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IN THE HIGH COURT OF JUDICATURE AT MADRAS

ORDERS RESERVED ON : 24-09-2026

ORDERS PRONOUNCED ON : 11-11-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

WP No. 31544 of 2026
and WMP.Nos.34678, 34680 & 34681 of 2026

Case QR

CNR: {HCMA011828822026}

Adani Green Energy Twenty Three Limited
(AGE23L),
having its registered office at
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S.G. Highway, Khodiyar, Daskroi,
Ahmedabad, Gujarat 382 421,
Represented by its Authorised Signatory
Mr. Sudhakar Subramanian

..Petitioner(s)

Vs.

1. Tamil Nadu Power Distribution Corporation Limited (TNPDCL),
   (formerly Tamil Nadu Generation and Distribution Corporation Limited),
   N.P.K.R.R. Maaligai, No. 144, Anna Salai,
   Chennai 600 002,
   Represented by its Chairman and Managing Director.

2. Tamil Nadu Green Energy Corporation Limited (TNGECL),
   (formerly Tamil Nadu Generation and Distribution Corporation Limited),
   N.P.K.R.R. Maaligai, No. 144, Anna Salai,
   Chennai 600 002,
   represented by its Chief Engineer / Non-Conventional Energy Sources.

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3. Union of India,
   represented by its Secretary to the Government,
   Ministry of Power,
   Shram Shakti Bhawan, Rafi Marg,
   New Delhi 110 001.

4. PFC Consulting Limited,
   represented by its Managing Director,
   First Floor, Urjanidhi, 1, Barakhamba Lane,
   Connaught Place, New Delhi 110 001.

5. Tamil Nadu Electricity Regulatory
   Commission,
   4th Floor, SIDCO Corporate Office Building,
   Thiru Vi Ka Industrial Estate, Guindy,
   Chennai 600 032, represented by its Secretary.

..Respondent(s)

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, to call for the records of the first respondent relating to the impugned letter dated 10.07.2026 bearing reference No. Dir/Fin/CFC/Rev/FC/Cost/DFC/Cost2/AO/F.LPSC Claim/D.No.23 and quashing it and consequently directing the 3rd and 4th respondents to treat the objection recorded therein as non est, to process the said four invoices on the PRAAPTI Portal and to enforce the consequences prescribed by the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 according to law and pass such further or other orders.

For Petitioner(s): Mr.P.S.Raman, Senior Counsel
for Mr.Rahul Balaji
for Mr.P.Giridharan

For Respondent(s): Mr.Vijay Narayan, AG
for Mr.D.R.Arunkumar,
Standing Counsel
for RR1, 2 & 5
Mr.A.Kumara Guru, SPC for R3

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This Writ Petition is filed for a Certiorarified Mandamus, challenging the impugned communication dated 10.07.2026, issued by the first respondent – Tamil Nadu Power Distribution Corporation Limited (hereinafter 'TNPDCL'), and to quash the same. It further seeks to direct the third respondent, viz., Union of India, represented by its Secretary to the Government, Ministry of Power, New Delhi, and the fourth respondent, viz., PFC Consulting Limited, represented by its Managing Director, New Delhi, to treat the objection recorded therein as non-est, to process the four invoices of the petitioner on the PRAAPTI portal, and, in default, to enforce the consequences prescribed by the Electricity(Late Payment Surcharge and Related Matters) Rules, 2022, in accordance with law.

2. The petitioner's case is that it is a company incorporated under the Companies Act, 2013, and, *inter alia,* engaged in generating and supplying solar power. On 12.09.2014, the Tamil Nadu Electricity Regulatory Commission (TNERC), by Tariff Order No. 4 of 2014, issued a Comprehensive Tariff Order on Solar Power, fixing the tariff at Rs.7.01 per unit for Solar PV projects and Rs.11.03 per unit for Solar Thermal

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projects, without the accelerated depreciation (AD) benefit, as provided in paragraph 10.2 of the Tariff Order. Paragraph 11.4.1 stipulated that the distribution licensee was required to pay the bill in full within 60 days, failing which interest at the rate of 1% per month would be payable for the delayed payment. Paragraph 11.6 prescribed the control period.

3. In accordance with the aforementioned Comprehensive Tariff Order, Energy Purchase Agreements (hereinafter referred to as 'EPAs') were entered into between the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and (1) Adani Green Energy (Tamil Nadu) Limited for 216 MW; (2) Kamuthi Solar Power Limited for 216 MW; (3) Ramnad Renewable Energy Limited for 72 MW; (4) Ramnad Solar Power Limited for 72 MW; and (5) Kamuthi Renewable Energy Limited for 72 MW.

4. The agreements were identical in tariff and payment terms and other material conditions. On 24.01.2024, through G.O. Nos.6 and 7 of the Energy (B2) Department, the Tamil Nadu Electricity Restructuring and Transfer Scheme, 2024 was

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effected, thereby reorganising TANGEDCO into Tamil Nadu Power Distribution Corporation Limited (TNPDCL), Tamil Nadu Green Energy Corporation Limited (TNGECL), etc. Accordingly, the five EPAs were transferred to the new entities.

5. While so, on 19.03.2024, by an order in C.A.(CAA)/48(AHM)2023 and C.P.(CAA)55(AHM)2023, the Ahmedabad Bench of the National Company Law Tribunal sanctioned a scheme of amalgamation, whereby a total of 16 companies, including the aforementioned five companies, stood amalgamated into the petitioner. Thereafter, by an order dated 07.11.2024, the second respondent, viz., TNGECL, also formally approved the transfer of EPAs to the petitioner. Meanwhile, one of the amalgamated companies, namely, Kamuthi Energy Renewable Limited (KREL), had approached the Tamil Nadu Electricity Regulatory Commission (TNERC) by filing D.R.P. No.19 of 2023, a dispute resolution proceeding under Section 86(1)(f) of the Electricity Act, 2003. A dispute was raised regarding the appropriation of the amounts paid by the first respondent – TNPDCL towards the said company.

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6. By an order dated 17.02.2026, the TNERC directed that the amount paid by the TNPDCL shall first be appropriated towards the belated payment surcharge and thereafter towards the oldest outstanding bill, and so on. By applying the said rule, the petitioner, being the successor of the company, on 21.02.2026 made calculations and raised an invoice for a sum of Rs.38,08,85,847/- as per the decision of the TNERC referred above. Thereafter, on 27.02.2026, with reference to the other four companies, four supplementary invoices were raised for Rs.51,28,75,457/-, Rs.107,76,74,034/-, Rs.43,69,21,926/-, and Rs.9,46,46,149/-, totalling Rs.212,21,17,566/-. The petitioner uploaded the aforementioned four supplementary invoices on the PRAAPTI portal on 03.03.2026. On 05.03.2026, TNPDCL returned the said invoices.

7. While so, the TNGECL filed W.P.No.18028 of 2026 challenging the first invoice raised by the petitioner pursuant to DRP No.19 of 2023, in respect of the amount due with reference to the KREL, being a sum of Rs.38,08,85,847/-. By an order dated 30.04.2026, an interim stay was granted. Based on the same, the TNPDCL marked the above four invoices, raised

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on 27.02.2026 in respect of the other four companies, as disputed on the PRAAPTI portal. Thereafter, on 29.05.2026, this Court dismissed W.P.No.18028 of 2026, with liberty to the first respondent to approach the appellate authority. Even the Writ Appeal No.1535 of 2026 filed by the first respondent was dismissed, with time granted to the first respondent to approach the APTEL as against the order in DRP No.19 of 2023, and it was directed that no coercive steps be taken till the APTEL takes up the matter. Meanwhile, on 02.06.2026, the petitioner submitted detailed working sheets to the first respondent, setting out the billing history, payment dates, and late-payment surcharge calculations for all four invoices.

8. On 25.06.2026, the APTEL passed an interim order in respect of the invoice for Rs.38,08,85,847/-, directing that no coercive action be taken against the second respondent, namely, TNGECL, subject to the condition that 50% of the invoice amount be paid.

9. In compliance with the order of the APTEL dated 01.07.2026, 50% of the amount, being Rs.19,04,42,924/-, was

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paid, subject to tax deduction at source. At this stage, on 10.07.2026, with reference to the other four invoices raised by the petitioner, the impugned order was passed, stating that there are no orders of Court or directions from the competent authority and that no action should be taken through the PRAAPTI portal. Aggrieved by the same, the present Writ Petition is filed.

10. When the matter came up for admission, the learned Standing Counsel appearing for the respective parties took notice and, considering the plea made, the learned counsel appearing on behalf of respondents 1 and 2 was directed to obtain instructions and make their submissions. In response, respondents 1 and 2 filed a detailed list of dates and events, and the arguments on their behalf were led by the learned Advocate General.

11. *Mr.P.S.Raman,* the learned Senior Counsel appearing on behalf of the petitioner, would submit that even though the entire claim is for the four amounts due, the four supplementary invoices, totalling Rs.212,21,17,566/-, have to

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be paid as ordered by the APTEL in the identical and connected matter. At least 50% of the amount, i.e., Rs.106,10,58,783/-, should be ordered to be paid in respect of these four invoices also.

12. The learned Senior Counsel would submit that, in tune with Clayton's rule, the Electricity Rule (Late Payment Surcharge and Related Matters Rules, 2022) provides, under Rule 4, that all payments made by the distribution licensee to a generating company or a trading licensee for power procured from it shall first be adjusted towards the Late Payment Surcharge (LPS), and, as per Rule 10, thereafter, the adjustment shall be made from the oldest outstanding bill.

13. Admittedly, in these cases, respondents 1 and 2 and their predecessors have been making belated payments. Therefore, with reference to one of the five companies amalgamated into the petitioner, viz., KREL, the TNERC was approached. After considering the rule position and the legal position prevailing even prior thereto, the TNERC passed the order in DRP No. 19 of 2023. When the petitioner, within 10

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days of the order, raised the above four supplementary invoices with reference to the other companies, on 06.03.2026, the payments were disputed on the ground that the first invoice in respect of the aforementioned KREL is disputed. Thus, the principle of law and the rule position applicable to all five companies amalgamated into the petitioner belong to the same period, follow the same methodology, and the EPAs were verbatim similar. The respondents themselves have taken a stand that these four supplementary invoices are similar to the fifth one.

14. Under the said circumstances, when their challenge to the invoice before this Court ultimately failed and they were directed to approach the APTEL for relief, and upon the appeal being filed, an interim order is granted on the condition to release 50 % of the payment, the same should be followed in the instant case also.

15. The learned Senior Counsel would rely upon the Judgment of the Hon'ble Supreme Court of India in ***Faime Makers***

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Private Limited Vs. District Deputy Registrar, Co-operative Societies (3), Mumbai and Others[1], particularly paragraphs 23 to 25 of the said Judgment. Learned Senior Counsel contends that, for every invoice, the parties should not be directed to approach the TNERC. When, admittedly, the legal position and the applicable Rules are the same, the parties should not be driven to approach the Court repeatedly for the same relief. The legal question answered against respondents 1 and 2 *inter parties* would bind them with reference to the other invoices also. Since the liabilities and rights have been amalgamated into the petitioner, respondents 1 and 2 cannot even claim that it is only in respect of KREL, as all the companies have been amalgamated into the petitioner. Thus, for one of the petitioner's invoices, TNERC has already decided the issue; although APTEL entertained and ordered 50% payment, it was ordered to be released, and respondents 1 and 2 should not be permitted to dispute the entire bill on the PRAAPTI portal. The detailed calculations showing how the payments were adjusted were furnished, and respondents cannot dispute the same.

16. In reply thereto, *Mr.Vijay Narayan*, the learned

[1] (2025) 5 SCC 772

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Advocate General, relying on the list of dates submitted on behalf of the respondents, would submit that the relevant rules, viz., Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, came into force on 03.06.2022. The learned Advocate General would point out that the TNERC order dated 17.02.2026 held that payments were first adjusted towards the late payment surcharge and thereafter towards the pending energy bills, starting with the longest overdue bill. It held that Clause 6(b) permitted only simple interest, not compound interest, and directed KREL to recalculate its claim and submit a revised computation. Even thereafter, the respondent was directed to verify and make payment within 30 days.

17. Even though the Writ Petition was filed on several grounds, liberty was granted to the petitioner to pursue the appellate remedy, and an appeal has since been filed before the APTEL challenging the order dated 17.02.2026. In the appeal, it is contended that several of the historical claims are barred by limitation; that the 2022 Rules cannot be applied retrospectively to amounts that had become due and were paid before the Rules came into force; that the Rules do not

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authorise unilateral reappropriation. He would submit that, in respect of the other core companies, no Court order directs re-appropriation.

18. The learned Advocate General would further submit that settled accounts cannot be reopened by relying on the said Rules. The payments had already been made, and the companies had been granted time for reconciliation. They were accepted and appropriated without any immediate claim having been raised. It is further contended in the appeal that the order passed by the TNERC would result in unjust enrichment and ultimately impose an undue financial burden on consumers. APTEL also entertained the appeal and granted an interim order. Considering the circumstances in that particular case, 50% was ordered to be paid as a condition. This is not as if the Tribunals have finally held in favour of the petitioner herein.

19. The learned Advocate General would contend that no order has been passed in favour of the other four projects and that the order dated 17.02.2026 passed by the TNERC is

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confined to the subject matter of the proceedings before it. The claim petition filed by KREL seeks to reopen accounts spanning a period of ten years. A sum of Rs.210.48 crores has been shown as the principal amount claimed, whereas the total payments made towards energy bills by all the entities amount to approximately Rs.553 crores. The learned Advocate General would further submit that, although reconciliation had been offered at the relevant point in time, it was not undertaken. The calculations are seriously disputed. It is contended that the claims involve disputed accounting issues that have not been adjudicated and do not constitute an enforceable public law right warranting the exercise of this Court's writ jurisdiction on the basis of the order passed by the TNERC. As per Clause 11 of the EPAs read with Section 86 (1) (f) of the Electricity Act, 2003, the TNERC is the forum for the petitioner to raise the disputes.

20. The learned Advocate General would submit that Clayton’s Rule has no application, as the present case is governed by *sui generis* Rules and the mode of payment prescribed under the Tariff Order. The payments were made under covering letters, which were duly accepted, and

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therefore, the payments ought to be appropriated in accordance with the terms under which they were tendered and accepted. There can be no question of accepting the payments and thereafter reappropriating them, particularly when the petitioner's own books of accounts reflect the payments as having been made accordingly. Clayton's Rule is only a rule of convenience and yields to a contrary intention or to prevent injustice. There was bargaining for simple interest under Clause 6(b), and LPS was paid and accepted on that basis for over a decade, and now the whole accounting cannot be upset. These are questions falling within the pure factual realm and cannot be determined on the basis of a precedent alone.

21. In support of his contentions, the learned Advocate General would rely upon the Judgments of the Hon'ble Supreme Court of India in ***Kerala State Electricity Board and Another Vs. Kurien E.Kalathil and Others***[2], referring to paragraph Nos.10 and 11, and contend that the dispute is factual and contractual in nature. He would rely upon the Judgment of the Hon'ble Supreme Court

[2] (2000) 6 SCC 293

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of India in ***Joshi Technologies International Inc. Vs. Union of India and Others***[3], more specifically paragraph Nos.54 to 56 and 69 to 73, to contend that in contractual matters, when disputed and contractual facts are involved, a Writ Petition should not be entertained by this Court. He would further rely upon the Judgment of the Hon'ble Supreme Court of India in ***Gujarat Urja Vikas Nigam Ltd., Vs. Essar Power Ltd.***[4], more specifically paragraph Nos.34 and 35, to contend that when the rules on which the entitlement is based and Section 86 of the Electricity Act, 2003 provide a specific remedy, things have to be done in the particular manner, and the petitioner cannot, by way of a shortcut, approach this Court and pray for payment.

22. I have considered the rival submissions made on either side and perused the material records of the case.

23. The claim is made with reference to the dispute arising out of the supplementary invoices. Admittedly, with reference to those supplementary invoices, the petitioner did not

[3] (2015) 7 SCC 728
[4] (2008) 4 SCC 755

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approach the TNERC. As rightly contended by the learned Advocate General, the petitioner has an efficacious alternate remedy of approaching the TNERC, which is also functional as on date, and therefore it will be very well open to the petitioner to approach the TNERC in this regard. The only contention made is that, for every invoice, the petitioner need not approach the TNERC or the appropriate forum; when an issue has been *decided inter* partes, the same has to be followed in respect of the other bills also. While there can be no quarrel over the legal proposition, in the instant case, first, the legal position has not been settled. Even though the TNERC has ruled in favour of the petitioner, the matter is pending in appeal; the APTEL has entertained the appeal and has granted an interim order. Therefore, when an interim order has been granted, this Court cannot direct the payment of the said amount on the basis of a settled legal position or that the matter has become final *inter partes*.

24. When an interim order is granted, taking into account the quantum, balance of convenience, etc., such interim orders cannot be extrapolated as if they constitute a settled legal

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position, and the TNPDCL or TNGECL cannot be directed to follow the same with reference to the other invoices. Therefore, until the issue attains finality, even with these invoices, it is for the petitioner to approach the TNERC for the grant of appropriate orders. Therefore, in this case, the principle as argued by the learned Senior Counsel for the petitioner, that if a question has been settled *inter partes*, cannot be factually accepted, and the matter is pending in appeal for the first time before the APTEL.

25. Secondly, apart from the legal questions, the factual questions as to whether any communication accompanied the payment, whether the question was accepted in reconciliation, and whether the account should be treated as having reconciled and closed were all factual matters which have to be dealt with in respect of these claims of the petitioner also.

26. Thus, I am of the view that no direction can be given by this Court to pay 50% of the amount, as per the directions of the APTEL in the connected matter. Though it can be said that it is *inter partes,* as the said KREL has also been amalgamated

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into the petitioner with all the rights and liabilities vested in the petitioner, still, an interim order, granted after balancing the rights of the parties and considering the balance of convenience, etc., cannot be *ipso facto* extrapolated to the connected claims, especially in the absence of a similar order of the appropriate Tribunal or a direction of a Court of law.

27. In view of the foregoing, finding no merit, this Writ Petition stands dismissed, with liberty to the petitioner to approach the TNERC in respect of these four supplementary invoices. No costs. Consequently, the connected miscellaneous petitions are closed.

11.11.2026

Neutral Citation: Yes
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To

1.The Chairman and Managing Director,
Tamil Nadu Power Distribution Corporation Limited (TNPDCL),
(formerly Tamil Nadu Generation and Distribution Corporation Limited),
N.P.K.R.R. Maaligai, No. 144, Anna Salai, Chennai 600 002.

2.The Chief Engineer / Non-Conventional Energy Sources,
Tamil Nadu Green Energy Corporation Limited (TNGECL),
(formerly Tamil Nadu Generation and Distribution Corporation Limited),
N.P.K.R.R. Maaligai, No. 144, Anna Salai, Chennai 600 002.

3.The Secretary,
Union of India,

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Ministry of Power,
Shram Shakti Bhawan, Rafi Marg,
New Delhi 110 001.

4.The Secretary,
Tamil Nadu Electricity Regulatory Commission,
4th Floor, SIDCO Corporate Office Building,
Thiru Vi Ka Industrial Estate, Guindy,
Chennai 600 032.

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D.BHARATHA CHAKRAVARTHY, J.

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