



WEB COPY

WP No. 34945 of 2022



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 10-11-2025

CORAM

THE HONOURABLE MR JUSTICE M.DHANDAPANI

WP No. 34945 of 2022

M/s.Greenam Energy Pvt. Ltd.
Rep. by its Authorized Signatory
Mr.R.Muthu Manoharan, SPIC House,
88 Mount Road, Guindy,
Chennai - 600 032.

Petitioner(s)

Vs

The Chief Engineer/ NCES,
TANGEDCO, 2nd Floor, Eastern Wing,
144, Anna Salai, Chennai - 600 002.

Respondent(s)

PRAYER

This writ petition is filed seeking for a Writ of Certiorarified Mandamus, calling for the records relating to the impugned letter dated 07.01.2022 bearing No.L21/ 001570/F.M/s.Greenam Energy-22MW/ 2022-9 issued by the respondent pursuant to letter dated 03.09.2021 bearing No.L21/ 001570/ F.M/s.Greenam Energy-22MW/ 2020-8 forfeiting the security deposit made by the petitioner and quash the same and consequently direct the respondent to refund the forfeited security deposit of Rs.2.20 Crores within the time period fixed by this Hon' ble Court.

For Petitioner(s): Mr.S.S.Rajesh

For Respondent(s): Mr. D.R.Arunkumar

**ORDER**

WEB COPY This writ petition is filed to call for the records relating to the impugned letter dated 07.01.2022 bearing No.L21/ 001570/F.M/s.Greenam Energy-22MW/ 2022-9 issued by the respondent pursuant to letter dated 03.09.2021 bearing No.L21/ 001570/ F.M/s.Greenam Energy-22MW/ 2020-8 forfeiting the security deposit made by the petitioner and quash the same and consequently direct the respondent to refund the forfeited security deposit of Rs.2.20 Crores within the time period fixed by this Court.

2.The learned counsel for the petitioner would submit that the petitioner company was formed to establish generation of renewable energy such as solar, wind power etc., The petitioner had approached the Respondent, vide letter dated 21.05.2018 with a proposal to put up a 22 MW Floating Solar PV Power Plant at Muthiapuram, Tuticorin. The respondent on 08.06.2018, had responded to the said proposal and requested the petitioner to pay 50% of the applicable refundable security deposit of Rs.1.10 crores in addition to the registration fee and load flow study charges. The said amount towards 50% of the refundable security deposit of Rs.1.10 crores was diligently paid by the petitioner on 22.06.2018.

3.Thereafter vide letter dated 20.09.2018, the respondent had informed the petitioner that a load flow study to determine the transmission system was



conducted and a transmission scheme was finalized and had further informed the petitioner to pay the balance 50% of the security deposit of Rs.1.10 crores to proceed further. It was also mentioned that the Plant should be commissioned within a period of 10 months from the issuance of Noted on Record letter. The petitioner thereafter had also paid the balance 50% of the refundable deposit of Rs.1.10 Crores and thus made a total security deposit of Rs.2.20 crores with the respondent.

4.However, thereafter, the petitioner had informed the respondent vide letter dated 09.08.2019 that the petitioner may not be able to complete the project within 10 months from the date of noted for record letter, since the approvals from TANGEDCO and TANTRANSCO were getting delayed despite the petitioner's request for the same as early as on 17.05.2019. Thereafter, the petitioner had received the Bay Allotment order on 09.10.2019 however, since the approval profile from TANTRANSCO was yet to be received, the petitioner had requested the respondent to consider extension of time for completing the project by at least 7 months from the date of 110 KV of profile approval.

5.The 10 month period from the date of Noted for Record Letter ended on 11.01.2020. However, despite several reminders and follow-ups the Petitioner had not received the approved profile and Bay Extension from TANTRANSCO. There was also a delay in commencement of erection in the construction



activities due to unprecedented rain in Tuticorin and water logging at the project site during the period of Oct 2019 – Jan 2020. Due to the aforesaid reasons, the petitioner had requested for extension vide letter dated 10.01.2020 for a period of four months to complete the installation of floating system. Despite the pandemic situation and the lockdowns imposed, the petitioner had erected 20.0 MC solar panel by October 2020. However, power could not be harnessed/charged due to delay in completing the bay extension and overhead transmission lines.

6. Thereafter, the approval for the 110 KV Transmission line profile was given to the petitioner only on 11.09.2020 and the Executive Engineer Transmission Line Construction (TLC) Requested the EE Highways for approval to erect the Three Towers in front of 230/110 KV Auto Sub-Station vide letter dated 02.03.2021. Owing to the above reasons, the petitioner's project was delayed and the petitioner had sent a letter dated 21.07.2021 explaining the above circumstances.

7. Despite the above delays not attributable to the petitioner, the petitioner received a letter dated 03.09.2021 from TANGEDCO that the extension of time was granted up till 31.12.2021 subject to forfeiture of the security deposit of Rs.2.20 crores. The petitioner thereafter, completed the project installation and had shared the safety certificate issued by CEIG with the respondent along with



their letter dated 21.12.2021. The petitioner thereafter had installed new equipments worth around Rs.75 lakhs in the Respondent's 230/110 KV auto substation in addition to other facilities at TANTRANSCO's premises. The petitioner requested for waiving the O & M charges of Rs.63 Lakhs to be paid by the petitioner. However, the respondent had issued a letter dated 07.01.2022 stating that O & M charges were to be paid and also the forfeiture of the security deposit of Rs.2.20 crores. Challenging the same, the present writ petition is filed.

8.The learned counsel for the petitioner would submit that the petitioner is the first company to come forward to establish floating solar power plant for generating renewable energy in the State of Tamil Nadu and that the respondent issued a permission to the petitioner by way of issuing Noted on Record letter on 12.03.2018 for the establishment of the floating power plant and prior to that, the petitioner also paid security deposit to the extend of 2.20 crores. However, a for delay in commissioning the project occurred due to corona virus spread all over India and in China prior to 2020 and in the middle of 2019. Considering the above situation, the Government of India on 19.02.2020 issued an Office Memorandum in terms of 9.7.7 of the Manual for Procurement of Goods, 2017 and according to the same, a Force Majeure (FM) means extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) and that the contractual liability or obligation



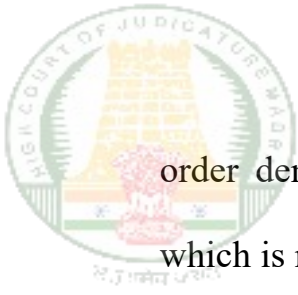
when prevented by such events from fulfilling their obligations under the contract, the Force Majeure clause does not excuse a party's non-performance entirely but, only suspends it for the duration of the Force Majeure. In view of the Force Majeure clause, the petitioner prior to the expiry of the 10 months period, made a representation on 28.10.2019 seeking for extension of time by citing the reason that the petitioner received the Bay Allotment order on 09.10.2019 and asked for extension period. However, without considering the Force Majeure clause issued by the Government of India on 19.02.2020, the respondent have issued the impugned order demanding the O & M charges and the forfeiture of security deposit, which is not sustainable one. Hence, prayed for allowing the present writ petition and to direct the respondent to refund the forfeited security deposit of Rs.2.20 Crores.

9.Per contra, the learned counsel for the respondent TANGEDCO would submit that the 10 months timeline from 09.10.2019 for completion of the petitioner project ends on 11.01.2020. Hence, the petitioner averments that the delay in completion of their project due to COVID-19 lockdown restriction, which only started from 25.03.2020, cannot be legally taken into account and accordingly, prayed for dismissal of the present writ petition.

10.Heard both sides and perused the materials available on record.



11. It is seen that the petitioner is the first company to come forward to establish floating solar power plant for generating renewable energy in the State of Tamil Nadu and that the respondent issued a permission to the petitioner by way of issuing Noted on Record letter on 12.03.2018 for the establishment of the floating power plant and prior to that, the petitioner also paid security deposit to the extend of 2.20 crores. However, a delay in commissioning the project occurred, due to corona virus spread all over India and in China prior to 2020 and in the middle of 2019. Considering the above situation, the Government of India on 19.02.2020 issued an Office Memorandum in terms of 9.7.7 of the Manual for Procurement of Goods, 2017 and according to the same, a Force Majeure (FM) means extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) and that the contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract, the Force Majeure clause does not excuse a party's non-performance entirely but, only suspends it for the duration of the Force Majeure. In view of the Force Majeure clause, the petitioner prior to the expiry of the 10 months period, made a representation on 28.10.2019 seeking for extension of time by citing the reason that the petitioner received the Bay Allotment order on 09.10.2019 and asked for extension period. However, without considering the Force Majeure clause issued by the Government of India on 19.02.2020, the respondent have issued the impugned



order demanding the O & M charges and the forfeiture of security deposit, which is not sustainable one.

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12. Therefore the impugned letter dated 07.01.2022 issued by the respondent pursuant to letter dated 03.09.2021 forfeiting the security deposit made by the petitioner is set aside and consequently the respondent is directed to refund the forfeited security deposit of Rs.2.20 Crores to the petitioner, within a period of twelve (12) weeks from the date of receipt of a copy of this order.

13. Accordingly, the writ petition is allowed. No costs.

10-11-2025

Tsg
Index: Yes/No
Speaking/Non-speaking order
Internet: Yes
Neutral Citation: Yes/No



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To

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