



W.P.No.9024 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 25.03.2026

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THE HONOURABLE MR.JUSTICE M.DHANDAPANI

W.P.No.9024 of 2026

And

W.M.P.Nos.9745, 9746 and 11561 of 2026

Tamil Nadu Power Distribution Corporation Limited
Represented by its Chief Engineer,
Private Power Projects,
6th Floor, Eastern Wing,
144, Anna Salai,
Chennai – 600 002.

... Petitioner

Vs.

- 1 Union of India Rep. by its Secretary,
Ministry of Power,
Shram Shakti Bhavan,
Rafi Marg,
New Delhi – 110 001.
- 2 PTC India Limited
Rep. by its Chairman and Managing Director
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place,
New Delhi – 110 066.
- 3 Indian Overseas Bank
Anna Salai Branch,
Chennai – 600 002.
- 4 Adhunik Power and Natural Resources Limited
Rep. by its Chief Executive Officer,
1st Floor, 468, Udyog Vihar, Phase – III,
Gurugram – 122016, Haryana.

... Respondents



W.P.No.9024 of 2026

WEB COPY **Prayer:**

Petition filed under Article 226 of the Constitution of India to issue a Writ of Certiorarified Mandamus calling for the records relating to the impugned email communication dated 27.02.2026 issued by the second respondent to the third respondent seeking invocation/ encashment of the Letter of Credit for Rs.36.37 Crores and quash the same, and consequently direct the 3rd Respondent Bank to forbear from honouring/ acting upon the said invocation.

For Petitioner : Mr.P.S.Raman,
Advocate General
Assisted By
Mr.Arun Kumar D.R.

For Respondents : Mr.Rajesh Vivekanandan for R1
Deputy Solicitor General of India
Mr.Ravi Kishore and
Mr.Prahalad Bhat for R2
Mr.P.H.Aravind Pandian for R4
Senior Counsel
for Mr.P.M.N.Bhagavath Krishnan

O R D E R

The petitioner has filed this writ petition seeking issuance of Writ of Certiorarified Mandamus calling for the records relating to the email communication dated 27.02.2026 issued by the second respondent to the third respondent seeking invocation/ encashment of the Letter of Credit for Rs.36.37 Crores and quash the same, and



W.P.No.9024 of 2026

consequently direct the third respondent Bank to forbear from honouring/ acting upon the said invocation.

2.The learned Advocate General appearing for the petitioner submitted that the petitioner is a distribution licensee within the meaning of the Electricity Act, 2003 and is a public utility discharging essential functions. The present dispute arises out of a back to back power procurement arrangement, wherein power is supplied to the petitioner through the second respondent from the generating station of the fourth respondent. Some serious disputes arose as to the entitlement of the generator / trader to claim capacity charges during periods when the generating unit was under forced outage and not available and the said dispute travelled through proceedings before the Central Electricity Regulatory Commission (CERC) and the Appellate Tribunal for Electricity (APTEL).

3.The learned Advocate General appearing for the petitioner further submitted that the fourth respondent filed petition before CERC claiming capacity charges for the period from December, 2018 to February, 2019 and CERC passed order dated 15.08.2020 and as against the said order, the petitioner and second respondent preferred



W.P.No.9024 of 2026

appeal before the APTEL in Appeal No.168 of 2020 along with stay application and the same is pending and further submitted that the matter was partly heard today (25.03.2026) by APTEL. In the meantime, the second respondent decided to invoke the letter of credit maintained through the third respondent Bank. Aggrieved by the same, the petitioner has filed this writ petition.

4.The learned Advocate General appearing for the petitioner further submitted that this Court on 03.03.2026 granted an order of ad – interim injunction as against respondents 2 to 4 in this writ petition and prayed this Court to issue direction to the second respondent to not to invoke the letter of credit from the third respondent payable to the fourth respondent till the disposal of the stay application in Appeal No.168 of 2020 pending before APTEL.

5.The learned counsel appearing for the second respondent submitted that as per the order passed by the CERC, necessarily the petitioner has to invoke letter of credit for the benefit of the fourth respondent unless the order passed by CERC is stayed by APTEL.



W.P.No.9024 of 2026

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6.The learned Senior Counsel appearing for the fourth respondent submitted that the dispute is only between the petitioner and the second respondent in which the fourth respondent have no role to play and further submitted that even if there is privity of contract, as per the order of CERC, it is the duty cast upon the petitioner and the 2nd respondent to honour the order of CERC in the absence of any interim order from APTEL.

7.Heard the arguments advanced on either side and perused the materials available on record.

8.Admittedly, as against the order passed by CERC dated 15.08.2020, the petitioner and second respondent preferred appeal before the APTEL in Appeal No.168 of 2020 along with stay application and it appears that the matter was partly heard by APTEL today.

9.In view of the above, this Court without expressing any opinion on the merits of the case, directs as follows:

(i)There shall be an order of interim injunction restraining the third respondent Bank from in any manner honouring/ encashing/



W.P.No.9024 of 2026

acting upon the Letter of credit invocation sought by the second respondent through email communication dated 27.02.2026 till the disposal of the stay application in Appeal No.168 of 2020 by APTEL.

(ii)Liberty is granted to the fourth respondent to work out the remedy against the second respondent independently.

10.With the above observations and directions, the writ petition stands disposed of. No costs. Consequently, the connected miscellaneous petitions are closed.

25.03.2026

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



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W.P.No.9024 of 2026

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M.DHANDAPANI,J.
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