/Pu Mi Pa Va/Thu Ni Kaa/Ka A/Va/Ka Ma/Uu Mi A Pi/Ko.HT. 181/A.No.347/26 dated 22.06.2026 issued by the second respondent demanding payment of Rs.3,32,830/- towards alleged short collection for October 2020 and November 2020, and quash the same as illegal, arbitrary, barred by limitation and without jurisdiction.



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For Petitioner : Mr.N.L.Rajah, Senior Counsel
for M/s.Vast Law Associates

For Respondents : Mr.S.Dheenadhyalan
Standing Counsel

ORDER

This Writ Petition has been filed challenging the Audit Slip No. 22 dated 24.03.2025 issued by the fourth respondent, insofar as it relates to HTSC No.181 of the petitioner, the consequential demand letter dated 17.04.2025 and the communication dated 22.06.2026 issued by the second respondent demanding a sum of Rs.3,32,830/- towards the alleged short collection of current consumption charges for the billing months of October 2020 and November 2020, and to quash the same as being illegal, arbitrary, barred by limitation and without jurisdiction.

2.Learned Senior Counsel appearing for the petitioner submitted that the petitioner is a private limited company incorporated under the provisions of the Companies Act, 1956. The petitioner owns and operates a 750 KW NEG Micon Wind Energy Generator (WEG) situated at



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Karuvantha/Karuvanga Village, Tirunelveli District, which was commissioned on 26.09.2005. The electricity generated from the said Wind Energy Generator is utilized for captive consumption by way of wheeling and banking through the network of TANGEDCO to its designated High Tension Service Connections, including HTSC No.181 situated in Pudukkottai Electricity Distribution Circle, in accordance with TNERC Order Nos.2 and 3 dated 15.05.2006 and the applicable Open Access Regulations.

3.Learned Senior Counsel further submitted that under the Energy Wheeling Agreement dated 29.09.2020, the petitioner was entitled to wheel the energy generated from the Wind Energy Generator after accounting for the applicable transmission and distribution losses, bank the surplus energy and adjust the banked energy against the consumption of its designated High Tension Service Connections, including HTSC No.181. During the billing months of October 2020 and November 2020, TANGEDCO duly wheeled the electricity generated by the petitioner, carried



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out the banking of surplus energy, allocated the eligible units to the designated High Tension Service Connections including HTSC No.181 and raised the current consumption bills after granting due credit for the eligible wind energy units.

4.While so, the Audit Branch of TANGEDCO, Trichy Region, upon scrutiny of the generation, banking and allocation statements relating to October 2020 and November 2020, issued Audit Slip No.22 dated 24.03.2025 alleging short collection of current consumption charges on the ground of incorrect adjustment of banked energy units in respect of HTSC No.181. Based on the said audit objection, the respondents retrospectively reallocated the banked energy units, applied 6.58% towards transmission and distribution losses and 5% towards energy tax and consequently arrived at a demand of Rs.3,32,830/-. Pursuant thereto, the second respondent issued the consequential demand letter dated 17.04.2025 and the communication dated 22.06.2026. Challenging the same, the present Writ Petition has been filed.



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5.Learned Senior Counsel appearing for the petitioner submitted that the impugned demand has been raised solely on the basis of the audit objection. Before issuing the consequential demand, no show cause notice was issued and no opportunity of personal hearing was afforded to the petitioner. The impugned proceedings, which fasten civil and financial liability upon the petitioner, have been passed in complete violation of the principles of natural justice. Therefore, the impugned proceedings are liable to be set aside and the matter may be remitted to the respondents for fresh consideration after affording due opportunity to the petitioner.

6.Learned Standing Counsel appearing for the respondents fairly submitted that before issuing the impugned demand, no opportunity had been afforded to the petitioner. He therefore submitted that this Court may set aside the impugned proceedings and remit the matter to the respondents to pass fresh orders after issuing notice to the petitioner and after affording an opportunity of personal hearing.



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7.This Court has considered the submissions made on either side and perused the materials placed on record.

8.It is not in dispute that the impugned demand has been raised solely on the basis of the audit objection. It is also fairly conceded by the learned Standing Counsel appearing for the respondents that no show cause notice was issued to the petitioner and no opportunity of hearing was afforded before the impugned demand came to be raised. The impugned proceedings have the effect of imposing a substantial financial liability upon the petitioner. Therefore, adherence to the principles of natural justice is mandatory before such liability is fastened.

9.It is a settled principle of law that whenever an order entails civil consequences, the person likely to be affected must be put on notice and afforded a reasonable opportunity of hearing before any adverse decision is taken. The failure to follow the principles of natural justice renders the impugned proceedings unsustainable in law.



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10. In view of the admitted position that no opportunity was afforded to the petitioner before issuance of the impugned proceedings, this Court is of the considered opinion that the Audit Slip No.22 dated 24.03.2025, the consequential demand letter dated 17.04.2025 and the communication dated 22.06.2026 cannot be sustained and are liable to be set aside on the ground of violation of the principles of natural justice, without expressing any opinion on the merits of the claims made by either party.

11. Accordingly, the impugned Audit Slip No.22 dated 24.03.2025 issued by the fourth respondent, the consequential demand letter dated 17.04.2025 and the communication dated 22.06.2026 issued by the second respondent are set aside. The matter is remitted to the second respondent for fresh consideration. The respondents shall issue a show cause notice to the petitioner, furnish all the materials proposed to be relied upon, afford the petitioner a reasonable opportunity to submit its objections and also an opportunity of personal hearing, and thereafter pass appropriate



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orders on merits and in accordance with law, within a period of twelve (12) weeks from the date of receipt of a copy of this order.

12. With the above directions, the Writ Petition is allowed. There shall be no order as to costs. Consequently, connected Miscellaneous Petitions are closed.

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NCC : Yes / No
Index : Yes / No
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M.DHANDAPANI, J.

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