



WEB COPY



W.P.No.1915 of 2024

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 05.11.2025

CORAM

THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.1915 of 2024

Capital Power Systems Limited,
Rep.by its Marketing Manager,
Mr.P.J.Vijaya Kumar,
Manufacturing Office,
B-40, Sector-4,
Noida-201 301.

... Petitioner

Vs.

1.The Chairman and Managing Director,
Tamil Nadu Generation and Distribution Corporation Limited
(TANGEDCO),
10th Floor, NPKRR Maaligai,
No.144, Anna Salai,
Chennai-600 002.

2.The Chief Engineer/Materials Management,
Tamil Nadu Generation and Distribution Corporation Limited
(TANGEDCO),
4th Floor, NPKRR Maaligai,
No.144, Anna Salai,
Chennai-600 002.

....Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India
praying for issuance of a Writ of Mandamus, to direct the respondents herein
to release the withheld amount of Rs.3,66,02,021.00/- (Rupees Three Crore



W.P.No.1915 of 2024

Sixty Six Lakhs Two Thousand and Twenty One Only) and Rs.2,53,36,800.00/- (Rupees Two Crore Fifty Three Lakhs Thirty Six Thousand Eight Hundred only) totaling of Rs.6,19,38,821/- (Rupees Six Crore Nineteen Lakhs Thirty Eight Thousand Eight Hundred and Twenty One only) to the petitioner Company pursuant to the representation of the petitioner dated 02.02.2023.

For Petitioner : Mr.A.Saravanan

For Respondents : Mr.D.R.Arun Kumar

ORDER

This Writ Petition has been filed to direct the respondents herein to release the withheld amount of Rs.3,66,02,021/- (Rupees Three Crore Six Lakhs Two Thousand and Twenty One Only) and Rs.2,53,36,800/- (Rupees Two Crore Fifty Three Lakhs Thirty Six Thousand Eight Hundred only) totaling of Rs.6,19,38,821/- (Rupees Six Crore Nineteen Lakhs Thirty Eight Thousand Eight Hundred and Twenty One only) to the petitioner Company pursuant to the representation of the petitioner dated 02.02.2023.

2. The petitioner participated in the tender for supply of single phase 5.20 Amps Static energy meters issued by the respondents Corporation and thereafter, the petitioner was declared as L-1 and was issued with two



W.P.No.1915 of 2024

purchase orders dated 18.06.2012 and 07.03.2013. However, since the payments were not released by the respondents Corporation and even after several representations, only part of the amount was released, the petitioner has filed this Writ Petition seeking the aforesaid relief.

3. Heard the learned counsel appearing for the petitioner who reiterated the averments stated in the affidavit filed in support of this petition.

4. The learned counsel appearing for the respondents Corporation has filed a counter affidavit stating that as per clause 26 of the purchase order, the respondents Corporation reserved the rights to carry accuracy test of the samples at site and the petitioner's products failed the said test and therefore, the payment was withheld. Thereafter, the matter was placed before the Board of TANGEDCO and 63rd meeting was held on 23.08.2016 and after due deliberations, the respondents Corporation decided to recover 30% of the value of the payment to be made for the lots failed in the type test in respect of the purchase orders already issued for supply of meters. It is also



W.P.No.1915 of 2024

submitted that although the random sample meter failed in the test conducted at CPRI Lab, 70% of the payment had been paid for the substandard products and recovered only 30% of the cost of material and the meters were utilized for the benefits of general public. It is further stated that intimation regarding remittance of difference in price was communicated to the petitioner as early as on 17.09.2013. Hence, the difference in cost of Rs.2,53,36,659/- was deducted from the bills of the petitioner in another purchase order, namely, R.C.No.172 dated 28.07.2014 placed on supply of Single Phase static meter. It is further contended by the learned Standing Counsel appearing for the petitioner that the petitioner has agreed all the terms and conditions and entered the contract agreement in R.C.No.317 dated 18.06.2012 which is binding on both the parties. Therefore, since the disputes squarely arises out of contractual obligations between the parties, this writ petition itself is not maintainable. It is also submitted that the petitioner approached the respondents Corporation after a lapse of eight years disputing that the adjustment of revised rate and the method in which the sample test has been subjected. Hence, the learned Standing Counsel seeks interference of this Court to dismiss this writ petition.



W.P.No.1915 of 2024

5. Admittedly, there is a contract agreement between the petitioner and the respondents Corporation for supply of materials. Time lapse of eight years for the petitioner to approach the second respondent Corporation towards payment of withheld amount is also not disputed as the purchase orders are dated 18.06.2012 and 07.03.2013 and that intimation regarding remittance of difference in price was communicated as early as on 17.09.2013. That apart, contractual agreement between the parties in R.C.No.317 dated 18.06.2012 binds both the parties and therefore, any dispute arising out of contractual obligations between the parties has to be resolved in the manner known to law and therefore, finding no merits in this writ petition, recording the submission made by the learned Standing Counsel appearing for the respondents Corporation, this Writ Petition stands disposed of with liberty to the petitioner to work out the remedy in the manner known to law. There shall be no order as to costs.

05.11.2025

NCC: Yes / No
Index : Yes / No
Speaking Order : Yes / No
ssb



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