



W.P.No.19091 of 2020

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.07.2023

CORAM

MR.JUSTICE N.SESHASAYEE

W.P.No.19091 of 2020
and W.M.P.Nos.23665 and 23667 of 2020

Dhanalakshmi Srinivasan Sugars Private Limited,
Represented by its Managing Director,
Udumbiyam Village,
Venganur Post,
Veppanthattai Taluk,
Perambalur-621 116.

... Petitioner

Vs.

1.Tamil Nadu Electricity General and Distribution Company,
(TANGEDCO),
Rep. by its Chairman and Managing Director,
No.144, Anna Salai,
Chennai-600 002.

2.The Chief Financial Controller (Revenue)
TANGEDCO,
144, Anna Salai,
Chennai-600 002.



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3.The Director / Finance,
TANGEDCO,
No.144, Anna Salai,
Chennai-02.

... Respondents

PRAYER: The writ petition filed under Article 226 of the Constitution of India, to issue a writ of Mandamus, directing the respondents to forthwith make payment of the pending dues towards accrued interest for the belated payments against invoices for the supply of electricity under Energy Purchase Agreement for Bagasse Based Co-Generation Plant (EPA) dated 20.10.2009 that stands at Rs.11,57,17,800/- (Eleven Crore Fifty Seven Lakhs Seventeen Thousand Eight Hundred only) as on 31.10.2020, and further interest thereon.

For Petitioner : Mr.R.Parthasarathy

For Respondents : Mr.D.Suresh Kumar
for R1 and R3

Mr.M.Abdul Kalam
for R2

ORDER

The petitioner - company generates electricity for its purposes and also has entered into an agreement dated 26.10.2009, with the respondents for the sale of surplus energy that it has generated. There is no dispute about the electricity supplied by the petitioner to the respondents nor is there any dispute over the rate



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at which it has to be paid by the respondents. The contract provides that the respondents - purchasers default in making payment within 30 days in terms of Clause 6 (2) of the contract, whereas, it has to pay an interest at 1 % per mensem or 12% per annum. According to the petitioner, the respondents committed default, then dragged its feet in making payment, and finally it did pay the entire cost of electricity purchased, but not the interest payable in terms of Clause 6 (2) of the contract. This petition is now laid for realizing the said interest component of the respondents' liability in terms of the contract that it has entered into.

2.Learned counsel for the respondents / TANGEDCO would submit that under Clause 9, any dispute between the parties have to be arbitrated.

3.Ordinarily, the Court will not entertain a writ petition that deals with working of a contract when there is an Arbitral Clause providing for resolving the dispute. However, in this case, the respondents have not raised any dispute as such, but only seeking waiver in the whole or any part of the interest component payable by it. To this Court, it is an admission of liability by the respondents and does not involve any dispute either over working the contract or to invoke an arbitrable



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4.This Court vide order dated 18.12.2020, passed an order of injunction, wherein it has directed the respondents to set off the monthly current electricity charges that the petitioner has to pay the respondents as against the amount of interest, which the respondents are liable to pay the petitioner. This arrangement, the learned counsel for the petitioner informs continues till date. In that, a formal view be raised for the electricity consumption charges that he is liable to pay, and the same is given credit as against the interest amount which the respondents are liable to pay.

5.Given the circumstances, this Court directs that the said arrangement shall continue till the entire interest amount which the respondents are liable to pay the petitioner.



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6.This writ petition is disposed of accordingly. No Costs. Consequently, the connected miscellaneous petitions are closed.

05.07.2023

Anu

Index : Yes / No

Neutral citation : yes/no

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N.SESHASAYEE, J.

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