IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-03-2026

CORAM

THE HON'BLE MR JUSTICE S. M. SUBRAMANIAM

AND

THE HON'BLE MR.JUSTICE K. SURENDER

WA No. 3599 of 2023
and
C.M.P.No.29500 of 2023

1. The Chairman
   TANGEDCO 144, Anna Salai, Chennai 2.

2. The Chief Engineer
   NCES, TANGEDCO, 2nd Floor, 144, Anna Salai, Chennai 2.

3. The Chief Financial Controller (General)
   TANGEDCO, 7th Floor, 144, Anna Salai, Chennai 2.

4. The Superintending Engineer
   TANGEDCO, Udumalpet EDC, Udumalpet.

..Appellant(s)

Vs

Karmen Engineering Services LLP
Rep.by its Designated Partner Ramganeshan Venkatesan, Plot No.12, Ponniamman Nagar Road, Ayanambakkam, Chennai 95.

..Respondent(s)

To set aside the order dated 06-06-2023 made in WP.No.12726/2023 allow the WA and pass such further or other orders as this Honourable Court may deem it fit and proper and thus render justice

For Appellant(s): Mr.P.S.Raman,
Advocate General
assisted by
Mr.D.R.Arun Kumar,
Standing Counsel for TANGEDCO

For Respondent(s): No appearance

JUDGMENT

(Judgment of the Court was delivered by S.M.Subramaniam J.)

The present writ appeal had been instituted challenging the writ order dated 06.06.2023 in W.P.No.12720 of 2023.

2. Notice was served on the respondent and none appeared. The name of the respondent is printed in the High Court cause list.

3. The respondent has instituted a writ petition seeking for a direction for the termination of PPA(Power Purchase Agreement) dated 31.03.2011 in HTSC.No.039224341001 and to execute energy wheeling agreement for captive consumption, based on the representation/ application for migration to captive consumption vide application/ representation dated 07.03.2023, in consonance with common order in W.P.Nos.5196 of 2019 and batch case dated 30.08.2019 passed by this Court, which was upheld by the Hon'ble Division Bench of this Court by its order dated 18.02.2020 in W.A.No.4189 of 2019 and batch cases and also by the Hon'ble Supreme Court of India by its order dated 24.09.2020 in S.L.P.(Civil) Nos.8513-8518 of 2020 with consequential direction directing the respondents to pay outstanding payment of Rs.1,44,49,233/- to the petitioner towards the wind energy sold by them to the respondent/ TANGEDCO along with interest for delay in payments, as agreed in the agreement.

4. The writ court allowed the writ petition with a direction to permit the respondent to switch over to captive consumption/group captive consumption, as the case may be, as the representation made by the respondent and the appellant TANGEDCO is directed to settle the respective due of the respondent as per their respective invoices raised by them along with interest as per Clause 6(b), within a period of four months.

5. During the pendency of the writ appeal, 44 instalments had already been settled by the appellant.

6. Learned Additional Government Pleader appearing on behalf of the appellant Board would submit that the writ court allowed the Writ Petition without taking note of the fact that the Government of India, Ministry of Power, issued a notification dated 03.06.2022 in exercise of powers conferred under sub section (1) of Section 176 of the Electricity Act, 2003.

7. Accordingly, the Electricity, (Late Payment Surcharge and Relating Matters) Rules, 2022, was notified. The transaction between the appellant Board as well as the respondent is falling under Clause 5 i.e., Liquidation of arrears. Clause 5(1) of the said rules which reads as under:

5(1). The total outstanding dues including Late Payment Surcharge upto the date of the notification of these rules shall be rescheduled and the due dates redetermined for payment by a distribution licensee in the following *maximum number equated monthly installments.*

Outstanding dues amount (In Rs.Crore)	Maximum no. of equated monthly installments (months)
Upto 500	12
501-1,000	20
1,001-2,000	28
2,001-4,000	34
4,001- 10,000	40
>10,000	48

8. As per Rule 5(1), the appellant Board is facilitated to settle the dues in 48 equal instalments and the learned Advocate General would submit that out of 48 instalments, 44 instalments had already been settled in favour of the respondent. Since the writ Court has not taken note of the benefits accorded to the Board by virtue of the rules, the present writ order deserves to be assailed. Consequently, the impugned writ order dated 06.06.2023 is set aside. The appellants are directed to settle the balance instalments without committing any default. Accordingly, the Writ Appeal stands allowed. No costs. Consequently, connected miscellaneous petition is closed.

(S.M.S.,J.) (K.S.,J.)
11-03-2026

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

VSI

S.M.SUBRAMANIAM, J.
AND
K.SURENDER, J.

vsi

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