CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 845/MP/2025

Coram:
Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member

Date of Order: 30th October, 2026

In the matter of

Petition under Section 79 of the Electricity Act, 2003 read with Article 10 of Power Purchase Agreement dated 18.12.2013 (Procurers PPA) and Schedule I (VIII) of the Power Purchase Agreement dated 19.12.2013 (PTC PPA) seeking compensation/consequential reliefs on account of occurrence of Change in Law event impacting revenues and costs during operating period.

And
In the matter of

Adhunik Power and Natural Resources Limited,
Lansdowne Towers,
2/1A, Sarat Bose Road, Kolkata-700020 **…Petitioner**

Versus

1. **Tamil Nadu Power Distribution Corporation Limited,**
NPKRR Maaligai, 144,
Annasala- 600002i, Chennai

2. **PTC India Limited,**
2nd Floor, NBCC tower,
15, Bhikaji Cama Place, New Delhi- 110066 **…Respondents**

Parties Present:
Shri M.G. Ramachandran, Senior Advocate, APNRL
Shri Pranav Sachdeva, Advocate, APNRL
Ms. Srishti Khindaria, Advocate, APNRL
Shri Sanyam Jain, Advocate, APNRL
Ms. Khushboo Singhal, Advocate, APNRL
Shri Shiv Singh, APNRL
Shri Ravi Kishore, Advocate, PTC
Ms. Deepti Dash, Advocate, PTC
Ms. Anusha Nagarajan, Advocate, TNPDCL
Shri Rahul Ranjan, Advocate, TNDPCL

ORDER

The Petitioner, Adhunik Power and Natural Resources Limited (in short 'APNRL'), had filed the instant Petition under Section 79 of the Electricity Act, 2003

(hereinafter referred to as "the Act') read with Article 10 of the Power Purchase Agreement (Procurer's PPA) dated 18.12.2013 executed between Respondent No. 2 and Respondent No. 1 and Schedule I (VIII) of the Power Purchase Agreement dated 19.12.2013 (PTC PPA) executed between Respondent No. 2 and the Petitioner seeking compensation/ consequential reliefs on account of Change in Law event, namely cancellation of allotment of Ganeshpur coal block/ de-allocation of Ganeshpur coal block by the Hon'ble Supreme Court in its Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012 in the case of *Manohar Lal Sharma v. Principal Secretary & Ors.* and subsequent promulgation of the Coal Mines (Special Provisions) Ordinance, 2014, Coal Mines (Special Provisions) Act, 2015 and rules made thereunder impacting revenues and costs during the operating period. The Petitioner has made the following prayers in the instant Petition:

> *"(a) Hold that the Petitioner, Adhunik Power and Natural Resources Limited, is entitled to recover the impact of change in law, namely, the cancellation of allotment of Ganeshpur coal block by the Hon'ble Supreme Court in Coal Block Cancellation Judgments, in terms of the Article 10 of the Procurers PPA read with Schedule I (VIII) of the PTC PPA;*
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> *(b) Direct the restoration of the Petitioner to the same economic position prior to the occurrence of the Change in Law event by directing the Respondents to make payment of compensation amounting to approximately Rs. 543.44 Crore (principal) to the Petitioner, as per the computations set out in the Petition towards procurement of coal from alternate sources including linkage coal under SHAKTI Policy on account of cancellation of allotment of Ganeshpur coal block along with the additional payment for carrying cost on compound interest and late payment surcharge till the date of actual payments as per the provisions of the Procurers PPA and the PTC PPA, and the settled position of law;*
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> *(c) Direct Respondents to make payment of compensation towards future invoices arising on account of the continued impact of the Change in Law event along with carrying cost on compound interest and late payment surcharge till the date of actual payments as per the provisions of the Procurers PPA and the PTC PPA, and the settled position of law in the event of any delay in such payments; and*
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> *(d) Pass such other orders that this Commission deems fit in the facts of this case."*

Factual Background:

2. The Petitioner, a generating company in terms of Section 2(28) of the Act, owns and operates a 540 MW (270 MW x 2) coal-based Thermal Power Project in District Saraikela Kharsawan in the State of Jharkhand. The Petitioner is supplying 100 MW of power to Respondent No.1/ Tamil Nadu Power Distribution Corporation Limited (in Short, 'TNPDCL') through Respondent No.2/PTC in terms of the Power Purchase Agreement dated 19.12.2013. Respondent No. 1/TNPDCL, a distribution licensee in terms of Section 2(17) of the Act in the State of Tamil Nadu, is procuring 100 MW (Aggregate Contracted Capacity) power from APNRL's Project through PTC in terms of the Power Purchase Agreement dated 18.12.2013. Respondent No. 2/ PTC, an inter-State trading licensee as per the provisions of the Act, has been granted a trading licence by this Commission. PTC executed the Power Purchase Agreement dated 19.12.2013 with the Petitioner for procurement of 100 MW of power from APNRL's Project for onward supply to TNPDCL in terms of the Power Purchase Agreement dated 18.12.2013 on a back-to-back basis. The Ministry of Power had issued the Guidelines for 'the Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees (Competitive Bidding Guidelines)' on 19.1.2005, under Section 63 of the Act, establishing a framework for distribution licensees to determine tariffs through a competitive bidding process. On 20.5.2009, the Ministry of Coal allocated the Ganeshpur non-coking coal block jointly to Tata Steel Limited and Adhunik Thermal Energy Limited (subsequently known as APNRL /Petitioner) for captive mining on an equal sharing basis, i.e., 50:50, in terms of Section 3(1)(a)(iii) of the Coal Mines (Nationalisation) Act, 1973. Central Coalfields Limited issued a Letter of Assurance to the Petitioner on 25.9.2010, allocating 9,99,700 MT of 'E' grade coal per annum based on tapering linkage mechanism for Unit-II (270 MW) of the Petitioner's project.

3. On 21.12.2012, TNPDCL issued a Request for Proposal for the procurement of 100 MW power (+/- 20%) for a period of fifteen (15) years through tariff-based competitive bidding process under Section 63 of the Act (Case 1 bidding procedure) to meet the base load power requirements. As per the RFP, the bidder (i.e., the Petitioner/PTC in the present case) has the discretion to choose the fuel and its sourcing. On 21.1.2013, Unit I of the Project achieved COD. The Petitioner participated in the bidding conducted by TNPDCL through PTC and, as required under Clause 2.1.2.2 of the RFP, executed an exclusive Power Purchase Agreement with PTC on 4.3.2013. Under the Exclusive PPA, the Petitioner and PTC agreed on a tariff for participating in the bidding process conducted by TNPDCL for supply of 100 MW power. On 4.3.2013, PTC submitted its bid to supply of 100 MW to TNPDCL from the Petitioner's Project, wherein it explicitly designated the captive Ganeshpur coal block as its primary fuel source and detailed its distance from the Petitioner's project, i.e., 250 km. The Petitioner and PTC submitted the bid and the corresponding tariff (capacity charges and energy charges) premised on the fact that the Petitioner will source fuel/coal from its captive Ganeshpur Coal block for the larger tenure of the PPA duration and a very limited quantity from tapering linkage for supply of power to TNPDCL.

4. Unit II of the Project achieved COD on 19.5.2013. On 29.5.2013, the Petitioner offered TNPDCL to match the tariff for the L1 bid as discovered in the bidding process. On 25.6.2013, TNPDCL requested PTC to match the levelized tariff of the L1 Bidder, i.e., Rs. 4.910/kWh, along with an additional rebate of Rs. 0.02/unit of scheduled energy as per the provisional bill payable in the first five contract years starting from the scheduled delivery date. On 27.6.2013, the Petitioner and PTC revised the bid to factor in the revised levelized tariff and additional rebate and submitted a detailed schedule breakdown of capacity charges, energy charges, and transportation costs.

On 28.6.2013, the Petitioner confirmed to PTC that it would match the levelized tariff and accordingly submitted the revised format. Further, on 3.7.2013, PTC accepted TNPDCL's request to match the levelized tariff as per the provisional bill payable in the first five contract years starting from the scheduled delivery date, provided 100% of the provisional bill is credited to Seller's account within five days from the date of issuance of the provisional bill.

5. On 27.8.2013, the Petitioner entered into a Fuel Supply Agreement (FSA) with the Central Coalfields Limited for an Annual Contracted Quantity of 9.26122 Lakh Tonnes. Subsequently, on 14.11.2013, the Petitioner/PTC was selected as a successful bidder/seller in the bidding process conducted by TNPDCL. Accordingly, TNPDCL issued a Letter of Intent ('LOI') to PTC enclosing the accepted tariff/rates for procurement of 100 MW Round the Clock ('RTC') power from the Petitioner through PTC. Further, on 18.11.2013, the Petitioner issued its unconditional acceptance to the LoI dated 14.11.2013 for sale and supply of 100 MW RTC power to TNPDCL through PTC. PTC executed a Procurer's PPA with TNPDCL on 18.12.2013, for sale and supply of Aggregate Contracted Capacity of 100 MW for fifteen (15) years after procuring from the Petitioner's Project. On 19.12.2013, PTC and the Petitioner entered into a back-to-back Power Purchase Agreement ('PTC PPA') for procurement of the 100 MW power generated from the Petitioner's Project. In terms of the Procurer's PPA and PTC PPA, the cut-off date was 27.2.2013, and the bid deadline was 6.3.2013.

6. The Hon'ble Supreme Court, vide its judgment dated 25.8.2014 in Writ Petition (Criminal) No. 120/2012 in the case of *Manohar Lal Sharma v. Principal Secy. & Ors.* (2014) 9 SCC 516 ('SC Coal Block Cancellation Judgement I') *inter alia,* held that the allocation of coal blocks (including Ganeshpur Coal Block) by the Screening Committee as well as the Government Dispensation Route suffered from arbitrariness and was contrary to public interest and accordingly illegal. Subsequently, in the same

case, vide its judgment dated 24.9.2014, the Court cancelled the coal blocks, including the captive coal block, i.e., the Ganeshpur coal block allotted to the Petitioner.

7. On 21.10.2014, the Government of India promulgated the Coal Mines (Special Provision) Ordinance, 2014 ('Special Ordinance') for allocation of coal mines so as to ensure continuity in coal mining operations and production of coal. Subsequently, on 26.12.2014, the Government of India promulgated the Coal Mines (Special Provisions) Second Ordinance, 2014 ('Special Second Ordinance') to provide continuity to the provisions of the Cancellation Ordinance during the pendency of the Coal Mines (Special Provisions) Bill, 2014 before the Parliament and the Ganeshpur coal block was listed as one of the coal mines as per Schedule I (Item 96).

8. On 1.1.2016, the Petitioner commenced power supply to TNPDCL through PTC. On 29.7.2016, the Tamil Nadu Electricity Regulatory Commission adopted the tariff for supply of 3330 MW of Base Load power, which included 100 MW power supply by the Petitioner to TNPDCL through PTC. On 10.2.2017, the Petitioner issued a Change in Law notice to PTC for onward supply to TNPDCL and claimed the cancellation of allotment of Ganeshpur coal block in terms of the SC Judgments as a Change in Law event as per Article 10 of the Procurers PPA. Accordingly, the Petitioner claimed compensation for the period from 1.1.2016 to 30.11.2016 for the additional cost incurred on procurement of coal from alternate sources while reserving its right to claim compensation for future periods.

9. On 4.4.2017, the Petitioner issued the bills for claiming Change in Law compensation due to cancellation of coal block for the power supplied in December 2016. On 13.4.2017, PTC returned the bill for power supplied in December 2016 to the Petitioner via email and stated that Change in Law invoices can be raised after the approval of the Change in Law event and relief by the Appropriate Commission. On 21.4.2017, the Petitioner issued bills to claim Change in Law compensation due to

cancellation of the coal block for the power supplied from January 2017 to March 2017. On 24.4.2017, the Petitioner re-submitted the bills for claiming Change in Law compensation due to cancellation of the coal block for the power supplied for the period from January 2017 to March 2017 due to some typographical errors in the earlier bills. On 26.4.2017, PTC returned the Petitioner's bills for the power supplied from January 2017 to March 2017 and reiterated PTC's stand as per PTC's email dated 13.4.2017.

10. On 22.5.2017, the Ministry of Coal issued the Scheme for Harnessing and Allocating Koyla (Coal) Transparently in India (SHAKTI Policy) for allocation of coal linkage to power companies. In terms of Clause B(ii) of the SHAKTI Policy, the grant of coal linkage from each source is based on the discount offered on the existing tariff for the balance period of the PPA. Notably, in terms of Clause B(ii)(b) of the SHAKTI Policy, the PPA may be amended or supplemented mutually between the developer and procurer to pass on the discount to the procurer. In view of the cancellation of the Ganeshpur coal block under the Coal Block Cancellation Judgments, and the subsequent non-allotment of the Ganeshpur coal block to the Petitioner in the bidding process, the Petitioner was constrained to arrange the coal requirement for the power project from other sources for continued generation and supply of electricity. The Petitioner was left to procure coal from tapering linkage only for a limited period of time. The Petitioner was, therefore, impacted by the Change in Law. Notably, in order to mitigate the impact of the Change in Law and to ensure a firm and continued availability of coal, the Petitioner participated in the auction/bidding process under the SHAKTI Policy to secure the coal linkage and supply power to TNPDCL (procurer) at a competitive price.

11. On 21.12.2017, Central Coalfields Limited issued a Letter of Intent (LoI) to the Petitioner and declared the Petitioner as a Provisional Successful Bidder pursuant to

the SHAKTI Policy. The Petitioner was awarded 900,000 Tonnes of G11 grade coal for Unit-I and Unit II of its Project with a discount of Rs. 0.03/kWh for allocation of coal linkage as per the SHAKTI Policy. The landed cost of coal procured under the SHAKTI Policy is higher than the landed cost that would have been incurred if coal had been procured from the Ganeshpur Coal block. Further, in the present Petition, the Petitioner is only seeking pass-through of the actual cost of coal, which is a component of energy charges.

12. On 16.4.2018, the Petitioner requested PTC/TNPDCL to initiate the process for amendment of the PPA in order to incorporate the discount on the existing tariff under SHAKTI Policy while explicitly reserving its legal rights concerning Change in Law, force majeure, and historical tariff arrangements. Accordingly, on 8.5.2018, PTC and the Petitioner amended the PTC PPA ('Amended PTC PPA') in terms of the LoI dated 21.12.2017, the Petitioner's letter dated 16.4.2018, and the SHAKTI Policy. On 10.5.2018, PTC and TNPDCL executed a corresponding amendment to the main Procurers PPA to pass through the tariff discount obtained under the SHAKTI Policy framework. The Commission, vide Order dated 18.5.2018 in Petition No. 84/MP/2018, approved the Amended PTC PPA and Procurers PPA.

13. On 22.11.2018, TNPDCL returned PTC's supplementary bills dated 31.10.2018 and 15.11.2018 for Change in Law compensation for the period from January 2016 to March 2017, December 2017 to August 2018 and September 2018 to October 2018 relying upon Article 10.3.3 and 10.3.4 of the Procurers PPA. On 10.5.2019, the Petitioner entered into an FSA as per Para B(ii) of the SHAKTI Policy for supply of 9,00,000 Tonnes of coal. Subsequently, the Commission, vide order dated 29.1.2020 in Petition No. 305/MP/2015 (supply of power to WBSEDCL), held that (a) cancellation of allotment of Ganeshpur Coal Block pursuant to Coal Block Cancellation Judgments did not constitute a 'Change in Law', and (b) the Petitioner is entitled to claim

compensation for cost incurred to procure coal from the alternate sources on account of shortfall in tapering linkage. On 13.3.2020, the Petitioner filed Review Petition No. 14/RP/2020 before this Commission seeking review of the Order dated 29.1.2020 in Petition No. 305/MP/2015 on the issue of cancellation of allotment of Ganeshpur coal block as a Change in Law event, which was rejected. Aggrieved by the said order dated 29.1.2020, the Petitioner filed Appeal No. 143 of 2020 before the APTEL on 13.3.2020. While the Appeal filed by the Petitioner before the APTEL, i.e., Appeal No. 143 of 2020 was pending before the APTEL, the Hon'ble Supreme Court in the case of *GMR Warora Energy Ltd. v. CERC & Ors.*, [(2023) 10 SCC 401] and *MSEDCL v. Adani Power Maharashtra Ltd. & Ors. [*(2023) 14 SCC 172] held that the cancellation of the coal block by the Coal Block Cancellation Judgments constitutes a Change in Law event for the PPAs entered into pursuant to competitive bidding held under Section 63 of the Act.

Submission of the Petitioner:

14. The Petitioner has mainly submitted as under:

(a) With regard to the Petitioner/PTC participated in the bid process on the premise that the Petitioner will source fuel/coal from the Ganeshpur coal block: The Government of India had allocated the Ganeshpur coal block to the Petitioner on 28.5.2009 within the framework of the Coal Mines Nationalisation Act, 1957 ('CMN Act') and Mines and Minerals (Development and Regulation) Act, 1957 ('MMDR Act'). In terms of the definition of "Fuel" and Clause 2.1.2.2(b) of the RFP, 'Fuel' and its sourcing were the sole responsibility of the bidder, i.e., the Petitioner//PTC. PTC had duly filled in Format 4.13 of the RFP while submitting the bid and clearly stated that the source of fuel/coal is a captive coal mine, i.e., Ganeshpur coal block. Further, PTC also submitted the duly filled-up Format 4.10 of the RFP and stated that the distance from the Petitioner's Project to the Ganeshpur coal block is 250 km. The PTC/the Petitioner participated in the bid process conducted by TNPDCL and submitted its bid and corresponding tariff (capacity charges and energy charges), premised on the fact that the Petitioner

will source fuel/coal from its captive Ganeshpur Coal block for supply of power to TNPDCL. The Coal Block Cancellation Judgments cancelled the allotment of the Ganeshpur coal block to the Petitioner. The cancellation of the allotment of the Ganeshpur coal block was beyond the Petitioner's control and was not foreseeable.

(b) Coal Block Cancellation Judgments are a Change in Law in terms of Article 10 of the Procurers PPA. The Second bullet of Article 10 of the Procurers PPA, *inter alia*, stipulates that Change in Law means a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law after the date which is 7 days prior to the Bid Deadline, i.e., 6.3.2013. The cut-off date to claim a Change in Law event in terms of Article 10 of the Procurers PPA is 27.2.2013. Article 1.1 of the Procurers PPA defines the expression “Competent Court of Law” as any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement. The Hon’ble Supreme Court is a Competent Court of Law under the Procurers PPA. Therefore, any change in interpretation or application of any law by the Hon’ble Supreme Court after the cut-off date, i.e., 27.2.2013, falls within the scope of Article 10 of the Procurers PPA. The Hon’ble Supreme Court has interpreted the provisions of the CMN Act and the MMDR Act after the cut-off date, i.e., 27.2.2013, in Coal Block Cancellation Judgments with respect to allocation of coal blocks. This element satisfies the criteria enumerated in the second bullet of Article 10 of the Procurers PPA. Therefore, cancellation of the Ganeshpur coal block allotted to the Petitioner under the CMN Act and MMDR Act is a Change in Law event.

(c) On account of cancellation of allotment of the Ganeshpur coal block, the Petitioner was constrained to procure coal from alternate sources such as open market, e-auction, and coal supply under SHAKTI Policy, which led to an increase in the cost of supply of power to TNPDCL. Notably, the landed cost of coal procured under SHAKTI Policy is higher than the landed cost that would have been incurred if coal had been procured from Ganeshpur coal block.

(d) In terms of the restitutionary principle envisaged in Article 10.2.1 of the Procurers PPA, the Petitioner is entitled to be compensated for the differential amount between the actual cost incurred towards procurement of coal from

alternate sources and the payment made by TNPDCL as per the cost of coal assumed at the time of bid. Article 10.3.2 of the Procurers PPA provides that during the operation period, the compensation for any decrease in revenue or increase in expenses to the Petitioner shall be payable only if the decrease in revenue or increase in expenses of the Petitioner is in excess of an amount equivalent to 1% of the value of the Standby Letter of Credit in aggregate for the relevant Contract Year. In view of the Petitioner's Change in Law claim, the test of Article 10.3.2 is also met.

(e) The Petitioner duly served the notice of occurrence of Change in Law event on 10.2.2017. Notably, TNPDCL/PTC has never disputed such Change in Law notice dated 10.2.2017. The Petitioner satisfies all tests required for meeting the threshold for a Change in Law event, and the consequent right to claim compensation has been met in the present case. Therefore, the Petitioner is entitled to compensation for a Change in Law event in terms of Article 10.1, 10.2, 10.3, and 10.5 of the Procurers PPA (relief for Change in Law). Even so, the Petitioner reserved its right to claim Change in Law as per the PPA *vide* its letter dated 16.4.2018 issued to PTC/TNPDCL while seeking amendment to the PPA. The Petitioner satisfies all the tests for meeting the threshold of a CIL event as under:

Particulars	**Test to be met**	**Petitioner's case**
Cut-off Date	7 days prior to the Bid Deadline, i.e., 6.3.2013. Cut-off date is 27.2.2013	Change in law event occurred after the cut-off date on 25.8.2014
Change in Law means	Change in the interpretation or application of any Law by any Indian Governmental Instrumentality or any Competent Court of Law	Cancellation of Ganeshpur coal block by Supreme Court which qualifies as change in interpretation of law by a Competent Court of Law
Notification of Change in Law Event	Notice to be given as soon as reasonably practicable after becoming aware of the same or should reasonably have known of the Change in Law	Change in Law notice given on 10.2.2017
Threshold for payment of compensation	The decrease in revenue or increase in expenses of the Petitioner due to change in law event is in excess of an amount equivalent to 1% of the	The Petitioner's claim for change in law compensation is Rs. 543.44 crore (principal), which itself is in excess of 1% i.e., Rs. 0.3641 Crore

	value of the Standby Letter of Credit in aggregate for the relevant Contract Year	of the value of the Standby Letter of Credit (i.e., Rs. 36.41 crore) in aggregate for the relevant Contract Year.

(f) Despite cancellation of allotment of Ganeshpur coal block, the Petitioner undertook measures to mitigate the impact on the cost of power supply to TNPDCL/PTC by following Prudent Utility Practices, which is evident from the fact that despite the cancellation of the Ganeshpur coal block, the Petitioner continued to fulfil its obligations in terms of the PPA to supply the contracted capacity to TNPDCL/PTC. Further, after the cancellation of the Ganeshpur coal block and before the introduction of the SHAKTI Policy, the Petitioner procured coal from alternate sources and supplied the contracted power capacity to TNPDCL/PTC. Further, after the cancellation of the allotment of the Ganeshpur coal block, the Petitioner submitted its bid on 8.3.2015 for allocation of the Ganeshpur coal block. However, it failed to secure the bid. Thereafter, the Petitioner participated in the bidding conducted pursuant to the SHAKTI Policy and secured coal linkage for supply of power to TNPDCL/PTC at competitive prices; and the Petitioner offered a discount of Rs. 0.03/kWh on the levelized tariff of Rs. 4.91/kWh to TNPDCL through PTC in terms of the SHAKTI Policy.

(g) It is a well-established legal principle of law on damages that the party should plead and prove the damages and also take action for mitigating such damages. In this regard, reliance has been placed upon the Hon`ble Supreme Court judgments in the cases of ***Murlidhar Chiranjilal v. Harishchandra Dwarkadas*, [(1962) 1 SCR SC 366], *M. Lachia Setty and Sons Ltd. v. Coffee Board*, [(1980) 4 SCC 636], and *Kanchan Udyog Ltd. v. United Spirits Ltd*., [(2017) 8 SCC 237]**

(h) The issue of cancellation of a coal block as a Change in Law event is no longer *res integra*, and it has been settled by the Hon'ble Supreme Court that cancellation of a coal block by Coal Block Cancellation Judgments is a Change in Law event. In this regard, reliance has been placed on the Hon'ble Supreme Judgments dated 20.4.2023 in the cases of **GMR *Warora Energy Ltd. v. CERC & Ors*, [(2023) 10 SCC 401], and MSEDCL *v. Adani Power Maharashtra Ltd. & Ors.* [(2023) 14 SCC 172]**

(i) The Hon'ble Supreme Court in its Judgment dated 27.2.2026 in Civil Appeal Nos. 2584-2585 of 2026 [*WBSEDCL v. APNRL & Ors.*, 2026 SCC

OnLine SC 328 ('APNRL Judgment')] categorically held that cancellation of the Ganeshpur Coal block allotted to the Petitioner is a Change in Law event. The provisions on Change in Law considered by the Hon'ble Supreme Court in these judgments, the conditions governing the occurrence of a Change in Law event and the restitutionary principle embodied in Article 10 of the Procurers PPA are *pari materia*. Further, the Hon'ble Supreme Court in the APNRL Judgment has held that cancellation of allotment of Ganeshpur coal block which was allocated to the Petitioner is a Change in Law event. Therefore, the findings of the aforesaid Judgments are squarely applicable to the present case.

(j) TNPDCL had never disputed the occurrence of a Change in Law event within the scope of Article 10 of the PPA with regard to the cancellation of the Ganeshpur Coal Block prior to the filing of its reply dated 6.1.2026. Notably, the APTEL, in its judgment dated 4.9.2025 in Appeal No. 143 of 2020 & Batch, held that promulgation of CMSPA is also a Change in Law event. The Hon'ble Supreme Court also affirmed this finding in the APNRL Judgment.

Re: Effective date for adjustment in monthly tariff payment

(k) In terms of Article 10.5.1 of the Procurers PPA, the adjustment in monthly tariff payment shall be effective from either the date of adoption, promulgation, amendment, re-enactment or repeal of the Law or Change in Law; or the date of order/judgment of the Competent Court or tribunal or Indian Governmental Instrumentality, if the Change in Law is on account of a change in interpretation of Law. Therefore, it is evident that the adjustment in monthly tariff payment for the Change in Law event is effective from 25.8.2014 (i.e., the date of SC Coal Block Cancellation Judgment I). Accordingly, the Petitioner has been claiming this compensation with effect from 1.1.2016, pursuant to its applicability from 25.8.2014.

(l) It is noteworthy that Article 10.2.1 of the Procurers PPA has an in-built restitutionary principle. Therefore, the Petitioner is entitled to be compensated and restored to the same economic position as if such Change in Law event did not occur. In this regard, reliance has been placed on the Hon`ble Supreme Court judgments in the cases of ***Energy Watchdog v. CERC, [(2017) 14 SCC 80], Uttar Haryana Bijli Vitran Nigam Ltd. v. Adani Power Ltd., [(2019) 5 SCC 325], and Uttar Haryana Bijli Vitran Nigam Ltd. v. Adani Power (Mundra) Ltd., [(2023) 2 SCC 624]***

Re. Carrying Cost and Late Payment Surcharge

(m) It is a settled position of law that in order to effect restitution of an affected party on account of a Change in Law event, the affected party, the Petitioner herein, is entitled in a Change in Law to be compensated along with the carrying cost/interest on a compounding basis. In this regard reliance has been placed on Hon`ble Supreme Court Judgments in the cases of ***Uttar Haryana Bijli Vitran Nigam Ltd. & Anr. v. Adani Power Ltd. & Ors*., [(2019) 5 SCC 325], *Uttar Haryana Bijli Vitran Nigam Limited v. Adani Power (Mundra) Limited*, [(2023) 2 SCC 624], *GMR Warora Energy Ltd. v. CERC & Ors,* [(2023) 10 SCC 401], *Jaipur Vidyut Vitran Nigam Ltd. & Ors. v. Adani Power Rajasthan Ltd*., [2025 SCC OnLine SC 1211]**

(n) The issue relating to the Change in Law claim on account of cancellation of Ganeshpur coal block had been under continuous adjudication since 30.12.2015 when Petition No. 305/MP/2015 was filed, and TNPDCL was aware of the same at every stage of the proceedings. Notably, the issue of Change in Law attained finality only upon the Judgments rendered by the APTEL and the Hon'ble Supreme Court on 4.9.2025 (Appeal No. 143 of 2020) and 27.2.2026 (Civil Appeal Nos. 2584-2585 of 2026), respectively. Therefore, TNPDCL's reliance on the Order dated 13.12.2021 in Petition No. 167/MP/2021 to contend that carrying cost cannot be allowed for periods attributable to the generating company's delay in approaching the Commission is misplaced. The issue pertaining to the Change in Law event, namely, cancellation of the Ganeshpur coal block, is common in both Petition No. 305/MP/2015 and the present Petition. Therefore, as a party to the proceedings arising out of Petition No. 305/MP/2015 throughout, TNPDCL was aware of the adjudication relating to the said Change in Law event. In such circumstances, TNPDCL has no occasion to contend that carrying cost cannot be allowed for periods attributable to the Petitioner's delay in filing the present Petition. Even so, raising Change in Law claims is a continuing cause of action, an accepted principle of regulatory accounting. Merely because the Petitioner is not claiming any Change in Law compensation from PTC/TNPDCL in Petition No. 305/MP/2015 does not preclude the Petitioner from claiming these amounts in a separate Petition.

(o) The Commission, in its earlier Orders dated 19.8.2019, 19.5.2024, and 4.7.2025 in Petition Nos. 17/MP/2019, 167/MP/2021, and 329/MP/2024 respectively, did not consider the principles laid down by the **Hon'ble Supreme Court in *Uttar Haryana Bijli Vitran Nigam Limited v. Adani Power (Mundra) Limited*, [(2023) 2 SCC] 624 and *GMR Warora Energy Ltd. v. CERC & Ors.* [(2023) 10 SCC 401],** wherein it has been conclusively held that, in order to effect restitution on account of a Change in Law event, the affected party is entitled to carrying cost on a compounding basis. Therefore, TNPDCL's reliance on the aforesaid orders to determine the applicable rate and methodology of carrying cost is misplaced and contrary to the settled position of law declared by the Hon'ble Supreme Court.

(p) Further, Late Payment Surcharge (LPS) is payable in terms of Article 8.8.3 of Schedule I(X) of PTC PPA read with Article 8.8.3 and 8.3.5 of Procurers PPA. It is a settled position of law that LPS is payable when the payment against the invoices raised by the power generating companies is delayed. In this regard, reliance has been placed on the Hon`ble Supreme Court judgments in the cases of ***MSEDCL v. MERC & Ors*., [(2022) 4 SCC 657] and *GMR Warora Energy Ltd. v. CERC & Ors*., [(2023) 10 SCC 401].**

(q) In view of the above, the Petitioner is entitled to be compensated for the differential amount between the actual cost incurred towards procurement of coal from alternate sources, including linkage coal under the SHAKTI Policy and the payment made by TNPDCL as per the cost of coal assumed at the time of bid, carrying cost on a compounding basis in terms of Article 10 of the Procurers PPA, and LPS as specified in the Procurers PPA/PTC PPA till the date of actual payment of Change in Law compensation amount.

(r) Since the Petitioner has incurred an additional cost of approximately Rs. 543.44 crore from 1.1.2016 till March 2025 towards procurement of coal from alternate sources on account of Change in Law event, it is entitled to be compensated for additional cost incurred towards procurement of coal from alternate sources along with the late payment surcharge and carrying cost in terms of Article 8.3.5, 8.8.3, 10.1, 10.2, 10.3, and 10.5 of the Procurers PPA. This Commission has jurisdiction to adjudicate the present dispute.

Proceedings before the Commission

Hearing dated 30.10.2025

15. The matter was listed for admission on 30.10.2025. During the hearing, learned senior counsel submitted that APTEL and the Hon'ble Supreme Court have settled the issue of cancellation of the coal block as a Change in Law event. The learned senior counsel also added that the Respondents have not disputed the occurrence of the above event as a Change in Law event within the scope of Article 10 of the PPA(s); however, the Respondents have consistently maintained that an order of this Commission is required for processing and effecting payment of the Change in Law compensation. While admitting the Petition, the Commission directed the Respondents to file their replies within six weeks and the Petitioner to file rejoinders within four weeks thereafter. The Commission also directed the Petitioner to furnish details/information by way of an affidavit within four weeks, with a copy to the Respondents, who may, after examining the computation furnished by the Petitioner, file their comments on the same within two weeks thereafter.

16. The Petitioner, *vide* affidavit dated 25.11.2025, has submitted the information sought *vide* Record of Proceedings dated 30.10.2025- (a) Computation of compensation amount on account of Change in Law events as allowed by the APTEL in its Judgment dated 4.9.2025 in Appeal No. 143 of 2020 & Batch, for the period from January 2016 to October 2025, along with Carrying Cost; (b) Details of procurement of alternate coal and all other relevant supporting documents to substantiate the compensation amount; (c) Additional expenses incurred due to alternate coal procurement (open market, e-auction, tapering linkage, SHAKTI Policy) with supporting invoices, actual fuel cost, coal invoices receipts, details of gross calorific value along with certificates, landed price of primary fuel, transport costs, railways receipts and landed price comparisons etc.; (d) Change in Law notice dated 10.2.2017 issued to PTC/TNPDCL.

17. The Respondent, TNPDCL, vide its reply dated 6.2.2026, has mainly submitted as under:

(a) On 18.12.2013, a PPA was executed between TNPDCL and PTC and thereafter on 19.12.2013, the Petitioner and PTC executed a separate PPA. The said arrangement was specifically structured to procure and supply 100 MW of power on a long-term basis from the Petitioner's 540 MW installed plant capacity for onward supply to TNPDCL. The claim for compensation arises from events that admittedly occurred in 2014–2015, but the Petition was filed only in August 2025, after an inordinate and unexplained delay of more than ten years.

Re: The Petition is ex facie barred by limitation

(b) The Petitioner has sought a declaration to the effect that cancellation of allotment of Ganeshpur coal block/de-allocation of Ganeshpur coal block by the Hon'ble Supreme Court in Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012 titled *Manohar Lal Sharma v. Principal Secretary & Ors.* and subsequent promulgation of the Coal Mines (Special Provisions) Ordinance 2014, Coal Mines (Special Provisions) Act, 2015 and rules made thereunder. Accordingly, the Petitioner's right to sue, if any, accrued in 2014 when the Hon'ble Supreme Court's pronouncement cancelled the Ganeshpur coal block. The enactment of the Coal Mines (Special Provisions) Act, 2015 only formalised the legal consequences. Under Article 58 of the Limitation Act, a claim seeking declaration must be initiated within three years from the date when the cause of action first arose. The present Petition, filed in 2025, is *ex facie* barred by limitation. The cause of action for filing the petition for the instant claim arose in 2015 itself. The Hon'ble Delhi High Court in *Sukhbiri Devi v. Union of India*, [2009 SCC Online Del 2571] (affirmed by the Hon'ble Supreme Court in 2022 SCC Online SC 1322) has held that the word "first" in Article 58 means that when any act or assertion of the defendant threatens and gives the plaintiff a cause of action.

(c) The Petitioner, *vide* its notice dated 10.2.2017, purported to invoke a Change in Law claim before PTC, contending that the cancellation of the allocated coal block constituted a Change in Law event under the Procurer-PPA. Along with the said notice, the Petitioner raised a claim of approximately Rs. 72 crore for the period from 1.1.2016 to 30.11.2016. Thereafter, on

4.4.2017, the Petitioner raised a supplementary invoice for December 2016. However, PTC, *vide* email dated 13.4.2017, unequivocally returned the invoice and clarified that no Change in Law compensation was admissible without prior approval or determination by the Appropriate Commission, as expressly required under the PPA. Despite this, the Petitioner continued to raise supplementary invoices on 21.4.2017 for the period from January 2017 to March 2017. PTC, *vide* its reply dated 26.4.2017, reiterated its earlier position and once again returned the invoices. Consequent to receipt of the invoices from PTC, TNPDCL on 22.11.2018 also returned the invoices for the period from January 2016 to October 2018, specifically referring to Articles 10.3.3 and 10.3.4 of the PPA, which stipulate that no Change in Law compensation is payable unless the occurrence of the Change in Law event and the computation of its financial impact have been duly determined by the Appropriate Commission.

(d) During the same period, the Petitioner was actively pursuing proceedings before this Commission in respect of another PPA executed with the West Bengal State Electricity Distribution Company Limited (WBSEDCL). The Petitioner filed Petition No. 305/MP/2015 seeking a declaration that the cancellation of the Ganeshpur Coal Block constituted a Change in Law event and seeking consequential compensation. Significantly, despite issuing Change in Law notices to PTC/TNPDCL in 2017, the Petitioner chose not to file any similar Petition before this Commission for the present PPA, unlike the steps taken in the case of WBSEDCL. Ultimately, *vide* Order dated 29.1.2020, this Commission dismissed Petition No. 305/MP/2015, holding that the cancellation of the coal block does not constitute a Change in Law event. Notwithstanding the above and despite the repeated rejection of earlier invoices, the Petitioner, in June 2025, once again raised invoices claiming Change in Law compensation from April 2021 onwards, which TNPDCL returned, reiterating the same position consistently communicated since 2018.

(e) The chronology of events unmistakably demonstrates that the Petitioner had complete knowledge of the alleged Change in Law event and its purported legal implications as early as 2014–2015, when the coal block was cancelled, and the subsequent statutory framework was enacted. The Petitioner was not only aware of the alleged cause of action but also actively pursued legal

remedies in respect of the same coal block cancellation under a different PPA. The Petitioner was fully aware of its alleged rights, the available remedy, and the appropriate forum to approach. Despite this undisputed knowledge and its active pursuit of remedies in 2015, the Petitioner wilfully chose not to initiate any proceedings under the present PPA with TNPDCL for more than ten years.

(f) It is a well-settled proposition of law that where the primary or substantive relief is barred by limitation, all ancillary, incidental or consequential reliefs automatically become unenforceable. **The Hon'ble Supreme Court in *Nikhila Divyang Mehta and Another vs Hitesh P. Sanghvi and Others*, [2025 SCC Online SC 779]** held that once the foundational claim is time-barred, no derivative or dependent relief can be granted, since ancillary reliefs cannot survive independently of the principal claim. Compensation, being merely a consequential relief dependent upon the primary declaration of Change in Law, cannot be adjudicated once the declaration itself is barred by time.

(g) The Electricity Regulatory Commissions cannot entertain time-barred claims which would be non-recoverable in a civil suit. This principle has been conclusively settled by the Hon'ble Supreme Court in the case of ***Andhra Pradesh Power Coordination Committee & Ors. v. Lanco Kondapalli Power Ltd., [(2016) 3 SCC 468***], wherein the Court held that claims which are barred by limitation cannot be revived or adjudicated under the quasi-judicial powers under the Act. The law laid down therein has been consistently followed by the APTEL in its **order dated 25.10.2028 in Appeal No. 185 of 2015 [in the case of *Kalani Industries Pvt. Ltd. v. RERC & Ors.]*, Order dated 24.4.2018 in Appeal No. 75 of 2017 [in the case of *MSEDCL v. MERC & Ors.]*,** has reiterated that for disputes arising under Section 86(1)(f) of the Act based on contractual rights, the Commission's role is analogous to that of a civil court, and any claim unrecoverable in a civil suit due to limitation cannot be granted in proceedings before the Commission.

(h) The statutory period of limitation cannot be extended, suspended or revived by unilateral communications, repeated letters, reminders, or self-serving invoices issued by the Petitioner. The continued exchange of correspondence between February 2017 and June 2025, despite the Respondent's inclusion of TNPDCL's categorical rejection of the Petitioner's

Change in Law claim in 2017 and 2018, does not create a fresh cause of action nor does it have the effect of extending the limitation period. It is well settled that repeated submission of invoices, issuance of reminders or follow-up letters, and unilateral assertions of entitlement do not amount to an acknowledgement of liability within the meaning of Section 18 of the Limitation Act, 1963. For an acknowledgement to extend limitation, it must be a clear, unambiguous, conscious admission of liability by the party sought to be charged; no such acknowledgement exists in the present case. The Hon'ble Supreme Court of India has conclusively held the same in ***CLP India Pvt Ltd v GUVNL & Ors.*** **[(2020) 5 SCC 585].**

(i) It is an established principle of law that any litigant invoking the jurisdiction of a judicial or quasi-judicial forum must approach the forum within a reasonable period. Even in the absence of a prescribed limitation period, the exercise of adjudicatory powers is subject to the overarching doctrine of delay and laches. In the present case, the Petitioner seeks to raise issues allegedly pertaining to events of 2014–2015, yet has approached this Commission only in 2025. This extraordinary delay of more than ten years is wholly unexplained. The Petitioner has neither pleaded any sufficient cause nor disclosed any cogent justification for such prolonged inaction. The absence of any explanation *ipso facto* establishes that the Petitioner has grossly slept over its purported rights, thereby forfeiting any equitable claim to relief.

(j) The Petitioner, both in the present Petition as well as during the hearing dated 30.10.2025, has sought to create an erroneous impression that the Respondents have not disputed the occurrence of the coal block cancellation as a Change in Law event within the ambit of Article 10 of the Procurer-PPA. The Petitioner has further attempted to suggest that the Respondents merely insisted upon a prior order of this Commission for processing the alleged Change in Law compensation. Such a portrayal is misleading, factually unsustainable, and wholly contrary to the contemporaneous record. At the very outset, the Respondents have never admitted, whether expressly or by implication, that the cancellation of the Ganeshpur Coal Block constitutes a Change in Law event within the meaning of Article 10 of the Procurer-PPA. On the contrary, since at least 2017, the Respondents have consistently,

categorically, and unequivocally rejected the Petitioner's Change in Law claim. Both PTC and TNPDCL returned the supplementary invoices raised by the Petitioner not merely on the ground that no prior determination of the Commission had been obtained, but fundamentally because no Change in Law entitlement was ever admitted under the contractual framework; no Change in Law event was ever recognised or accepted by the Respondents; and the mandatory contractual preconditions under Articles 10.3.3 and 10.3.4 requiring prior determination of occurrence of the event as well as quantification of impact by the Appropriate Commission were never fulfilled. Accordingly, the Petitioner's contention that the Respondents "did not dispute the occurrence of the event" is wholly fallacious and erroneous.

(k) The Respondents' insistence on prior adjudication by this Commission, as contemplated under Articles 10.3.3 and 10.3.4 of the PPA, cannot be mischaracterised as an admission of liability or acceptance of the Petitioner's claims. This requirement is a mandatory contractual condition precedent, and the Respondents' adherence to the same merely reflects compliance with the PPA mechanism. It does not imply that the Respondents accept either the occurrence of a Change in Law event or the Petitioner's entitlement to any compensation thereunder. In light of the above, the Petitioner's allegation that the Respondents did not dispute the occurrence of the alleged Change in Law event is wholly misconceived, factually untenable, and legally unsustainable. The said allegation is therefore liable to be rejected *in limine.*

(l) This Commission, *vide* Order dated 29.1.2020, dismissed Petition No. 305/MP/2015 filed by the Petitioner in relation to its PPA with WBSEDCL, holding categorically that the cancellation of the Ganeshpur coal block does not constitute a Change in Law event. The Petitioner thereafter preferred an Appeal, and the APTEL, *vide* Order dated 4.9.2025, set aside the said decision and remanded the matter. It is pertinent that TNPDCL was not a party to those proceedings, nor was the TNPDCL PPA ever under consideration before either this Commission or the APTEL in that context. It is relevant to note that in the rejoinder filed by the Petitioner in Petition No. 305/MP/2015, the Petitioner expressly stated, in response to the reply filed by TNPDCL, that TNPDCL had been impleaded only for the limited purpose of demonstrating the composite scheme, and that no relief whatsoever was being claimed under the TNPDCL

PPA. The Petitioner is misleadingly relying on APTEL's judgment dated 4.9.2025 rendered exclusively in the context of the WBSEDCL PPA to persuade this Commission to issue directions of a computational nature in the present matter. The directions emanating from the APTEL judgment are inextricably linked to the adjudication of rights and obligations under the WBSEDCL PPA. Those directions arise solely in the proceedings remanded to this Commission in respect of that PPA. The APTEL judgment does not concern TNPDCL, does not adjudicate upon the TNPDCL PPA, and does not create any substantive or procedural rights in favour of the Petitioner under the TNPDCL contractual framework.

(m) The Petitioner's claim is fundamentally predicated on the Orders dated 20.4.2023 passed by the Hon'ble Supreme Court in the cases of ***GMR Warora and MSEDCL v. Adani Power*****.** The Petitioner has expressly relied upon these judgments as the basis for filing the present Petition. However, even assuming, without admitting, that these judgments confer any benefit on similarly placed parties, the Petitioner cannot take advantage of them, having failed to assert or prosecute its rights diligently and at the appropriate time. The law is well settled that the mere fact that relief has been granted to another similarly placed party does not entitle a person who has slept over his rights to seek identical relief by filing belated proceedings. Nor does the subsequent success of another litigant stop or exclude the running of limitation, which begins from the date the cause of action first arises. It is a settled principle of law that parties who fail to pursue their remedies within the prescribed time cannot subsequently seek parity with those who acted diligently. Therefore, the Petitioner's reliance on the order in ***GMR Warora and MSEDCL v. Adani Power*** is wholly misplaced. These judgments cannot resurrect a claim that is hopelessly barred by limitation, nor can they validate a cause of action that the Petitioner allowed to lapse through its own prolonged and inexplicable inaction. The Petition, a textbook example of fence-sitting, deserves dismissal on this ground alone.

(n) In any event, no Change in Law arises in the instant case, since the Petitioner had full knowledge of and was fully aware of the Hon'ble Supreme Court's ongoing scrutiny and eventual cancellation of captive coal blocks, including the Ganeshpur block; the Petitioner deliberately quoted a bid premised on linkage coal up to 30.11.2015 and captive coal from 1.12.2015

onwards, thereby projecting a lower tariff to secure winning bidder status. This clearly shows that, at the time of bidding, the Petitioner knowingly assumed the risk of fuel-supply variation and cannot now be permitted to retrospectively recast the bid on the grounds of Change in Law.

(o) Further, prior to the cancellation of various coal blocks by the Hon'ble Supreme Court in 2014, TNPDCL, *vide* letter dated 21.1.2014, sought clarification from the Petitioner regarding its fuel supply arrangement and specifically requested a copy of the FSA. In response, the Petitioner categorically stated that it had already executed an FSA with Coal India Limited and was fully prepared to ensure uninterrupted power supply from the Scheduled Delivery Date.

(p) The Petitioner commenced supply from 1.1.2016, and PTC raised invoices wherein the Energy Charges were calculated strictly in accordance with linkage coal with CERC escalation rate up to 30.11.2015, and Captive coal with CERC escalation rate from 1.12.2015 onwards for power supplied from January 2016. This tariff methodology was duly approved and adopted by TNERC on 29.7.2016. Only thereafter, and after supply had already commenced, the Petitioner issued a notice dated 14.2.2017 claiming Change in Law compensation of Rs.72.05 crore for the period from 1.1.2016 to 30.11.2016, allegedly due to procurement of alternate coal. The Petitioner's claim is not an afterthought; it directly conflicts with the tariff structure approved at the bidding stage and adopted by the State Commission (TNERC). The Petitioner was fully aware that the Hon'ble Supreme Court had already initiated proceedings concerning irregularities in coal block allocations and that cancellation of the Ganeshpur coal block was a foreseeable regulatory development squarely within the knowledge domain of any prudent generator participating in a competitive bidding process. Despite this knowledge, the Petitioner strategically quoted a tariff premised on the assumption of captive coal availability from December 2015 onwards, even though it was fully aware that the legal status of its captive block was uncertain and that proceedings on coal block irregularities were pending before the Hon'ble Supreme Court. This choice was plainly designed to render the Petitioner's bid more competitive by artificially lowering the projected energy charges. Based on the Petitioner's bid parameters, the levelised tariff was calculated at Rs.4.91/kWh, predicated on

linkage coal up to November 2015, and Captive coal from December 2015. However, had the Petitioner quoted linkage coal for the entire duration, the levelised tariff would have been Rs.4.94/kWh, making its bid higher and less competitive. By basing its bid on a captive coal source whose legality and availability were already under judicial scrutiny, the Petitioner secured an unwarranted competitive advantage and displaced other bidders who may have quoted higher but realistic tariffs. The Petitioner thus gained an unfair bidding advantage by concealing the adverse regulatory events affecting its captive coal block and cannot now invoke Change in Law to shift the consequences of its own commercial decision onto the Respondents. A party cannot selectively exploit information asymmetry to secure a contract at a lower tariff and later seek to rewrite the contract to recover what it knowingly chose to forgo at the time of bidding. Accordingly, the Petitioner, having deliberately quoted a tariff premised on an uncertain fuel source to secure a lower bid, is estopped from seeking compensatory relief and cannot be permitted to recast the contract by claiming Change in Law for a circumstance it fully foresaw and consciously ignored.

(q) The Petitioner's claim for pass-through of actual fuel cost or alternate coal procurement cost is directly contrary to Statutory bidding guidelines, the PPA structure under Case-1, and the methodology used for tariff adoption by TNERC. No Change in Law relief can be admitted in a manner that modifies or supplants the statutory bidding framework or provides benefits applicable only to DBFOO arrangements.

(r) In the present case, no Change in Law impact stands established. The Petitioner has failed to discharge its burden of demonstrating, through any comparative analysis, that its quoted Energy Charges Rate (ECR) *vis-à-vis* the weighted average actual cost of coal procured during the relevant period reflects any adverse financial consequence attributable to the alleged regulatory developments. In the absence of such comparison, the very foundation of the Petitioner's claim is untenable. The claim nonetheless fails on the mandatory requirement of establishing causation. The Petitioner has not placed on record either by way of contemporaneous documents or credible computations any material to demonstrate a causal nexus between (a) the alleged Change in Law events relied upon; and (b) any purported adverse

financial impact on its quoted ECR under the PPA. In the absence of such causal linkage, the essential precondition for seeking Change in Law relief remains wholly unfulfilled. Accordingly, the claim is liable to be rejected *in limine.*

Re: Claims of Carrying Cost and Late Payment Surcharge

(s) The Petitioner's claim for carrying cost is wholly untenable, being predicated on a substantive claim that is itself time-barred under Article 58 of the Limitation Act, 1963. The Petitioner has claimed alleged Change in Law compensation of Rs.543.44 crore, which has been subsequently revised through an additional affidavit dated 25.11.2025 to Rs. 605.24 crore, along with a staggering Rs. 694.63 crore as carrying cost for the financial year 2015-16 to the financial year 2026-27. The Petitioner has sought these amounts without first establishing maintainability, without demonstrating that the alleged claims fall within limitation, and without showing any contractual or legal basis for claiming carrying cost. It is a settled principle of law that once the underlying or primary claim is barred by limitation, all ancillary, consequential, or supplementary claims, whether styled as carrying cost, interest, restitution, or otherwise, must automatically fail.

(t) The PPA contains no clause that permits or contemplates the award of carrying cost, interest, financing charges, or any restitutionary increment on account of Change in Law. Accordingly, the Petitioner's prayer for carrying cost is *ex facie* contrary to the PPA and is liable to be dismissed on this ground alone. The Petitioner cannot invoke the doctrine of restitution to seek carrying cost when (i) the PPA does not provide for it; (ii) the claim is time-barred; and (iii) the delay is entirely attributable to the Petitioner. The Hon'ble Supreme Court in the cases of *Citibank N.A. v. Hiten P. Dalal*, [(2016) 1 SCC 411], and *KSEB v. M.R.F. Ltd*., [(1996) 1 SCC 597], has categorically held that restitutionary relief must be equitable, proportionate, and must not result in unmerited hardship to the opposite party. The Petitioner's demand for carrying cost amounts to unjust enrichment, and granting such relief would cause gross prejudice to the Respondent, Tamil Nadu, and violate the equitable limits emphasised by the Hon'ble Supreme Court. Even where carrying cost is held admissible, as is not the case here, it is strictly limited to the actual cost of financing incurred by a prudent and efficient utility at reasonable borrowing rates and supported by documentary evidence. The Petitioner has produced no documentary evidence

of any borrowings, any financing costs, any interest actually paid, or any prudent financing arrangements towards the alleged change in law event.

(u) The present Petition was filed only in August 2025, while the events alleged as Change in Law occurred in 2014-15 and were rejected by the Respondents in 2017-18. The Petitioner took no steps for nearly ten years and has now attempted to claim carrying cost for the entire period of its own inaction. It is a settled principle that a litigant cannot claim carrying cost for periods attributable to its own delay, and any such periods must be excluded. The APTEL has categorically held so in ***MSEDCL v. MERC,*** **Appeal No. 70 of 2007 (19.09.2007);** ***Torrent Power Ltd. v. GERC*****, Appeal Nos. 147, 148 & 150 of 2013 (30.05.2014) and** ***PGVCL v. GERC*****, Appeal No. 45 of 2014 (04.12.2014).** These judgments uniformly hold that the delay in filing a Petition or providing the requisite information disentitles the claimant from carrying cost for the delayed period.

(v) Carrying cost/ Late Payment Surcharge cannot be awarded in Change in Law matters, since: (i) Carrying cost/ LPS presupposes a valid, adjudicated, and crystallised liability, none exists here; (ii) Carrying cost/ LPS cannot be imposed on amounts that never became due under the PPA; and (iii) no delay can be attributed to the Respondents when the Petitioner itself chose not to approach the Commission for nearly a decade.

Hearing dated 8.1.2026

18. During the hearing dated 8.1.2026, the learned senior counsel for the Petitioner prayed for ten days' time to file its rejoinder to the reply filed by TNPDCL and also requested an early listing of the matter.

19. The Petitioner, vide its rejoinder dated 18.1.2026, has mainly submitted as under:

Not barred by limitation: Continuous cause of action for filing the present Petition

(a) The Change in Law event in the present case occurred on the day of the pronouncement of SC Coal Block Cancellation Judgment I, i.e., 25.8.2014, and the Petitioner has been raising supplementary bills on PTC/TNPDCL for claiming compensation from the commencement of power supply from

1.1.2016. The Change in Law notice and compensation bills/invoices issued from 10.2.2017 till 11.6.2025 clearly demonstrate that the issue of compensation on account of the Change in Law event is a live and subsisting issue between the parties. Consequently, the cause of action is continuous and recurring. The Hon'ble Supreme Court in the case of ***Visa International Ltd. v. Continental Resources (USA) Ltd*.**, **[(2009) 2 SCC 55]** held that in case of no mutual satisfaction arrived at between the parties as regards the dispute in hand, then the claims are not barred by limitation.

(b) PTC/TNPDCL has never disputed the Change in Law notice dated 10.2.2017 issued by the Petitioner and has never denied the impact of such Change in Law. PTC/TNPDCL has responded to a few Change in Law invoices/claims pertaining to the period, i.e., from January 2016 to March 2017, December 2017 to August 2018, and September 2018 to October 2018, that appear to be in the nature of seeking a recalculation of the Change in Law claims rather than disputing the occurrence of a Change in Law event. Therefore, TNPDCL's contention that it has not accepted that the cancellation of allotment of Ganeshpur Coal Block is a Change in Law event holds no merit. Notably, it is a settled position of law that the **Hon'ble Supreme Court in *Major (Retd.) Inder Singh Rekhi v. Delhi Development Authority*, [(1988) 2 SCC 338]** held that a dispute was said to arise when there was a claim and the same was denied/ repudiated by the other party.

Re: No issue of limitation in the present Petition

(c) Further, before filing the reply dated 6.1.2026, TNPDCL has never disputed the occurrence of the Change in Law event within the meaning of Article 10 of the Procurers' PPA. Consequently, the cause of action is a continuing one, as the issue remains live, and therefore, no question of limitation arises. The Hon'ble Supreme Court in the case **of *Shree Ram Mills Ltd. v. Utility Premises (P) Ltd.,* [(2007) 4 SCC 599]**, held that in case of live issues, the question of limitation automatically gets resolved. The APTEL in its **Judgment dated 2.11.2020 in Appeal No. 10 of 2020 & Batch titled *Power Company of Karnataka Ltd. & Anr. v. Udupi Power Corporation Ltd & Ors*., [2020 SCC OnLine APTEL 94**], held that default of distribution licensees in paying monthly tariff bills as well as late payment surcharge partakes the character of a continuing breach and a fresh cause of action is constituted so long as the breach is recurrent and continues. Notably, the Hon'ble Supreme Court in its Order dated 8.2.2022 in Civil Appeal No. 32 of 21 & Batch has upheld the Judgment dated 2.11.2020 passed by the APTEL.

(d) Further, it is a settled position of law that the issue of delay and laches cannot be raised in case of a continuing cause of action. Therefore, there is no occasion for TNPDCL to contend that there is a delay in filing the present Petition since there exists a continuous cause of action in the present Petition. In this regard, reliance has been placed on the case of ***Vidya Devi v. State of H.P.*, [(2020) 2 SCC 569]**. The cause of action in the present Petition is continuous and recurring since each bill/invoice raised on account of a Change

in Law event constitutes a recurring cause of action. Therefore, the claim of Change in Law cannot be defeated by invoking Article 58 of the Limitation Act, 1963, which applies only to suits seeking declaratory relief.

(e) Further, the relief sought by the Petitioner in the present Petition is compensatory relief for restoring the Petitioner to the same economic position as if the Change in Law had not occurred. Therefore, Article 58 of the Limitation Act, 1963, which is confined to declaratory relief, has no application in the present proceedings, and TNPDCL's reliance on the judgment of the **Hon'ble Delhi High Court in *Sukhbir Devi v. Union of India, [*2009 SCC OnLine Del 2571],** is misplaced.

(f) The cancellation of the coal block by the Hon'ble Supreme Court and the subsequent legislative regime under the Coal Mines (Special Provisions) Act, 2015 may be a one-time event; however, the adverse financial impact of such event is suffered by the Petitioner on a continuous basis, month after month, in the form of higher fuel cost and increased energy charges. Consequently, the cause of action is a continuing one, and the limitation, if any, would run afresh for each billing cycle. Therefore, TNPDCL's reliance on ***Nikhila Divyang Mehta & Anr. v. Hitesh P. Sanghvi & Ors. [*2025 SCC Online SC 779]** to contend that once the foundational claim is time-barred, no dependent relief can be granted is misplaced, since, as demonstrated above, there is a continuous cause of action in the present Petition.

(g) The correspondence, Change in Law notice dated 10.2.2017 and supplementary invoices issued by the Petitioner from time to time demonstrate continuous assertion of its rights and further indicate that there is no acquiescence or waiver by the Petitioner of its right to claim a Change in Law claim. Therefore, the contention of TNPDCL that limitation cannot be extended by unilateral communications, and its reliance on ***CLP India Pvt. Ltd. v. GUVNL & Ors., [*(2020) 5 SCC 585]**, are baseless since the Change in Law claim raised in the present Petition is recurring and continuing. It is a settled position of law that waiver is an intentional relinquishment of a known right, and unless there is a clear intention to relinquish a right, the same cannot be construed as waiver. In this regard, reliance has been placed on the judgment of the Hon'ble Supreme Court in ***All India Power Engineers Federation & Ors. v. Sasan Power Ltd. & Ors., [*(2017) 1 SCC 487].**

(h) In terms of Article 15.5 of the Procurers PPA read with Article 14.10 of the PTC PPA, any waiver is not effective unless duly executed in writing by an authorised representative. Notably, there is no waiver, express or implied by the Petitioner which prevents the Petitioner to claim Change in Law compensation in terms of Article 10 of the Procurers PPA.

(i) The TNPDCL's reliance on ***Andhra Pradesh Power Coordination Committee & Ors. v. Lanco Kondapalli Power Ltd., [*(2016) 3 SCC 468]** to

contend that claims which are barred by limitation cannot be revived or adjudicated is misplaced. Notably, there is no issue of limitation in the present case since the claim arises from a continuous and recurring cause of action, and therefore, the bar of limitation does not apply. Even TNPDCL, in its reply, has not placed any document to demonstrate that, prior to the filing of the Reply dated 6.1.2026, it had ever disputed or denied, on merits, the Change in Law claim raised by the Petitioner. On the contrary, at all times, TNPDCL/PTC have consistently maintained that the Change in Law claims of the Petitioner are required to be determined and approved by this Commission in terms of Articles 10.3.1 and 10.3.2 of the PPA.

(j) PTC/TNPDCL has merely returned the invoices/supplementary bills raised by the Petitioner for claiming Change in Law compensation for completion of the process which according to them is required to be followed for payment to become due to the Petitioner and not rejected the Change in Law claim. It is a settled position of law that the meaning of the expression 'return' is to put back or send back and the meaning of the expression 'reject' is to disapprove or refusal to accept something. Therefore, there is no occasion for TNPDCL to contend that it has never admitted that the cancellation of Ganeshpur Coal Block constitutes a Change in Law event particularly when the Change in Law claim raised by the Petitioner has never been rejected by TNPDCL. In this regard, reliance has been placed on judgments**- *Baburao Atmaramji Lande v. Collector, Chandrapur,* [1981 SCC OnLine Bom 133] and *V. Ramachandra Rao & Ors. v. The Andhra Pradesh Regional Committee, [*1964 SCC OnLine AP 38].**

(k) Since TNPDCL/PTC has sought the determination of the consequential compensation in accordance with the procedure prescribed under the Procurers PPA, there is no occasion for TNPDCL to raise any plea of limitation for the Change in Law claim raised in the present Petition, since the claim raised in the present Petition is premised on the continuous cause of action

Re. Filing of Petition No. 305/MP/2015

(l) The filing of Petition No. 305/MP/2015 by the Petitioner in respect of another PPA does not in any manner bar the present proceedings. It is noteworthy that a waiver cannot be attributed to the Petitioner merely because it pursued its remedies under a different PPA with different parties. The Petitioner's right to claim Change in Law compensation in terms of Article 10 of the Procurers PPA is a substantive right. Notably, substantive rights of parties cannot be taken away, and substantive rights include rights that are capable of standing on their own because of contractual provisions. As per Black's Law Dictionary (Eight Edition), 'substantive rights' are rights that can be protected or enforced by law as distinguished from a mere technical or procedural right. Notably, the **Hon'ble Supreme Court in the case of *Ramnath Exports (P) Ltd. v. Vinita Mehta,* [(2022) 7 SCC 678]** held that the substantive rights of the parties cannot be defeated. In view thereof, the contention of the TNPDCL that the Petitioner has wilfully chosen not to pursue remedies in 2015 itself is without

any merit and baseless since the Petitioner's right to claim Change in Law compensation in terms of Article 10 of the Procurers PPA is a substantive right.

(m) TNPDCL is misleading this Commission by submitting that TNPDCL was not a party in Petition No. 305/MP/2015 and Appeal No. 143 of 2020 (filed by the Petitioner challenging Order dated 29.1.2020 in Petition No. 305/MP/2015) since TNPDCL was a party in the above Petition and Appeal, which is evident from the fact that TNPDCL was arrayed as Respondent No. 3 in Petition No. 305/MP/2015 and had filed its reply dated 4.4.2018 therein. This Commission, in its Order dated 29.1.2020 passed in Petition No. 305/MP/2015, has expressly recorded the participation of TNPDCL and the filing of its reply. Further, TNPDCL was also arrayed as Respondent No. 4 in Appeal No. 143 of 2020 filed by the Petitioner before the APTEL assailing the Order dated 29.1.2020 passed by this Commission in Petition No. 305/MP/2015. Notably, the APTEL issued notice to all respondents on 16.10.2020, however, TNPDCL chose not to appear in the said appeal as recorded in the Order dated 5.1.2021. Therefore, there is no occasion for TNPDCL to contend that it was not a party in Petition No. 305/MP/2015 and Appeal No. 143 of 2020. In view thereof, it is evident that the contention of TNPDCL that the present Petition is barred by limitation is misconceived, without any merit, and baseless.

B. Cancellation of Coal Block is a Change in Law event

(a) The allotment of the Ganeshpur coal block to the Petitioner was cancelled in terms of the SC Coal Block Cancellation Judgments subsequent to its participation in the bid process conducted by TNPDCL. Prior to the submission of the bid, on 14.9.2012, the Hon'ble Supreme Court had only issued notice in Writ Petition (Criminal) No. 120/2012 challenging the coal block allocation process. Notably, the Petitioner was not a party in the aforesaid Writ Petition. Further, there was no decision of any court that the Coal blocks' allocation was illegal as on the cut-off date for the competitive bidding. The mere pendency of Writ Petition (Criminal) No. 120/2012, to which the Petitioner was not a party, cannot be construed as evidence that the Petitioner was aware of the proceedings concerning the coal block before the Hon'ble Supreme Court. Therefore, TNPDCL has no occasion to contend that no Change in Law arises in the instant case, since the Petitioner had full knowledge of the Hon'ble Supreme Court's ongoing scrutiny.

(b) The bid submitted by the Petitioner/PTC was in accordance with the Competitive Bidding Guidelines notified by the Ministry of Power under Section 63 of the Act, as well as the bidding documents issued by TNPDCL. Notably, the tariff quoted in the bidding process conducted by TNPDCL is entirely based on the pre-specified structure mentioned in the Request for Proposal dated 21.12.2012 issued by TNPDCL. The Petitioner participated in the bidding process through PTC and PTC emerged as the successful bidder. Accordingly, TNPDCL issued a Request to PTC to match the levelized tariff on 25.6.2013. The Petitioner consented to match the levelized tariff *vide* its letter dated 28.6.2013 to PTC. Consequently, PTC offered to match the levelized tariff to

TNPDCL *vide* its letter dated 3.7.2013. The LoI was issued by TNPDCL on 14.11.2013. Accordingly, the Petitioner was selected as the seller for sale and supply of electricity to TNPDCL through PTC for an aggregate contracted capacity of 100 MW.

(c) The mere issuance of notice by the Hon'ble Supreme Court in Writ Petition (Criminal) No. 120/2012 does not create any legal disability or restraint on the bidding process or bid submitted by the Petitioner/PTC. Therefore, TNPDCL's contentions that the Petitioner submitted its bid on a captive coal source whose legality and availability were already under judicial scrutiny are baseless and without merit.

Re. SC Coal Block Cancellation Judgments are a Change in Law in terms of Article 10 of the Procurers PPA

(d) The contention of TNPDCL that the Petitioner cannot take advantage of the judgments having failed to assert its rights diligently at the appropriate time holds no merit since, as submitted in the present Petition, the non-availability of coal from the cancelled Ganeshpur Coal Block and the continuing financial impact thereof give rise to a continuous and recurring cause of action, and therefore, the bar of limitation or any alleged delay cannot be invoked to defeat the Petitioner's substantive rights under Article 10 of the PPA.

(e) The contention of TNPDCL that pass through of fuel cost is permissible only under DBFOO (Design, Build, Finance, Own, Operate) contracts and not under Case-1 PPA such as the Procurers PPA is without any merit and baseless. On 4.3.2013, PTC/the Petitioner submitted its bid for supply of 100 MW power to TNPDCL from the Petitioner's Project, and while submitting the bid, PTC had duly filled up Format 4.13 of the RFP and quoted the tariff under Scenario 1 (power generation source with captive coal block) and clearly stated that the source of fuel/coal is a captive coal mine, i.e., Ganeshpur coal block. After being declared a successful bidder in the bidding process conducted by TNPDCL, PTC and the Petitioner executed the Procurers PPA and the PTC PPA, respectively. Accordingly, the Petitioner participated in the bidding process conducted by TNPDCL for Case-1 Projects and was declared a successful bidder. Notably, the restitutionary principle was expressly envisaged in the Change in Law clause contained in the bidding documents issued by TNPDCL, and it was duly incorporated and crystallised in the Procurers' PPA and the PTC PPA. Therefore, the Petitioner's Change in Law claim is squarely governed by the Competitive Bidding Guidelines, the RFP issued by TNPDCL, and the provisions of the Procurers PPA & PTC PPA, and not by the DBFOO contract framework. Even so, TNPDCL's plea that fuel cost pass-through is not allowed for Case-I PPAs is not the subject matter of the dispute in the present Petition. The Petitioner has raised a claim for a Change in Law event and the resultant compensation to restore the Petitioner to the same economic position as if the Change in Law event had not occurred. Therefore, the Petitioner's claim differs fundamentally from the plea raised by TNPDCL.

(f) The Petitioner is seeking Change in Law compensation arising from the cancellation of the allotment of the Ganeshpur coal block, in terms of the provisions of the Procurers PPA and the PTC PPA. Further, the Petitioner satisfies all the tests required to meet the threshold for a Change in Law event and the consequent right to claim compensation. Once a Change in Law event is established, the Petitioner is contractually entitled to restitution of the resultant increase in fuel cost in terms of Article 10 of the Procurers PPA.

Computation of Change in Law claim

(g) TNPDCL is misleading by contending that the Petitioner has not placed on record any material to demonstrate a nexus between the alleged Change in Law events and any purported adverse financial impact on its quoted ECR under the PPA. On 30.10.2025, this Commission, by its Record of Proceedings, directed the Petitioner to file certain information. On 25.11.2025, the Petitioner in compliance with the *Record of Proceedings dated 30.10.2025*, filed the affidavit containing the said information. On 6.1.2026, TNPDCL filed its reply only to the present Petition and consciously elected not to respond to the data/details submitted by the Petitioner in its affidavit dated 25.11.2025. In view thereof, it is evident that TNPDCL has accepted the details/documents filed by the Petitioner and, therefore, has no locus at this stage to contend that the Petitioner has not placed on record any material demonstrating a nexus between the alleged Change in Law events and any purported adverse financial impact.

Carrying cost and Late Payment Surcharge

Carrying Cost

(h) The contention of TNPDCL that the PPA contains no clause that permits or contemplates the award of carrying cost, interest, or any restitutionary increment on account of Change in Law is without any merit and baseless since Article 10.2 of the Procurers PPA expressly embodies the restitutionary principle, which includes carrying cost.

(i) The Procurers' PPA and the PTC PPA were crystallised strictly in terms of the bidding documents issued by TNPDCL and the Competitive Bidding Guidelines, which mandate that the tariff and contractual framework must ensure full pass-through of Change in Law impact so as to restore the seller to the same economic position as if the Change in Law had not occurred. Accordingly, in terms of the restitutionary principle embodied in Article 10.2 of the Procurers' PPA and the settled position of law, the Petitioner is entitled to carrying costs on Change in Law compensation in order to be restored to the same economic position as if such Change in Law had not occurred. Therefore, TNPDCL 's reliance on the judgments in ***Citibank N.A. v. Hiten P. Dalal,*** **[(2016) 1 SCC 411], and *KSEB v. M.R.F. Ltd.,* [(1996) 1 SCC 597]** to contend

that restitutionary relief must not result in unmerited hardship to the opposite party is misconceived and without any merit.

(j) The carrying cost/ interest is based on the principle of time value of money and whenever the recovery of cost is deferred, it has to be paid by way of carrying cost. In view thereof, Change in Law compensation ought to be allowed along with the carrying cost/interest. In this regard, reliance is placed on the judgments – ***Indian Council for Enviro-Legal Action v. Union of India, [*(2011) 8 SCC 161], *SLS Power Ltd. v. APERC & Ors., [*2012 SCC OnLine APTEL 209] and *Torrent Power Ltd. v. GERC & Ors.*, [2019 SCC OnLine APTEL 110].** The issue of limitation does not arise in the present Petition because the cause of action is continuous. Therefore, TNPDCL's contention that once the underlying or primary claim is barred by limitation, all ancillary, consequential, or supplementary claims, whether styled as carrying cost, interest, restitution, or otherwise, must automatically fail, is devoid of merit. Therefore, the Petitioner is entitled to compensation along with the carrying cost as per the Late Payment Surcharge rate envisaged in the Procurers PPA and the PTC PPA, and the position of law settled by the Hon'ble Supreme Court and the APTEL.

Late Payment Surcharge

(k) In terms of Article 8.8.3 of Schedule I(X) of PTC PPA read with Article 8.8.3 and 8.3.5 of Procurers PPA, once a supplementary bill is raised by the Petitioner, the provisions of Late Payment Surcharge in the PTC PPA and the Procurers PPA would kick in if payment is not made by PTC/TNPDCL within the Due Date. Therefore, TNPDCL's contention that the late payment surcharge amount cannot be imposed on amounts that never became due under the PPA holds no merit since the Petitioner has raised the supplementary bills seeking Change in Law compensation, and TNPDCL/PTC has returned the supplementary bills and chose not to pay the supplementary bills within the due date.

(l) It is evident that the Petitioner's entitlement to use Ganeshpur coal block was taken away on 25.8.2014 and the procurement of coal through alternate sources including linkage coal under SHAKTI Policy led to additional recurring expenditure. Notably, the Hon'ble Supreme Court and the APTEL have settled the position that the cancellation of allotment of coal block by the SC Coal Block Cancellation Judgments is a Change in Law event. Therefore, the Petitioner is entitled to be compensated along with Late Payment Surcharge and carrying cost on a compounding basis on account of the Change in Law event in terms of Article 8.3.5, 8.8.3, 10.1, 10.2, 10.3, and 10.5 of the Procurers PPA (relief for Change in Law) after 25.8.2014.

Hearing dated 3.3.2026 and 17.4.2026

20. During the hearing dated 3.3.2026, the matter could not be taken up for hearing due to a paucity of time.

21. The Respondent, TNPDCL, *vide* its affidavit dated 4.5.2026**,** in response to the compliance affidavit of the Petitioner, has submitted as under:

(a) Concessional linkage coal is allocated by the Government of India under the SHAKTI Scheme against long term and medium term PPAs. It is imperative that the benefit of such coal tied to the FSA is appropriately passed on to TNPDCL in proportion to its contracted capacity under the PPA/PSA with PTC/Petitioner. Accordingly, the computation must reflect the proportionate allocation and utilization of linkage coal attributable to TNPDCL on a monthly basis, out of the total linkage coal received by the Petitioner.

(b) The Petitioner has failed to furnish details of monthly linkage coal materialisation vis-à-vis the contracted quantity. In the event that such materialisation is lower than the entitled quantity, particularly due to reasons attributable to the Petitioner, appropriate adjustments must be made. Any failure to utilise cheaper linkage coal cannot be permitted to inflate the Change in Law claim, and corresponding deductions ought to be made.

(c) The Petitioner has relied extensively on coal procured through e-auction, open market, and imports. In this regard, the Commission may undertake a prudence check to ascertain whether such procurement was undertaken in accordance with the least-cost principle and through transparent, competitive mechanisms. Any procurement of alternate coal through negotiated or non-competitive routes ought to be disallowed, and only competitively discovered prices should be considered for computation purposes.

(d) The Petitioner has not accounted for credits received on account of grade slippage, which directly impact the landed cost of coal. Such credits are required to be duly adjusted in the computation. Accordingly, the Petitioner may be directed to place on record all relevant invoices and credit notes evidencing such adjustments. Several other discrepancies exist in the input data furnished by the Petitioner, including inconsistencies in coal price, Gross Calorific Value (GCV), Energy Charge Rate (ECR), and the interest rate

applied for carrying cost. Accordingly, the entire computation requires comprehensive reconciliation and verification. TNPDCL, therefore, is permitted to examine and validate the Petitioner's claim strictly upon submission of the further documents.

(e) The Petitioner has procured coal from multiple sources, including linkage coal under the SHAKTI Scheme, e-auction coal, open market purchases, and imported coal, and has computed the coal cost on a weighted average basis across such sources. Although the Petitioner has furnished certain Excel workings in support of the coal price computation, there exists no proper correlation between the supporting worksheets and the summary computation forming the basis of the Change in Law claim. The absence of an integrated, auditable computation model renders it impossible to verify the source-wise coal quantities considered, the corresponding landed cost and how the weighted average coal price has been derived. In the absence of such reconciliation, the computation lacks transparency, consistency, and auditability and cannot be relied on.

(f) Without prejudice to the above, upon a preliminary verification of the coal price workings submitted by the Petitioner, material discrepancies have been identified between the coal prices reflected in the supporting documents and those adopted in the Change in Law computation.

(g) For the period from January 2016 to March 2021, the Petitioner has furnished coal price workings excluding transportation cost, which is an essential component of the landed cost of coal. Although the Petitioner has subsequently sought to rely on transportation invoices made available through external links, certain deficiencies arise: the transportation cost derived from the invoices does not reconcile with the rates adopted in the Change in Law computation, and the quantum of coal for which transportation invoices have been provided is significantly lower than the total coal procured, leading to partial and selective data representation.

(h) The Petitioner has placed reliance on certain GCV certificates and workings. The determination of GCV is an important input parameter in computation of fuel cost and ECR, and therefore must be supported by reliable, verifiable, and duly authenticated data. For the period from January

2016 to February 2019 (with no certificate furnished for March 2019), the GCV certificates have been issued by the Petitioner's in-house plant laboratory. However, the Petitioner has failed to place on record any material to establish that such laboratory is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) or any equivalent statutory authority. Without proof of accreditation, the reliability and evidentiary value of such GCV certificates remain seriously questionable, particularly in proceedings involving tariff determination and Change in Law compensation.

(i) Without prejudice to the above, even the GCV certificates relied upon by the Petitioner are incomplete and deficient, inasmuch as they do not contain details of coal quantities tested or reference to Railway Receipts (RRs)/ Delivery Orders (DOs) and source-wise or lot-wise identification of coal. Without these essential particulars, it is not possible to verify whether the weighted average GCV has been correctly computed, thereby undermining the credibility of the data relied upon. Further, for the period from April 2021 to October 2025, the Petitioner has furnished month-wise GCV computations. Upon examination, TNPDCL identified material discrepancies between the GCV values reflected in the supporting workings and those adopted in the Change in Law computation. In several instances, there is a significant variation between the GCV derived from the supporting data and the GCV considered for computation, with deviations of substantial magnitude. In certain cases, no supporting workings have been provided.

(j) The Petitioner has computed the differential coal cost by adopting a methodology wherein the normative cost of coal consumption is compared against the amount recovered through ECR, including the amounts already allowed under earlier Change in Law orders passed by this Commission (Orders dated 19.8.2019, 19.5.2024 and 4.7.2025). The ECR adopted by the Petitioner serves as the benchmark for computing the alleged differential cost. Any understatement of the ECR vis-à-vis the actual ECR billed and realised would have the effect of depicting a lower recovery than what has in fact occurred, thereby leading to an artificial and inflated claim under the Change in Law mechanism. It is therefore imperative that the ECR adopted for the purpose of such computation strictly corresponds to the actual ECR charged in invoices and duly recovered from TNPDCL; and the ECR determined in

accordance with the applicable tariff orders and the prevailing regulatory framework.

(k) There is material discrepancies between the ECR values recorded in TNPDCL's records and those considered by the Petitioner in its computation, particularly for the period from April 2025 to October 2025 (and similarly for certain earlier periods). The ECR, as per TNPDCL's records, remains consistently at Rs.1.6458/kWh whereas the Petitioner has considered lower ECR values ranging from Rs.1.5799/kWh to Rs.1.5868/kW. In the absence of such correction and reconciliation, the ECR component relied upon by the Petitioner is liable to be rejected, and the resulting Change in Law claim requires substantial downward revision to prevent unjust enrichment at the cost of consumers.

(m) The Petitioner has computed carrying cost from January 2016 onwards by applying the State Bank of India Prime Lending Rate (PLR) as the rate of interest. However, since the Petition was filed after a delay of 10-11 years, the Petitioner is not entitled to any carrying cost whatsoever. This Commission may, on equitable considerations, determine the appropriate commencement period for levy of carrying cost, particularly in light of the substantial delay in approaching this Commission, so as to balance the equities and prevent undue consumer burden. It is pertinent to note that this Commission has, in several cases, including matters involving the present Petitioner consistently held that carrying cost cannot be allowed for periods attributable to delay on the part of the generating company in approaching the Commission. In this regard, reliance is placed on the Order dated 19.5.2024 passed in Petition No. 167/MP/2021, wherein the Commission, after considering the settled position of law, has held that where there is a delay of more than six months between the occurrence of a Change in Law event and the filing of the Petition, carrying cost shall not be admissible for the period prior to filing of the Petition, and shall be allowed, if at all, only from the date of filing of the Petition till the date of the Order. In the present case, the delay far exceeds the said reasonable period. Accordingly, even on a without prejudice basis, the Petitioner, if otherwise found entitled, can at best be granted carrying cost only from the date of filing the present Petition, not for any prior period. Further, with respect to the applicable rate of carrying cost, this Commission has consistently, in its

earlier orders dated 19.8.2019 (Petition No. 17/MP/2019), 19.5.2024 (Petition No. 167/MP/2021), and 4.7.2025 (Petition No. 329/MP/2024), involving the same parties, held that carrying cost shall be allowed at the actual rate of interest incurred by the Petitioner for arranging funds, duly supported by an Auditor's Certificate, the rate of interest on working capital as per the applicable CERC Tariff Regulations and the Late Payment Surcharge (LPS) rate as per the applicable PPA, whichever is lower.

(n) The Petitioner's claim of carrying cost based on SBI PLR on a compounding basis is wholly unjustified and contrary to the established regulatory practice, and is liable to be rejected. The rate of carrying cost, if at all admissible, must be strictly restricted in accordance with the aforesaid principles.

Hearing dated 12.5.2026 and 25.5.2026

22. The learned senior counsel for the Petitioner sought ten days' time to file a response to the affidavit dated 4.5.2026 filed by TNDPCL on the Petitioner's computation methodology.

23. The Petitioner, *vide* affidavit dated 22.5.2026, has made the following submissions as a response to the reply filed by TNPDCL:

During tariff adoption proceedings before TNERC, it was incumbent upon the Petitioner to place on record facts relating to Change in Law events

(a) The Petitioner was not a party in the tariff adoption proceedings in P.P.A.P. No. 3 of 2014. Therefore, there is no occasion for TNPDCL to contend that it was incumbent upon the Petitioner to place on record all material facts having a bearing on tariff, including Change in Law events. Without prejudice, the appropriate forum for adjudication of Change in Law claims arising under the Procurers' PPA and the PTC PPA is this Commission, considering that the transaction involves inter-state supply of electricity. Accordingly, the jurisdiction to determine and adjudicate the present Change in Law claims vests exclusively with this Commission and not with TNERC. In any event, TNPDCL sought TNERC approval after placing the terms and conditions of the PTC PPA, containing the specific Change in Law clause (Article 10), which deals with

implications arising after the cut-off date. Therefore, TNERC considered and approved the implications of the Change in Law clause (Article 10).

(b) Subsequent to the cancellation of the allotment of the Ganeshpur coal block in September 2014 pursuant to the Coal Block Cancellation Judgments, the Petitioner participated in the coal block auction process and submitted its bid on 8.3.2015 for re-allocation of the Ganeshpur coal block. However, the Petitioner was unsuccessful in securing the coal block. Notably, power supply to TNPDCL commenced only on 1.1.2016; therefore, the actual impact of the Change in Law event arising from the cancellation of the Ganeshpur coal block crystallised and became operational only from 1.1.2016. Accordingly, TNPDCL's contention that the Petitioner was incumbent to disclose the present Change in Law claims during the tariff adoption proceedings before the TNERC is misconceived and untenable.

Methodology for computation of Change in Law claim

(c) TNPDCL has contended that the underlying methodology adopted by the Petitioner for computation of Change in Law claim is neither transparent nor consistent with the settled principles governing Change in Law compensation. In this regard, the Petitioner prepared the tabular computation based on actual data and contemporaneous records. The computation clearly captures the additional expenditure incurred by the Petitioner due to the Change in Law event and the corresponding restitutionary relief claimed under the Procurers' PPA and the PTC PPA. TNPDCL itself, in Para 6 of its affidavit dated 4.5.2026, has revised the figures forming part of the computation submitted by the Petitioner in its affidavit dated 25.11.2025.

(d) The Petitioner has already furnished all relevant documents and supporting materials, including the basis of calculation, coal procurement details, quantity reconciliation, and other relevant records in its affidavit dated 25.11.2025. In such circumstances, TNPDCL's contention that the Petitioner's computation cannot be accepted without a prudence check and reconciliation is misplaced and untenable. TNPDCL has not identified any specific discrepancy/difference in the computations with any supporting document and is merely making vague, unsubstantiated allegations without justification.

(e) The settled principle governing Change in Law requires that the affected party must be restored to the same economic position as if the Change in Law

event had not occurred. The Petitioner's computation reflects the actual additional costs incurred due to the Change in Law events and aligns with the aforesaid settled principle. Therefore, there is no occasion for TNPDCL to contend that the Petitioner's computation is inconsistent with the settled principles governing Change in Law compensation.

Priority allocation of linkage coal

(f) TNPDCL has vaguely alleged that concessional coal is allocated under the SHAKTI Scheme; therefore, it is imperative that the benefit of such concessional coal is appropriately passed on to TNPDCL. In this regard, the Petitioner has already passed on the benefit of all concessional linkage coal allocated for supply to TNPDCL/PTC under the Procurers PPA, PTC PPA, Amended PTC PPA dated 8.5.2018, and Amended Procurers PPA dated 10.5.2018. Notably, the concession on linkage coal has already been duly accounted for in the computation of Change in Law claims raised by the Petitioner. There has been no deviation from the aforesaid mechanism, and TNPDCL has not pointed out any specific instance contrary to the aforesaid mechanism.

(g) The calculations pertaining to the pass-through of concessional linkage coal benefits were also considered in relation to other Change in Law claims allowed in the earlier Order dated 19.8.2019 passed by this Commission in Petition No. 17/MP/2019. The corresponding calculations and reconciliation statements for the relevant past period were duly verified, reconciled, accepted, and acted upon by PTC/TNPDCL. The reconciliation for the past period was finalised, and the amounts have been settled, thereby clearly establishing that the benefit of concessional coal was appropriately passed on to TNPDCL.

Lapse/ underutilisation of linkage coal

(h) The materialisation details pertaining to the linkage coal allocated for supply to TNPDCL are submitted by the Petitioner, and it clearly demonstrates that the Petitioner has consistently maintained one of the highest linkage coal materialisation percentages in the country, with materialisation exceeding 100% on multiple occasions. The data further establishes that the Petitioner has taken all necessary and prudent measures to ensure optimum utilization of the allocated linkage coal and to avoid any wastage or lapse in allocation.

(i) Notably, the overall average materialisation percentage up to F.Y. 2025-26 is in excess of 96%, which itself demonstrates the diligent and efficient utilization of the linkage coal allocation by the Petitioner. Any marginal variation or temporary reduction in materialisation during certain periods was solely on account of factors beyond the reasonable control of the Petitioner, including but not limited to restrictions arising during the COVID-19 pandemic, non-availability of railway rakes by Indian Railways, temporary non-availability of coal during the monsoon/rainy season, congestion on railway tracks, and other logistical constraints.

(j) In view thereof, there is no occasion for TNPDCL to seek any adjustment on the premise that the Petitioner failed to optimally utilise the allocated linkage coal, particularly when the Petitioner has at all times acted in a prudent manner to maximise coal materialisation, as demonstrated from materialisation data furnished in the present response/reply.

Procurement of Non-Linkage Coal

(k) TNPDCL has contended that the Petitioner has relied extensively on coal procured through e-auction, open market, and imports. In this regard, even at 100% materialisation as set out in the paras above, SHAKTI linkage coal availability is sufficient only to support generation corresponding to approximately 80% of the contracted power supply obligations. However, the power scheduled by TNPDCL exceeds the quantum of power that can be generated utilising the linkage coal available under the SHAKTI Scheme. Accordingly, to ensure uninterrupted supply to TNPDCL, the Petitioner had no option but to procure coal from all available sources, including e-auction, open market, and imports. Further, the Petitioner procured from alternate sources to discharge its contractual obligation to supply power to TNPDCL.

(l) The Petitioner did not procure SHAKTI linkage coal merely to keep the SHAKTI linkage coal in reserve while supplying power to TNPDCL using coal procured from alternate sources. Notably, the Petitioner completely utilised the SHAKTI linkage coal in proportion to the supply of power to TNPDCL in terms of the Procurers' PPA and the PTC PPA, and procured coal from alternate available sources only to bridge the shortfall between SHAKTI linkage coal availability and TNPDCL's scheduled power requirement in terms of the Procurers' PPA and the PTC PPA. The Petitioner procured coal from alternate

available sources (i) to meet the extra coal requirement which could not be met by SHAKTI linkage for the power scheduled by TNPDCL; and (ii) in a commercially prudent manner, after considering the prevailing market conditions and availability constraints, and prevailing industry practices. The Petitioner has already furnished complete documents relating to such procurement, including the details of quantity, source-wise cost, and supporting invoices/bills. Therefore, TNPDCL has no occasion to raise the contention of a prudence check of procurement through alternate sources.

Adjustment of grade slippage credits

(m) The impact of both coal grade slippage as well as grade upgradation has already been duly considered in the reconciliation undertaken with the coal supplier. The corresponding debit/credit notes issued have also been considered for necessary adjustments in the updated calculation sheet. Notably, in the event TNPDCL requires any further document, then the same may be addressed separately. The revised/updated computation annexed with the present Response/reply duly incorporates both coal grade slippage and up-gradation, and the same has been duly reflected as adjustments in the landed cost computation.

Input data furnished by the Petitioner with respect to gross calorific value, energy charge rate and rate of interest applied for carrying cost

(n) TNPDCL has contended that there are discrepancies in the input data furnished by the Petitioner, including inconsistencies relating to coal price, Gross Calorific Value (“GCV”), Energy Charge Rate (“ECR”), and the rate of interest applied for carrying cost.

Coal Price

(o) The table in Para 11 of TNPDCL’s affidavit demonstrates a methodological error in the comparison drawn by TNPDCL since Column A of the table denotes the rate of coal receipt in a particular month, i.e., the price at which coal was received/procured during that month; and Column B of the table denotes the rate of coal consumed in that particular month, i.e., the price at which coal was actually consumed/utilised during that month. Accordingly, comparing the price of coal receipt for a given month with the price of coal consumption for same month is inherently flawed as these two parameters are not comparable, as

they represent entirely different aspects of coal pricing. The Petitioner issues invoices strictly based on the price of coal consumed for the particular month.

Discrepancies in the coal prices reflected in the documents

(p) The Petitioner has furnished all supporting documents and working pertaining to the computation of the landed cost of coal. The computation has been undertaken strictly on the basis of actual coal consumption. In the event TNPDCL claims that any discrepancy still subsists with respect to any specific month or transaction, the same may be identified and dealt with separately, instead of making vague and generalised allegations against the entire computation methodology adopted by the Petitioner.

Transportation cost

(q) The transportation cost for the aforesaid period has been separately accounted for in the calculation sheets forming part of the computation. While comparing transportation costs, TNPDCL has erroneously considered only the road transportation component for the relevant months and completely ignored the railway transportation cost in Para 15 of the affidavit dated 4.5.2026. Consequently, the allegation that the transportation cost reflected in the invoices does not reconcile with the rates adopted in the Change in Law computation is inherently flawed and misleading.

GCV

(r) The quality analysis reports/GCV certificates up to the period of March 2026 have already been verified, reconciled, accepted, and acted upon by PTC/TNPDCL pursuant to the computations submitted in relation to other Change in Law claims allowed in Order dated 19.8.2019 passed by this Commission in Petition No. 17/MP/2019. Therefore, there is no occasion for TNPDCL to now contend that the GCV certificates relied upon by the Petitioner are incomplete or deficient. TNPDCL's conduct is arbitrary and contrary to the settled principle that a party cannot approbate and reprobate simultaneously. Further, the GCV Certificate for March 2019, which was not provided earlier, has been submitted.

(s) The same methodology/computation framework that was adopted by the Petitioner while claiming compensation pursuant to the Change in Law events allowed in Order dated 19.8.2019 in Petition No. 17/MP/2019 has also been

followed in the present Petition. Therefore, TNPDCL's contention that it cannot verify whether the Petitioner correctly computed the weighted average GCV is misconceived and without basis. The Petitioner has furnished the relevant quality analysis reports/GCV certificates, supporting workings, invoices, and other contemporaneous records forming the basis of the present computation.

(t) The table referred to in Para 19 of TNPDCL's affidavit is erroneous since Column A of the table denotes the GCV of coal receipt in a particular month, i.e., the GCV of coal received/procured during that month; and Column B of the table denotes the GCV of coal consumed in that particular month, i.e., the GCV of coal actually consumed/utilised during that month. Therefore, the comparison drawn by TNPDCL is baseless and incorrect. Further, TNPDCL has selectively relied upon only certain months' data while deliberately omitting the rest of the months to suit its purpose.

ECR

(u) Due to an inadvertent typographical error, the ECR for the period from April 2025 to October 2025 were incorrectly reflected in the computation annexed with the Petitioner's affidavit dated 25.11.2025; accordingly, the revised/updated computation sheet has been submitted. Therefore, the contention raised by TNPDCL stands duly resolved.

Rate of interest for computation of Carrying Cost

(v) On 30.12.2015, the Petitioner filed Petition No. 305/MP/2015 before this Commission seeking compensation for Change in Law event, i.e., cancellation of Ganeshpur coal block, with respect to back-to-back Power Purchase Agreements with WBSEDCL and PTC. Notably, TNPDCL was arrayed as Respondent No. 3 in Petition No. 305/MP/2015 and was aware of the Petitioner's Change in Law claims for cancellation of Ganeshpur coal block. Further, TNPDCL filed its reply in Petition No. 305/MP/2015 on 4.4.2018, and this Commission, in its Order dated 29.1.2020 in Petition No. 305/MP/2015, expressly recorded TNPDCL's participation.

(w) This Commission, vide Order dated 29.1.2020 in Petition No. 305/MP/2015, held that the cancellation of allotment of Ganeshpur coal block pursuant to SC Coal Block Cancellation Judgments did not constitute a 'Change in Law' and the Petitioner is entitled to claim compensation for cost incurred to procure coal from alternate sources on account of shortfall in tapering linkage.

On 4.9.2025, the APTEL passed Judgment in Appeal No. 143 of 2020 & Batch challenging the Order dated 29.1.2020 passed by this Commission in Petition No. 305/MP/2015, wherein the APTEL held that cancellation of coal block is a Change in Law event. Notably, TNPDCL was also arrayed as Respondent No. 4 in Appeal No. 143 of 2020. Further, the APTEL issued notice to all Respondents on 16.10.2020; however, TNPDCL chose not to appear in Appeal No. 143 of 2020; as recorded in the Order dated 5.1.2021.

(x) On 27.2.2026, the Hon'ble Supreme Court in Civil Appeal Nos. 2584-2585 of 2026 affirmed the finding of the APTEL in the Judgment dated 4.9.2025 that cancellation of a coal block is a Change in Law event. Notably, TNPDCL was also a party in Civil Appeal Nos. 2584-2585 of 2026. Therefore, it is evident that the issue relating to the Change in Law claim arising from the cancellation of the Ganeshpur coal block had been under continuous adjudication since 2015, and TNPDCL was aware of the same at every stage of the proceedings. Notably, the issue of Change in Law attained finality only upon the Judgments rendered by the APTEL and the Hon'ble Supreme Court on 4.9.2025 and 27.2.2026, respectively. Therefore, TNPDCL's reliance on the Order dated 19.5.2024 in Petition No. 167/MP/2021 is misconceived.

(y) Notably, the issue pertaining to the Change in Law event, namely, cancellation of the Ganeshpur coal block, is common in both Petition No. 305/MP/2015 and the present Petition. Therefore, as a party to the proceedings arising out of Petition No. 305/MP/2015 throughout, TNPDCL was aware of the adjudication relating to the said Change in Law event. In such circumstances, TNPDCL has no occasion to contend that it cannot recover carrying costs for periods attributable to the Petitioner's delay in filing the present Petition.

(z) Article 10.2 of the Procurers PPA is aimed at restituting a party to its original economic position as if such a Change in Law event had not taken place. It is a settled position of law that to effect restitution of an affected party on account of a Change in Law event, the affected party, the Petitioner herein, may claim compensation along with carrying costs/interest on a compounding basis.

(za) Notably, the provisions of Change in Law considered by the Hon'ble Supreme Court in the aforesaid judgements and Article 10.2 of Change in Law

in the Procurers PPA are *pari-materia*. Accordingly, the findings of the aforesaid Judgments are squarely applicable to the Petitioner's case.

(zb) The Hon'ble Supreme Court in its Judgment dated 23.5.2025 titled *Jaipur Vidyut Vitran Nigam Ltd. & Ors. v. Adani Power Rajasthan Ltd.*, [2025 SCC OnLine SC 1211] allowed t carrying cost at LPS rate for Change in Law claims. In view of the settled position of law with respect to the carrying cost rate, the Petitioner may claim the carrying cost at LPS rate on a compounding basis as envisaged in the PTC PPA/Procurers PPA. Therefore, the rate of carrying cost considered in the computation is in accordance with the settled principle of carrying cost.

Hearing dated 2.6.2026

24. During the hearing, the learned senior counsel for the Petitioner and the learned counsel for TNPDCL made detailed oral submissions and concluded their respective arguments. At the parties' request, the Commission permitted both sides to file their respective written submissions within three weeks, with a copy to the other side. Accordingly, the matter was reserved for order.

25. The Petitioner, *vide* its Written Submission dated 25.6.2026**,** has reiterated its submissions from the original Petition, its rejoinder and additionally has submitted as under:

Not barred by limitation: Continuous cause of action for filing the present Petition

(a) The Petitioner issued the Change in Law notice to TNPDCL on 10.2.2017 and thereafter continued to raise its claim through repeated correspondence. This clearly shows that the issue remained live and subsisting between the parties and gives rise to a continuous and recurring cause of action. In any event, TNPDCL was also aware of the Change in Law event as a party to the proceedings in Petition No. 305/MP/2015. PTC/TNPDCL has never disputed the Change in Law notice dated 10.2.2017 and has returned only the Change in Law invoices/claims for the periods from January 2016 to March 2017, December 2017 to August 2018, and September 2018 to October 2018. Even after this, from November 2018 onwards, the Petitioner has been continuously raising Change in Law

invoices/claims on a monthly basis till date with PTC/TNPDCL. The responses received from PTC/TNPDCL to a few invoices/claims appear to seek a recalculation of the Change in Law claims rather than disputing the occurrence of the Change in Law event.

(b) Neither TNPDCL nor PTC ever disputed the Petitioner's Change in Law claim, and their consistent stand was only that the Change in Law invoices could be raised and processed after approval of the claim by this Commission in terms of Article 10 of the PPA. In other words, the stand taken was that this Commission could not process the claim until it was determined. Further, the aforesaid correspondence from PTC/TNPDCL acknowledges the Petitioner's Change in Law claim and the corresponding liability arising therefrom.

(c) PTC/TNPDCL have merely returned the invoices/supplementary bills raised by the Petitioner for claiming Change in Law compensation for completion of the process and not rejected the Change in Law claim. It is a settled position of law that the meaning of the expression 'return' is to put back or send back, and the meaning of the expression 'reject' is to disapprove or refuse to accept something. Therefore, TNPDCL has no occasion to contend that it has never admitted that the cancellation of Ganeshpur Coal Block constitutes a Change in Law event, especially when TNPDCL has never rejected the Change in Law claim raised by the Petitioner. In this regard, reliance has been placed upon the judgments in the cases of ***Baburao Atmaramji Lande v. Collector, Chandrapur,*** **[1981 SCC OnLine Bom 133], and** ***V. Ramachandra Rao & Ors. v. The Andhra Pradesh Regional Committee,*** **[1964 SCC OnLine AP 38]**

(d) It is a settled position of law that a dispute was said to arise when there was a claim and the same was denied/ repudiated by the other party. In this regard, reliance has been placed on the **Hon'ble Supreme Court Judgment in *Major (Retd) Inder Singh Rekhi v. Delhi Development Authority*, [(1988) 2 SCC 338].**

Waiver of right to claim Change in Law compensation

(e) The above-mentioned consistent stand of TNPDCL/PTC indicates that a Change in Law event has occurred; accordingly, TNPDCL/PTC has sought the determination of the consequential compensation in accordance with the procedure prescribed under the Procurers' PPA. Therefore, TNPDCL has no occasion to raise any plea of limitation for the Change in Law claim in the present

Petition, since the claim is premised on a continuous and recurring cause of action, as demonstrated above, and the bar of limitation does not apply. Accordingly, this Commission is required only to determine compensation for the Change in Law event, since the claim in the present Petition is premised on a continuous cause of action.

Filing of Petition No. 305/MP/2015

(f) TNPDCL's contention that the Petitioner was awaiting the outcome of Appeal No. 143 of 2020 before filing the present Petition is misplaced, since the present Petition was filed on 19.8.2025 prior to the Judgment dated 4.9.2025. In this regard, it is noteworthy that the Petitioner's case is not that the cause of action arose only upon the Judgment dated 4.9.2025, and the reference to Petition No. 305/MP/2015 and Appeal No. 143 of 2020 is to demonstrate that the issue pertaining to cancellation of the Ganeshpur Coal Block was under adjudication. The pendency of such proceedings, continued correspondence between the parties, and TNPDCL's failure to reject the Petitioner's claim establish that the dispute remained live. In view thereof, TNDCL's contention that the present Petition is barred by limitation is misconceived, without merit, and baseless.

26. The Respondent No.1/TNPDCL, *vide* its Written Submission dated 25.6.2026, has reiterated its submissions made in its Reply dated 6.1.2026 and has also made the following additional submissions:

Petition barred by Principles of Order II Rule 2 CPC, abandonment, estoppel, waiver and acquiescence.

(a) It is the Petitioner's case that the alleged cause of action arises from the cancellation/de-allocation of the Ganeshpur Coal Block pursuant to the judgments/orders of the Hon'ble Supreme Court dated 25.8.2014 and 24.9.2014 **in *Manohar Lal Sharma v. Principal Secretary & Ors***. The same alleged Change in Law event formed the basis of Petition No. 305/MP/2015, filed by the Petitioner before this Commission, seeking reliefs arising from the cancellation of the Ganeshpur Coal Block. Significantly, in Petition No. 305/MP/2015, the Petitioner had impleaded Tamil Nadu Generation and Distribution Corporation Limited (now TNPDCL) as a party respondent. TNPDCL had entered appearance and filed its detailed reply opposing the claim on merits.

(b) However, despite having impleaded TNPDCL as a party respondent and despite the proceedings being founded upon the very same alleged Change in Law event, the Petitioner consciously and deliberately chose not to seek any declaration, compensation or consequential relief whatsoever in respect of the PPA pertaining to TNPDCL. In fact, during the proceedings in Petition No. 305/MP/2015, the Petitioner expressly clarified before this Commission that the reliefs sought therein were confined exclusively to the PPA executed with WBSEDCL and that no relief was being claimed under the TNPDCL PPA. The said position was duly recorded by this Commission in the *Record of Proceedings* dated 21.8.2018, which is a clear and unequivocal representation made by the Petitioner before this Commission that no relief was being sought against TNPDCL under the PPA executed through PTC for Change in Law arising out of cancellation of the Ganeshpur coal block.

(c) The Petitioner reiterated the same position in its rejoinder dated 17.4.2018 filed in Petition No. 305/MP/2015 in response to the Reply filed by TNPDCL/TANGEDCO. The Petitioner categorically stated that the TNPDCL PPA was not in issue before the Commission and that TNPDCL was impleaded merely for establishing the existence of a composite scheme. The Petitioner consciously restricted the scope of Petition No. 305/MP/2015 only to the WBSEDCL PPA and expressly disclaimed any relief under the TNPDCL PPA. The omission was neither inadvertent nor accidental. Rather, it was a deliberate and informed decision taken after TNPDCL had already been impleaded as a party and after the Petitioner had full knowledge of all facts allegedly giving rise to its claim.

(d) The Petitioner itself issued a Change in Law Notice dated 10.2.2017 in respect of the alleged cancellation/de-allocation of the Ganeshpur Coal Block, almost two and a half years after the judgments of the Hon'ble Supreme Court dated 25.8.2014 and 24.9.2014. Significantly, the said notice was issued during the pendency of Petition No. 305/MP/2015 before this Commission, wherein the Petitioner was already seeking reliefs arising out of the very same alleged Change in Law event. Further, the said notice was issued well before the Petitioner filed its rejoinder dated 17.4.2018 in Petition No. 305/MP/2015. Despite expressly raising a Change in Law claim under the TNPDCL PPA in its notice dated 10.2.2017, and despite being fully aware of the alleged cause of

action, the Petitioner consciously chose not to seek any amendment to Petition No. 305/MP/2015 to include claims arising under the TNPDCL PPA.

(e) At no stage during the pendency of Petition No. 305/MP/2015 did the Petitioner reserve any right to institute separate proceedings in relation to the TNPDCL PPA. The Petitioner neither sought liberty from this Commission to pursue such claims independently at a later stage, nor obtained any permission preserving its alleged rights under the TNPDCL PPA. Having consciously elected to confine the scope of Petition No. 305/MP/2015 solely to the WBSEDCL PPA, despite being fully aware of and actively asserting a purported Change in Law claim under the TNPDCL PPA, the Petitioner cannot now seek to resurrect the very same cause of action through a separate proceeding after the lapse of 11 years.

(f) In the aforesaid circumstances, the present proceedings are squarely hit by the principles embodied in Order II Rule 2 of the Code of Civil Procedure, 1908. The underlying object of Order II Rule 2 is to prevent multiplicity of proceedings and to ensure that all reliefs arising from the same cause of action are pursued in a single proceeding. A party who is entitled to multiple reliefs on the basis of the same cause of action is required to claim all such reliefs at the first available opportunity. Having consciously omitted to seek a particular relief without reserving its rights or obtaining leave to pursue the same subsequently, such party is precluded from instituting fresh proceedings in respect of the omitted claim at a later stage.

(g) The present case satisfies all the requirements necessary for attracting the bar contained in Order II Rule 2. First, the cause of action relied upon in Petition No. 305/MP/2015 and the present Petition is identical: the alleged Change in Law arising from the cancellation/deallocation of the Ganeshpur Coal Block pursuant to the Hon’ble Supreme Court's judgments. Secondly, TNPDCL was already a party respondent in Petition No. 305/MP/2015. Thirdly, the Petitioner was fully aware of the TNPDCL PPA and had already asserted Change in Law claims thereunder through its correspondence and notices. Fourthly, notwithstanding such knowledge, the Petitioner consciously chose not to seek any relief against TNPDCL and expressly clarified that no such relief was being pursued in those proceedings. Finally, no liberty, reservation of rights or leave of this Commission

was ever sought or granted to institute separate proceedings in future on the basis of the same cause of action. Having consciously elected not to pursue any claim under the TNPDCL PPA when the same cause of action was already the subject matter of adjudication before this Commission, the Petitioner cannot now be permitted to reopen and re-agitate such claims through a separate proceeding.

(h) Without prejudice to the foregoing, the Petitioner's conduct independently attracts the doctrines of abandonment, waiver, acquiescence and election. The Petitioner not only refrained from seeking relief against TNPDCL but also represented before this Commission that the TNPDCL PPA was not the subject matter of Petition No. 305/MP/2015 and that no relief was being claimed thereunder. The Petitioner must be deemed to have consciously abandoned any alleged claim arising under the TNPDCL PPA.

The petition is ex facie barred by limitation, delay, and laches, and the Petitioner, being a fence-sitter, is not entitled to any relief

(i) The Hon'ble Supreme Court in ***Khatri Hotels Private Limited vs Union of India & Ors.*****, [(2011) 9 SCC 126],** has held that successive violation of the right will not give rise to fresh cause and the suit will be liable to be dismissed if it is beyond the period of limitation counted from the day when the right to sue first accrued. The right to sue, if any, accrued upon the occurrence of the alleged Change in Law events in 2014–2015. The limitation period therefore commenced from that point and cannot be postponed or revived by subsequent developments, correspondence, or judgments in proceedings initiated by other parties. Consequently, the present Petition is *ex facie* barred by limitation and liable to be dismissed *in limine.*

(j) Even if, for the sake of argument, Article 58 is held to be inapplicable, the Petition would nevertheless fall under the residuary provision contained in Article 137 of the Limitation Act, which prescribes a limitation period of three years for any application for which no specific period of limitation is provided elsewhere. Therefore, whether the Petition is examined under Article 58 or Article 137, the prescribed period of limitation remains three years, commencing from the date when the right to sue or the right to apply first accrues. Applying the aforesaid principles to the facts of the present case, the Petitioner's claim is *ex facie* barred by limitation.

(k) With regards to the above submission, TNPDCL has placed reliance on *State of U.P. v. Arvind Kumar Srivastava, [*(2015) 1 SCC 347]*, Pathapati Subba Reddy v. Collector (LA),* (2024) 12 SCC 336*; Dhariwal Infrastructure Limited vs Tamil Nadu Generation and Distribution Corporation Limited,* 14/MP/2021, Order dated 4.6.2023; *Bharat Aluminium Company Limited vs Tamil Nadu Generation and Distribution Corporation Limited,* 63/MP/2020, Order dated 24.2.2025.

(l) Even assuming, without admitting, that any part of the Petitioner's claim is capable of adjudication, such claim cannot extend beyond the period permissible under the Limitation Act. In this regard, reliance has been placed upon the Order dated 20.7.2023 in Petition No. 513/MP/2020, wherein this Commission, after considering the applicability of the Limitation Act to Change in Law claims, held that although the right to sue may have accrued earlier, claims for monetary recovery cannot be sustained for a period exceeding three years prior to the institution of proceedings. This Commission specifically held that only those claims falling within three years preceding the date of filing of the petition could be entertained, whereas claims relating to periods prior thereto would be barred by limitation.

(m) Without prejudice to the above contention, this Commission may determine the appropriate commencement period for levy of carrying cost, particularly in light of the substantial delay in approaching this Commission, so as to balance the equities and prevent undue consumer burden. This Commission has, in several cases, including matters involving the present Petitioner, consistently held that carrying cost cannot be allowed for periods attributable to delay by the generating company in approaching the Commission. In this regard, reliance has been placed on the Order dated 19.5.2024 in Petition No. 167/MP/2021, wherein the Commission, after considering the settled position of law, has held that where there is a delay of more than six months between the occurrence of a Change in Law event and the filing of the Petition, carrying cost shall not be admissible for the period prior to filing of the Petition, and shall be allowed, if at all, only from the date of filing of the Petition till the date of the Order.

Response to submission raised by the Petitioner in affidavit dated 22.05.2026 on computation of methodology:

Priority allocation of SHAKTI Linkage Coal/Pass through of benefit of SHAKTI Linkage Coal

(n) The Petitioner cannot rely upon reconciliations undertaken for a different period as a substitute for demonstrating compliance in respect of the present claim. The burden lies squarely upon the Petitioner to place on record complete and verifiable data establishing the quantity of linkage coal received, the allocation of such coal to the generating station, the proportion attributable to supply made to TNPDCL, and the corresponding benefit that has been adjusted while computing the Change in Law compensation claimed in the present Petition. Accordingly, the Petitioner is required to furnish month-wise details of (i) SHAKTI linkage coal allocated and received (ii) actual utilisation of such linkage coal (iii) allocation of linkage coal attributable to power supplied to TNPDCL (iv) benefit derived from such concessional coal vis-à-vis alternate coal sources; and (v) the manner in which such benefit has been adjusted while computing the Change in Law claim raised against TNPDCL.

(o) Significantly, the Petitioner, in its affidavit dated 22.5.2026, has merely furnished a summary table indicating the total coal allocation, quantity attributable to TNEB/TNPDCL, quantity received, and the corresponding percentage of materialisation. Mere production of summary figures and self-generated tabulations does not establish the actual quantity of coal allocated, supplied, lifted and utilised under the relevant FSA.

(p) The issue is not whether the Petitioner has generally maintained a high materialisation percentage, but whether the quantity of linkage coal actually available and attributable to supply made to TNPDCL has been correctly accounted for while computing the present Change in Law claim. For this purpose, the Petitioner is required to furnish complete and verifiable primary records demonstrating the actual allocation, supply, and lifting of coal during the relevant claim period. In this regard, the Petitioner ought to be directed to place on record periodic reconciliation statements duly authenticated and executed between the Petitioner and the coal supplier, clearly setting out the Annual Contracted Quantity (ACQ) under the FSA; the quantity of coal allocated and made available by the coal supplier; the quantity of coal actually supplied and dispatched; the quantity of coal actually lifted by the Petitioner; any shortfall in lifting or materialisation; debit notes, credit notes and all adjustments carried out

between the parties; and the quantity of linkage coal attributable to power supplied to TNPDCL during the relevant period.

(q) Any under-utilisation, lapse or non-lifting of linkage coal attributable to the Petitioner cannot be passed through to beneficiaries under the guise of Change in Law compensation. The Change in Law mechanism is intended to compensate only for actual and unavoidable impacts arising from a qualifying event and not for inefficiencies, operational lapses or procurement decisions attributable to the generator itself.

(r) The issue raised by TNPDCL is not whether procurement of alternate coal was necessary, but whether the procurement was undertaken in a prudent, economical and transparent manner and whether the costs claimed represent the least-cost option available under the prevailing market conditions. Mere assertion that linkage coal was insufficient does not automatically make all costs incurred to procure from alternate sources admissible for pass-through. The Petitioner must demonstrate that the quantities procured, the sources selected, and the prices paid were optimal and represented the most economical options available under the prevailing market conditions. In this regard**, the Hon'ble Supreme Court in *West Bengal State Electricity Distribution Company Ltd. v. Adhunik Power & Natural Resources Ltd. & Ors.* [Civil Appeal No. 2584-2585 of 2026 dated 27.2.2026]** has drawn a clear distinction between compensation arising from a valid Change in Law event and costs arising from procurement of alternate coal due to operational or commercial circumstances. While upholding the finding that cancellation of the Ganeshpur Coal Block constituted a Change in Law event under Article 10 of the PPA, the Hon'ble Supreme Court expressly set aside the relief granted by the APTEL towards procurement of coal through e-auction/imports to meet the shortfall in tapering linkage granted to it pending operationalisation of the Ganeshpur captive coal block.

(s) A review of the revised workings furnished by the Petitioner reveals significant concerns regarding the methodology adopted for giving effect to such debit and credit note adjustments. In fact, based on these adjustments, the Petitioner has revised and increased its claim amount by approximately Rs. 25 Crores for the period F.Y. 2019-20 to F.Y. 2025-26 (up to October 2025), compared to the claim

originally submitted vide Affidavit dated 25.11.2025. The Petitioner has failed to furnish an invoice-wise reconciliation establishing the nexus between the debit/credit notes and the underlying coal invoices against which such adjustments have been issued. Without such reconciliation, it is impossible to independently verify whether the adjustments were correctly accounted for when determining the weighted average coal cost. At a minimum, the Petitioner ought to furnish a detailed reconciliation clearly identifying (i) the original coal invoice (ii) the corresponding debit note or credit note (iii) the quantity of coal to which the adjustment relates (iv) the nature of adjustment (grade slippage, grade upgradation, quantity variation, etc.); and (v) the precise financial impact attributable to the relevant quantity.

(t) The voluminous documents furnished by the Petitioner do not, by themselves, establish the correctness of the claim. What is required is a transparent and traceable computation demonstrating how the source-wise coal quantities, invoice values, transportation costs, debit notes, credit notes, and other adjustments have been aggregated to arrive at the weighted average coal cost adopted for each month. Similarly, with regard to transportation costs, TNPDCL had specifically submitted that for the period from January 2016 to March 2021, the Petitioner had furnished *Excel* workings only in respect of coal prices, whereas no corresponding detailed workings were provided for transportation charges. TNPDCL also highlighted that the transportation rates reflected in the invoices did not reconcile with the transportation cost adopted in the Change in Law computation and that the transportation invoices furnished appeared to cover quantities significantly lower than the total quantity of coal considered in the claim.

(u) Mere furnishing of month-wise summary statements cannot be treated as sufficient compliance with the requirement of substantiating a claim of this magnitude. Summary tables, by themselves, do not enable verification of the underlying data, assumptions or methodology adopted in arriving at the claimed coal cost. Without a complete audit trail linking the source documents to the figures in the final computation, TNPDCL cannot independently examine the claim's correctness, accuracy, and reliability, and this Commission cannot verify it. In particular, the Petitioner has failed to establish a clear and traceable correlation between (i) the underlying coal procurement invoices, (ii) transportation invoices, (iii) railway freight charges, (iv) road transportation charges, (v) quantity-wise

allocation of coal attributable to the relevant supply period, and (vi) the weighted average coal cost ultimately adopted in the Change in Law computation. Without such reconciliation, it is impossible to ascertain whether the costs claimed have been correctly computed, whether any element has been duplicated or omitted, and whether the weighted average coal cost accurately reflects the actual cost incurred. Accordingly, the Petitioner ought to be directed to furnish a comprehensive reconciliation statement, duly supported by primary documentary evidence, clearly setting out (i) Source-wise coal procurement quantities for each month (ii) Source-wise landed coal cost, supported by corresponding invoices and supporting documents (iii) Detailed break-up of transportation costs, including railway freight, road transportation and other logistics charges (iv) Invoice-wise and quantity-wise allocation of such costs to the respective coal quantities (v) All adjustments arising from debit notes, credit notes, quality reconciliations, quantity reconciliations and other post-supply settlements; and (vi) The complete methodology, calculations and workings adopted for deriving the monthly weighted average coal cost reflected in the Change in Law computation

Gross Calorific Value (GCV) Certificates and Computation of Weighted Average GCV

(v) The reliance upon earlier proceedings is wholly misplaced. The issue in the present case is not whether another proceeding considered certain GCV certificates or methodologies, but whether the Petitioner has established a verifiable and auditable linkage between the GCV certificates, coal quantities, consumption records, and the weighted average GCV values adopted in the present Change in Law computation. Acceptance of any computation or methodology in an earlier proceeding cannot dispense with the Petitioner's obligation to substantiate the present claim through complete, contemporaneous and verifiable supporting records. Each claim period requires independent verification based upon the underlying data and records relevant to that period. The Petitioner has not disputed the fact that several of the GCV certificates relied upon by it do not contain essential particulars such as (i) quantity of coal tested (ii) Railway Receipt (RR) details (iii) Delivery Order (DO) details (iv) source-wise identification of coal (v) lot-wise identification of coal and (vi) correlation with the corresponding coal invoices and receipts.

(w) For the period from January 2016 to February 2019, the GCV certificates relied upon by the Petitioner were issued by its in-house laboratory. However, the Petitioner has failed to furnish any documentary evidence demonstrating that the said laboratory was accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) or any equivalent accreditation authority during the relevant period. Consequently, the evidentiary reliability of such certificates remains unsubstantiated. In such circumstances, the Petitioner ought to furnish detailed records showing (i) opening stock of coal (ii) source-wise and quantity-wise coal receipts (iii) source-wise GCV of coal received (complete source-wise and consignment-wise GCV data) (iv) quantity-wise coal consumption (quantity-wise linkage between GCV certificates and coal receipts) (iv) GCV of coal consumed (v) closing stock position; and (v) the methodology adopted for arriving at the weighted average GCV used in the Change in Law computation.

(x) The Petitioner's explanation itself conclusively establishes the correctness of the discrepancy identified by TNPDCL. Once the Petitioner has acknowledged that the ECR values originally adopted in its computation were incorrect, the contention that TNPDCL's objections were baseless, misconceived or devoid of merit stands disproved by the Petitioner's own admission.

(y) The present instance demonstrates that the figures originally placed before this Commission were not free from error and, therefore, the revised computation cannot be accepted merely on the Petitioner's assertion without independent scrutiny and verification. The revised computation furnished by the Petitioner requires a comprehensive reconciliation with (i) the actual invoices raised by the Petitioner, (ii) the ECR actually billed and recovered from TNPDCL, (iii) the applicable tariff orders and approved ECR, (iv) the compensation already allowed under earlier Change in Law orders and (v) the revised differential coal cost claimed by the Petitioner.

Analysis and Decision

27. We have considered the submissions of the Petitioner and the Respondent/TNPDCL and have perused the documents placed on record. The following issues arise for our consideration:

Issue No. 1: Whether the Petitioner's claim for Change in Law is barred by limitation?

Issue No. 2: Whether the Petitioner has complied with the PPA provisions before approaching the Commission to claim relief under Change in Law?

Issue No. 3: Whether the Petitioner's claims are covered under Change in Law events?
OR

Whether the cancellation of allotment of the Ganeshpur coal block/de-allocation of the Ganeshpur coal block by the Hon'ble Supreme Court in Judgements/Orders dated 25.8.2014 and 24.9.2014 constitutes a valid Change in Law event?

Issue No. 4: What reliefs, if any, should be granted to the Petitioner in the light of the answers to the above issues?

The following paragraphs discuss the above issues.

Issue No. 1: Whether the Petitioner's claim for Change in Law is barred by limitation?

28. The Respondent, TNPDCL, has submitted that the Change in Law claim prayed for by the Petitioner in the present Petition is time-barred. The right to sue, if any, accrued to the Petitioner in 2014 upon the Hon'ble Supreme Court's j pronouncements dated 25.8.2014 and 24.9.2014 cancelling the Ganeshpur coal block, and the enactment of the Coal Mines (Special Provisions) Act, 2015 only formalised the legal consequences. The cause of action for filing the instant claim arose in 2015 itself. Therefore, the present Petition, filed in 2025, is *ex facie* barred by limitation. It has further been submitted that the Petitioner purported to invoke a Change in Law claim vide its notices issued to PTC/TNPDCL, contending that cancellation of the allocated coal block constituted a Change in Law event under the PPA. However, PTC/TNPDCL unequivocally returned the invoices and clarified that no Change in Law compensation was admissible without prior approval or determination by the Appropriate Commission, as expressly required under the PPA. The repeated submission of invoices, issuance of reminders or follow-up letters, and unilateral assertions of entitlement do not amount to an acknowledgment of liability within the meaning of

Section 18 of the Limitation Act, 1963, and therefore, do not arrest or extend the running of limitation. For an acknowledgment to extend limitation, it must be a clear, unambiguous, conscious admission of liability by the party sought to be charged; no such acknowledgment exists in the present case. During the same period, the Petitioner filed Petition No. 305/MP/2015 seeking a declaration that the cancellation of the Ganeshpur Coal Block constituted a Change in Law event and consequential compensation. However, the Petitioner chose not to file a similar Petition before this Commission for the present PPA, unlike in the WBSEDCL case. The Respondent has submitted that the Electricity Regulatory Commissions cannot entertain time-barred claims which would be non-recoverable in a civil suit. This principle has been conclusively settled by the Hon'ble Supreme Court in the case of ***Andhra Pradesh Power Coordination Committee & Ors. v. Lanco Kondapalli Power Ltd., [(2016) 3 SCC 468],*** wherein it has been held that claims which are barred by limitation cannot be revived or adjudicated under the quasi-judicial powers under the Act. TNPDCL has further argued that Article 58 prescribes a three-year limitation period for obtaining any 'other declaration' from the date the right to sue first accrues, and that compensation, being merely a consequential relief dependent on the primary declaration of Change in Law, cannot be adjudicated once the declaration itself is barred by time.

29. *Per Contra*, the Petitioner has submitted that the contentions of TNPDCL are baseless and premised on an erroneous interpretation of the settled law in regulatory jurisprudence in the context of limitation and continuous cause of action. The Change in Law event i.e., cancellation of allotment of the Ganeshpur coal block occurred on the day of the pronouncement of SC Coal Block Cancellation Judgment, i.e., 25.8.2014 and the Petitioner has been raising supplementary bills on PTC/TNPDCL in terms of Article 10 of the Procurers PPA for claiming Change in Law compensation from the commencement of power supply from 1.1.2016 which clearly demonstrate

that the issue of compensation on account of the Change in Law event, is a live and subsisting issue between the parties. Consequently, the cause of action is continuous and recurring. Also, the responses received from PTC/TNPDCL in relation to a few invoices/claims appear to be in the nature of seeking a recalculation of the Change in Law claims rather than disputing the occurrence of the Change in Law event. Further, the relief sought by the Petitioner in the present Petition is compensatory relief for restoring the Petitioner to the same economic position as if the Change in Law had not occurred. Therefore, Article 58 of the Limitation Act, 1963, which applies only to suits seeking declaratory relief, does not apply in the present proceedings.

30. We have considered the submissions made by the Petitioner and the Respondent. The Hon'ble Supreme Court, in a catena of judgments, has held that the Limitation Act does not apply to Tribunals and quasi-judicial bodies since they are not Courts in the strict sense of the term. However, in the case of ***Andhra Pradesh Power Coordination Committee Vs. Lanco Kondapalli Power Limited [(2016) 3SCC 468]***, the Hon'ble Supreme Court extended the applicability of the law of limitations to proceedings before Regulatory Commissions, particularly, in respect of proceedings being held in exercise of their adjudicatory power. Relevant portions of the said judgment are extracted as under:

> *"29. The only other weighty contention of Mr Giri that there is nothing in the Electricity Act, 2003 to create a right in a suitor before the Commission to seek claims which are barred by law of limitation, merits a serious consideration. There is no possibility of any difference of opinion in accepting that on account of the judgment of this Court in Gujarat Urja [Gujarat Urja Vikas Nigam Ltd. v. Essar Power Ltd., (2008) 4 SCC 755] the Commission has been elevated to the status of a substitute for the civil court in respect of all disputes between the licensees and generating companies. Such dispute need not arise from the exercise of powers under the Electricity Act. Even claims or disputes arising purely out of contract like in the present case have to be either adjudicated by the Commission or the Commission itself has the discretion to refer the dispute for arbitration after exercising its power to nominate the arbitrator. ……...*
>
> *30. In such a situation it falls for consideration whether the principle of law enunciated in State of Kerala v. V.R. Kalliyanikutty [State of Kerala v. V.R. Kalliyanikutty, (1999) 3 SCC 657] and in New Delhi Municipal Committee v. Kalu Ram [New Delhi Municipal Committee v. Kalu Ram, (1976) 3 SCC 407] is attracted so as to bar entertainment of claims which are legally not recoverable in a suit or other legal proceeding on account of bar created*

by the Limitation Act. On behalf of the respondents those judgments were explained by pointing out that in the first case the peculiar words in the statute—"amount due" and in the second case "arrears of rent payable" fell for interpretation in the context of powers of the tribunal concerned and on account of the aforesaid particular words of the statute this Court held that the duty cast upon the authority to determine what is recoverable or payable implies a duty to determine such claims in accordance with law. In our considered view a statutory authority like the Commission is also required to determine or decide a claim or dispute either by itself or by referring it to arbitration only in accordance with law and thus Sections 174 and 175 of the Electricity Act assume relevance. Since no separate limitation has been prescribed for exercise of power under Section 86(1)(f) nor this adjudicatory power of the Commission has been enlarged to entertain even the time-barred claims, there is no conflict between the provisions of the Electricity Act and the Limitation Act to attract the provisions of Section 174 of the Electricity Act. In such a situation, on account of the provisions in Section 175 of the Electricity Act or even otherwise, the power of adjudication and determination or even the power of deciding whether a case requires reference to arbitration must be exercised in a fair manner and in accordance with law. In the absence of any provision in the Electricity Act creating a new right upon a claimant to claim even monies barred by law of limitation, or taking away a right of the other side to take a lawful defence of limitation, we are persuaded to hold that in the light of nature of judicial power conferred on the Commission, claims coming for adjudication before it cannot be entertained or allowed if it is found legally not recoverable in a regular suit or any other regular proceeding such as arbitration, on account of law of limitation. We have taken this view not only because it appears to be more just but also because unlike labour laws and the Industrial Disputes Act, the Electricity Act has no peculiar philosophy or inherent underlying reasons requiring adherence to a contrary view."

31. The Petitioner has argued that the adverse financial impact of cancellation of the coal block is suffered by the Petitioner on a continuous basis, month after month, in the form of higher fuel costs and increased energy charges. Consequently, the cause of action is continuing, and any limitation, if any, would run afresh for each billing cycle. The Petitioner has also submitted that PTC/TNPDCL have never denied that the cancellation of the coal block constitutes a Change in Law within the scope of Article 10 of the Procurers PPA and Schedule I (VIII) of the PTC PPA. However, the contention of the Petitioner cannot be accepted, as invoices and supplementary invoices raised by the Petitioner on 10.2.2017, 4.4.2017, 21.4.2017, and 24.4.2017 were expressly rejected and disputed by PTC vide email dated 13.4.2017, wherein PTC informed the Petitioner that the invoices were to be raised after the approval of the Change in Law event and relief by the Appropriate Commission. On 22.11.2018, the TNPDCL also returned the invoices raised by the Petitioner for the period January 2016 to October 2018, referring to Article 10.3.3 and 10.3.4 of the PPA on the ground

that no Change in Law compensation is payable unless the occurrence of a Change in Law event and computation of its financial impact have been duly determined by the Appropriate Commission. Accordingly, TNPDCL raised a dispute regarding the Petitioner's Change in Law claim. We have examined the provisions of the PPA dated 18.12.2013. In the present case, the Petitioner's Change in Law claims relate to the operational period which is covered under Article 10.3.2 of the PPA. Article 14.3.1 of the PPA provides for adjudication of disputes by the Commission, which is extracted as under:

> *"**14.3.1 Dispute Resolution by the Appropriate Commission***
>
> *14.3.1.1 a) where any Dispute arises from a claim made by any Party for any change in or determination of the Tariff or any matter related to Tariff or claims made by any Party which partly or wholly relate to any change in the Tariff or determination of any of such claims could result in change in the Tariff shall be submitted to adjudication by the Appropriate Commission."*

32. Therefore, if any dispute arises from a claim made by any party for any change in tariff or any matter related to tariff, it is required to be submitted for adjudication by the Commission in accordance with Article 14.3.1. Since both PTC & TNPDCL had rejected the Petitioner's claim, the Petitioner ought to have approached the Commission under Article 14.3.1 of the PPA immediately thereafter. Since the Petitioner has now approached the Commission under Section 79(1)(f) of the Act read with Article 10 of the PPA dated 18.12.2013, the dispute raised in the Petition being adjudicatory in nature, the Limitation Act will be applicable for examining the claims in terms of the judgment in the Lanco Kondapalli case.

33. With regard to the issue of applicability of limitation on Change in Law claims, the Commission had considered a similar issue in Petition No. 513/MP/2020 in the matter of *Adani Power (Mundra) Limited v. Uttar Haryana Bijli Vitran Nigam Limited and Ors.* and held as under:

> *"17. Schedule to the Limitation Act lays down various types of suits for the purpose of limitation. However, Change in Law claims under the PPA is not specifically provided for*

in the Limitation Act. In that case, Article 113 of the Schedule is relevant which is extracted as under:

Description of application	*Period of limitation*	*Time from which period begins to run*
113. Any suit for which no period of limitation is provided elsewhere in the schedule	*Three years*	*When the right to sue accrues*

Thus, the period of limitation for filing petitions in adjudicatory cases involving Change in Law claims before the Commission shall be governed under Article 113 of the Limitation Act which is three years from the time when the right to sue accrues.

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22. We have considered the submissions made by the parties. There is no denial of the fact that APMuL has issued formal notices for certain events of Change in Law events after a lapse of more than 3 years after signing of the FSA when it came to be affected by Change in Law. The issue is whether such delay in giving notice would result in denial of compensation for the expenditure incurred by APMuL in respect of these events of the Change in Law. It is pertinent to note that Article 13.3.1 of the PPA provides that if the Seller is affected by a Change in Law in accordance with Article 13.2 and wishes to claim a change in law, it shall give notice of such event as soon as reasonably practicable after becoming aware of the same or should reasonably have known of the Change in Law event. As per Article 13.3.3, the notice shall provide among other things the precise details of the Change in Law and effects on the Seller of the matters referred to in Article 13.2 (for construction period as well as operation period). Thus, the purpose of notice is to inform the Procurer about the details of Change in Law and its impact on the Seller. Further, PPA does not provide for any adverse consequences including denial of compensation for the actual expenditure incurred on account of Change in Law where delay has occurred in issuing the Change in Law notices. Therefore, in the absence of any specific timeline for giving notice about the occurrence of Change in Law event, delay in giving notice will not adversely affect or obliterate the claims of APMuL except to the extent the claims are barred by limitation.

23. ……It is pertinent to mention in this connection that all the Change in Law claims in the present petition are recurring in nature. In other words, the Change in Law claims in the form of tax and cess will arise every time when the coal is supplied. In this connection, Section 22 of the Limitation Act is relevant which is extracted as under:

> *"22. Continuing breaches or tort- In the case of a continuing breach of contract or in the case of continuing tort, a fresh period of limitation begins to run at every moment of the time during which the breach or the tort, as the case may be, continues."*

24. In this connection, the following observations of the APTEL in its judgment dated 2.11.2020 in batch of Appeals led by Appeal No. 10 of 2020 (Power Company of Karnataka Limited vs UPCL & Ors) are relevant:

> *"171. There can be no quarrel with the broad proposition that under the general application of the Limitation Act, a claim with respect to non-payment of money payable on a monthly / periodic basis brought before an adjudicatory forum cannot be sustained with respect to recovery of money for a period of more than three years prior to the date of institution of the proceedings."*

25. Thus, in case of non-payment of money payable on periodic or monthly basis brought before an adjudicatory forum, even though the right to sue has accrued earlier, the claims for recovery of money cannot be sustained for a period of more than three years prior to the date of institution of proceedings. In other words, the claims of APMuL for

compensation towards impact of Change in Law can be entertained if the claim relates to a period of three years preceding the date of filing of the petition before the Commission i.e. three years prior to 16.5.2020 which works out to 17.5.2017. The Respondents have submitted that even if any Change in Law claims are to be considered, only the claims which fall within three years prior to the filing of the present petition would be admissible for adjudication. Therefore, Limitation period shall be reckoned from 17.5.2017 i.e. 3 years prior to the filing of the present petition on 16.5.2020. The claims arising before 17.5.2017 shall be time barred whereas claims arising on or after 17.5.2017 shall be within the period of limitation."

In the above-quoted order, the Commission held that the period of limitation for filing Petitions in adjudicatory cases involving Change in Law claims shall be governed by Article 113 of the Limitation Act, which provides a limitation period of three years from the time when the right to sue accrues. Further, after examining the question as to when the right to sue accrues in favour of a generator to bring the Petition before the Commission, the Commission also took note of the Change in Law claims involved therein (similar to the present case) being recurring in nature and thus proceeded to hold that the claim of the generator for compensation towards the impact of Change in Law can be entertained if such claims relate to a period of three years preceding the date of filing of the Petition before the Commission. Regarding delay in issuing the Change in Law notice, the Commission observed that the PPA does not provide for any adverse consequences, including denial of compensation for actual expenditure incurred on account of Change in Law, where the Change in Law notice is issued late. Therefore, in the absence of any specific timeline for giving notice of a Change in Law event, the Commission held that delay in giving notice will not adversely affect or obliterate APMuL's claims, except to the extent the claims are barred by limitation.

34. In the present case, the Petitioner issued the Change in Law notice only on 10.7.2017 as per Article 10 of the TNPDCL PPA for cancellation of the allotted mine by the Hon'ble Supreme Court vide judgment dated 25.8.2014 and 24.9.2014. Article 10.4.1. provides as under:

10.4.1 If the Seller is affected by a Change in Law in accordance with Article 10.1 and the seller wishes to claim relief for such a Change in Law under this Article 10, it shall give notice to the Procurer of such Change in Law as soon as reasonably practicable

after becoming aware of the same or should reasonably have known of the Change in Law.

35. It is noted that Article 10.4.1 of the TNPDCL PPA is identical to Article 13 of the PPA considered in Petition No. 513/MP/2020 with no adverse consequences, including denial of compensation for the actual expenditure incurred on account of Change in Law, for delay in issuing the Change in Law notices. In light of the above, the delay in giving notice will not adversely affect or obliterate the claims of the Petitioner except to the extent the claims are barred by limitation.

36. As per the decision in Petition No. 513/MP/2020, the claims for recovery of money cannot be sustained for a period of more than three years prior to the date of institution of proceedings. In other words, the Petitioner's claims for compensation for the impact of Change in Law can be entertained only if they relate to the three-year period preceding the date of filing the Petition before the Commission, i.e., three years prior to 20.8.2025, which works out to 21.8.2022. The Respondent has submitted that, even if any Change in Law claims are to be considered, only claims falling within three years prior to the filing of the present petition would be admissible for adjudication. Therefore, the limitation period shall be reckoned from 21.8.2022, i.e. 3 years prior to filing the present Petition on 20.8.2025. Claims arising before 21.8.2022 are time-barred, whereas claims arising on or after 21.8.2022 are within the period of limitation.

37. The Respondent, TNPDCL, however, argued that Article 58 of Schedule to the Limitation Act applies to the present case. Article 58 prescribes a limitation period of three years for obtaining any ‘other declaration’ from the date the right to sue first accrues. TNPDCL has also submitted that compensation, being merely a consequential relief dependent upon the primary declaration of Change in Law, cannot be adjudicated once the declaration itself is barred by time. Therefore, TNPDCL’s averment that the present case is governed by Article 58 of the Limitation Act is

premised on the presumption that Change in Law relief under the PPA is essentially a declaratory relief and the grant of compensation to the affected party is merely a consequential relief(s).

38. We have considered the submissions made by TNPDCL. The Commission considered a similar issue in Petition No. 17/MP/2023 in the matter of *Jhajjar Power Limited vs Uttar Haryana Bijli Vitran Nigam Limited and Ors.* wherein, by its order dated 23.6.2023, the Commission has held as under:

> *"23. We have considered the submissions made by the parties. TPDDL's averment that the present case is governed by Article 58 of the Limitation Act is premised on the presumption that Change in Law relief under the PPA is essentially a declaratory relief and the grant of compensation to the affected party is merely a consequential relief(s). However, as the definition of Change in Law in Article 13 of the PPAs (as referred to in the later part of this order) would reveal the right to sue/cause of action in respect of Change in Law accrues not merely upon the occurrence of an event but also when such event results in any change in the cost of or revenue from the business of selling of electricity by the Seller to the Procurers. In other words, both the occurrence of an event as well as its impact in the form of an increase/decrease in the revenues or cost to the Seller are necessary for invoking the Change in Law relief under the PPAs. Although in certain cases, the Commission has proceeded to give recognition of Change in Law event at the first instance followed by the determination of impact at a later stage, this, does not take away the fact the impact in the form of an increase/decrease in the revenues or cost to the Seller is necessary for invoking the said Change in Law clause. Similarly, the relief available to the affected party under the PPAs is not merely a declaratory relief (i.e., recognizing an event as a Change in Law) but also a compensatory relief for restoring the affected party to the same economic position as if the Change in Law had not occurred. The relief of an economic restoration of an affected party is ingrained in the Change in Law relief available under the PPAs and is not merely a consequential relief to the declaratory relief as averred by TPDDL. Hence, we are unable to agree with the contention of TPDDL that the Change in Law relief under the PPAs is essentially a declaratory relief alone, thereby attracting the Article 58 of the Limitation Act."*

39. In view of the above, the relief available under the Change in Law provisions of the PPA is not merely a declaratory relief to attract Article 58. Change in Law relief is premised on the principle of restitution, and the claims are required to be dealt with in accordance with Article 113 of the Schedule to the Limitation Act.

40. In its written submission dated 25.6.2026, the Respondent, TNPDCL, has contended that the Petitioner had filed Petition No. 305/MP/2015 seeking relief arising out of the cancellation of the Ganeshpur coal block wherein TNPDCL was impleaded

as a Respondent. In the said proceedings, the Petitioner expressly clarified before this Commission that the reliefs sought therein were confined exclusively to the PPA executed with WBSEDCL and that no relief was being claimed under the TNPDCL PPA. The Petitioner categorically stated that the TNPDCL was impleaded merely for establishing the existence of a composite scheme. At no stage during the pendency of Petition No. 305/MP/2015 did the Petitioner reserve any right to institute separate proceedings in relation to the TNPDCL PPA. The Petitioner neither sought liberty from this Commission to pursue such claims independently at a later stage, nor obtained any permission preserving its alleged rights under the TNPDCL PPA. The present case satisfies all requirements necessary for attracting the bar under Order II Rule 2. Having consciously elected not to pursue any claim under the TNPDCL PPA when the very same cause of action was already the subject matter of adjudication before this Commission, the Petitioner cannot now be permitted to reopen and re-agitate such claims through a separate proceeding.

41. We are of the considered opinion that TNPDCL cannot invoke both the Limitation Act and Order II Rule 2 in a contradictory manner in the present Petition. On one hand, TNPDCL has contended that the present Petition is barred by limitation for non-filing of the suit and, on the other hand, it is invoking Order II Rule 2 in the Petition filed by the Petitioner seeking relief under the PPA executed with WBSEDCL. Admittedly, TNPDCL was made a party to Petition No. 305/MP/2015 to establish the composite scheme, and no claims were made against TNPDCL. Therefore, Order II Rule 2 cannot be invoked in the present case as the Petitioner did not make any claim against TNPDCL in Petition No. 305/MP/2015. Further, the Commission has held that such Change in Law claims are governed by Article 113 of Schedule to the Limitation Act read with Section 22 of the Limitation Act. Therefore, the Respondent's contention is not sustainable.

42. The issue is decided accordingly.

Issue No. 2: Whether the Petitioner has complied with the provisions of the PPA before approaching the Commission for claiming relief under Change in Law?

43. We now proceed to examine whether the Petitioner has notified the Respondents of the event pertaining to the Change in Law in light of the provisions of the concerned PPAs.

44. In the present matter, the Petitioner, in light of Article 10 of the Procurer's PPA and Schedule I (VIII) of the PTC PPA, has sought compensation/ consequential reliefs on account of occurrence of a Change in Law event, i.e., cancellation of allotment of Ganeshpur coal block/de-allocation of Ganeshpur coal block by the Hon'ble Supreme Court in Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012 titled *Manohar Lal Sharma v. Principal Secretary & Ors.* and subsequent promulgation of the Coal Mines (Special Provisions) Ordinance, 2014, Coal Mines (Special Provisions) Act, 2015 and rules made thereunder impacting revenues and costs during operating period.

45. Article 10.4 of the Procurer-PPA and Schedule I (VIII) of the PTC PPA provide for Notification of the Change in Law. The relevant extracts of the PPAs are as follows:

Article 10.4 of the Procurer-PPA

> ***"10.4 Notification of Change in Law***
> *10.4.1 If the Seller is affected by a Change in Law in accordance with Article 10.1 and the Seller wishes to claim relief for such a Change in Law under this Article 10, it shall give notice to the Procurer of such Change in Law as soon as reasonably practicable after becoming aware of the same or should reasonably have known of the Change in Law.*
> *10.4.2 Notwithstanding Article 10.4.1, the Seller shall be obliged to serve a notice to the Procurer under this Article 10.4.2, even if it is beneficially affected by a Change in Law. Without prejudice to the factor of materiality or other provisions contained in this Agreement, the obligation to inform the Procurer contained herein shall be material*
> *Provided that in case the Seller has not provided such notice, the Procurer shall have the right to issue such notice to the Seller.*

10.4.3 Any notice served pursuant to this Article 10.4.2 shall provide, amongst other things, precise details of.

(a) the Change in Law; and

(b) the effects on the Seller,"

Schedule I (VIII) of the PTC-PPA

*"**VIII. Article 10- Change in Law***
The terms of Article 10 of the Procurer-PPA shall be applicable to the Parties in its totality without any deviations under this Agreement"

A perusal of Article 10.4 and Schedule (VIII) of the Procurer-PPA and PTC-PPA reveals that the Petitioner was required to issue notice to the Respondents containing the specific details of the Change in Law and its effects as soon as practicable after becoming aware of such events.

46. The Petitioner has submitted that on 10.02.2017, the Petitioner had issued Change in Law Notice to PTC for onward supply to TNPDCL and claimed the cancellation of allotment of Ganeshpur coal block in terms of the SC Coal Block Cancellation Judgment I and SC Coal Block Cancellation Judgment II as a Change in Law event as per Article 10.4 of Procurers PPA. The Petitioner has also submitted that PTC/TNPDCL has never disputed the said Notice and the occurrence of the Change in Law event.

47. *Per Contra*, TNPDCL has submitted that the Petitioner has issued Change in Law Notice dated 10.2.2017 in respect of the alleged cancellation/de-allocation of the Ganeshpur Coal Block, almost two and a half years after the judgments of the Hon'ble Supreme Court dated 25.8.2014 and 24.9.2014. TNPDCL has further submitted that the Petitioner thereafter raised supplementary invoices dated 4.4.2017, 21.4.2017, and 24.4.2017. These invoices were expressly rejected and disputed by PTC vide email dated 13.4.2017, wherein PTC informed the Petitioner that the invoices were to be raised after the approval of the Change in Law event and relief by the Appropriate Commission. Since there is no such approval from any Commission, the said bills

cannot be processed/forwarded to ultimate consumers and were returned to the Petitioner.

48. We have considered the submissions of the Petitioner and the Respondent, TNPDCL. The Petitioner submitted that on 10.02.2017, the Petitioner issued a Change in Law Notice to PTC for onward supply to TNPDCL and claimed cancellation of allotment of the Ganeshpur coal block in terms of SC Coal Block Cancellation Judgment I and SC Coal Block Cancellation Judgment II as a Change in Law event. The contents of the letter/notice dated 10.2.2017 issued by the Petitioner to PTC are extracted as under:

> *"(a)M/s Adhunik Power and Natural Resources Ltd. (hereinafter referred as "APNRL" or "Supplier" or "Generating Company") vide its letters dated 10.2.2017, has already submitted detailed explanations and justifications for increase in cost of generation on account of Change in Law events as covered under article 10 of Procurer-PPA (Power Purchase Agreement executed between M/s. PTC India Ltd, and the Tamil Nadu Generation and Distribution Corporation).*
>
> *(b) Schedule 4 of the Procurer-PPA provides that for purchase of power, the PTC India Ltd. shall pay monthly Capacity Charge and Energy Charge along with relevant incentives and penalties. Based on schedule 8 of Procurer-PPA, the Levelized tariff was worked out to be Rs. 4.910/kWh inclusive of trading margin of Rs. 0.08/kWh for supply to TANGEDCO by APNRL through PTC India Ltd. The supply to TANGEDCO commenced on 1.1.2016.*
>
> *(c) The source of primary fuel as identified in Article 8 of PTC-PPA (Power Purchase Agreement executed between M/s. PTC India 1.td, and Adhunik Power and Natural Resources Ltd) was Ganeshpur captive Coal allotted to APNRI. by Ministry of Coal along with the Tapering Coal Linkage allotted to APNRL as per FSA dated 22.07.2011 and 29.09.2011.*
>
> *(d) On 14.9.2012, the Supreme Court of India issued notice in Writ Petition (Criminal) No. 120/2012 in a Public Interest Litigation filed by Mr. Manohar Lal Sharma. The aforementioned notice challenged the coal block allocation process, pursuant to which the Government Departments stalled all governmental permissions and clearances to be given for development of any coal blocks and owing to the same, the development of APNRL's captive coal block was indefinitely delayed. It is significant to note that finally vide judgment dt.25.08.2014 and order dt. 24.09.2014 the Supreme Court quashed allocation of all coal blocks including Ganeshpur Coal Block, causing the Government of India passing an ordinance viz: Coal Mines (Special Provisions) ordinance, which later on became Coal Mines (Special Provisions) Act, and this was a major Change of Law event having significant impact on the coal procurement cost for APNRL.*
>
> *(e) APNRL had no choice but to procure more coal from the tapering linkage source, it had been allotted through Central Coalfields Limited (CCL) vide Fuel Supply Agreements (FSA) dated 22.07.2011 and 29.09.2011. Alternate sources of coal were also used to meet the shortfall in coal requirement.*
>
> *(f) Therefore, APNRL through this notice is claiming the impact of the events occurring beyond 27.2.2013 (hereinafter, the Cut-off date defined as the date, 7 days prior to bid closing date as per Clause 10.1.1 Procurer-PPA) that have the effect of altering its economic position with respect to the tariff initially agreed upon with PTC India Ltd; Unless adjustment of tariff is made, the power plant shall become economically unviable.*

(g)Cancellation of allotted mine is within the purview of "Change in Law" as embodied in Article 10 of the Procurer-PPA read with the definition of the expression "Law". The said Article 10 of the Procurer-PPA records the understanding between the parties to the effect that any change in law that occurs after seven days prior to the bid deadline and which results into any additional recurring/non-recurring expenditure by the Seller or any income to the Seller shall qualify as a "Change in Law" under Article 10 of the Procurer-PPA.

(h) As per the Procurer-PPA, article 10 pertaining to "Change in Law" provides remedies in the event of occurrence of any event of Change in Law ……

(i) With reference to the Change in Law event (as per article 10 of Procurer-PPA) due to cancellation of allotted coal block, APNRL hereby submits its claim towards incurred additional costs. Since the impact of all Change in Law events is permitted as a pass through by all ERCs, the Supplier is claiming the same vide this letter. The cost components and their financial impact is as discussed in the following sections.

(j) The Supplier submits that the key documentary proof in terms of the notification/circular in respect of Change in Law event, as required to be submitted to the PTC India Ltd. in terms of Article 10.3.(iii) of the PPA are enclosed herewith and marked as "Annexure-1.1".

(k) APNRL submits that the impact on account of "Change in Law" event (i.e. cancellation of coal mine) for the power supplied during the period 1.1.2016 to 30.11.2016, is Rs. 72.05 Crore. The said impact is estimated considering actual fuel sources. APNRL along with this notice is hereby raising an invoice amounting to Rs. 72.05 Crore towards aforementioned claim. The invoice for the aforementioned amount is attached herewith as Annexure 1.2.

(l) The future recovery of such impact due to change in law events will be claimed as per the provisions laid down in schedule A of the PPA on monthly basis.

(m) The claims attributable to "Change in Law" event on account of cancellation of allotted mine is as per the table below

Table 1: Summarization of Additional cost incurred towards fuel procurement

S.No.	***Particulars***	***Index***	***Claimed amount (Rs. Crore)***
1	*Claims for the period 1.1.2016 to 30.11.2016, due to Change in Law on account of cancellation of allotted Mine*	*B*	*72.05*

(n) It is relevant to state that the abovementioned cots have actually been incurred by the seller.

(o) Therefore, APNRL humbly requests to kindly accept the invoice raised for the power supplied to TANGEDCO for the period 1.1.2016 to 30.11.2016 and allow the claims on account of additional fuel cost incurred due to change in law event cited in the instant notice."

49. It is noted that the contents of the letter as quoted above refer to the cancellation of the coal blocks and its impact on the ability of the Petitioner to supply power at the rates agreed in the PPA. We are of the view that the Petitioner, through a letter dated 10.2.2017, had apprised PTC as well as TNPDCL about the impact of shortfall of coal in the tapering linkage pending operationalisation of the captive coal block and the impact of cancellation of the captive coal block by the Hon'ble Supreme Court on its

ability to discharge its obligations under the PPA; the said letter dated 10.2.2017 meets the requirement of notice under Article 10.4 of both the PPAs.

Issue No. 3: Whether the cancellation of allotment of the Ganeshpur coal block/de-allocation of the Ganeshpur coal block by the Hon'ble Supreme Court in Judgements/Orders dated 25.8.2014 and 24.9.2014 constitutes a valid Change in Law event?

50. The Petitioner has approached the Commission under Article 10 of the Procurer-PPA and Schedule I (VIII) of the PTA-PPA, read with Section 79 of the Act, for compensation/ consequential reliefs due to the impact of the Change in Law, i.e., cancellation of allotment of Ganeshpur coal block/de-allocation of Ganeshpur coal block by the Hon'ble Supreme Court in Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012 titled *Manohar Lal Sharma v. Principal Secretary & Ors.* and subsequent promulgation of the Coal Mines (Special Provisions) Ordinance, 2014, Coal Mines (Special Provisions) Act, 2015 and rules made thereunder.

51. Article 10 of the Procurer-PPA dealing with the events of Change in Law is extracted as under:

> ***"10 ARTICLE 10: CHANGE IN LAW***
>
> ***10.1 Definitions***
>
> *In this Article 10, the following terms shall have the following meanings:*
>
> *10.1.1 "Change in Law "means the occurrence of any of the following events after the date, which is seven (7) days prior to the Bid Deadline resulting into any additional recurring/non-recurring expenditure by the Seller or any income to the Seller:*
>
> - *the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;*
> - ***a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;***
> - *the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;*
> - *a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits, except due to any default of the Seller;*
> - *any change in tax or introduction of any tax made applicable for supply of power by the Seller as per the terms of this Agreement.*
>
> *but shall not include (i) any change in any withholding tax on income or dividends distributed to the shareholders of the Seller, or (ii) change in respect of UI Charges or frequency intervals by an Appropriate Commission or (iii) any change on account of*

regulatory measures by the Appropriate Commission including calculation of Availability.

10.2 Application and Principles for computing impact of Change in Law

10.2.1 ***While determining the consequence of Change in Law under this Article 10, the parties shall have due regard to the principle that the purpose of compensating the Party affected by such Change in Law, is to restore through monthly Tariff Payment, to the extent contemplated in this Article 10, the affected Party to the same economic position as if such Change in Law has not occurred****.*

10.3 Relief for Change in Law

10.3.1 Deleted

10.3.2 During Operating Period

The compensation for any decrease in revenue or increase in expenses to the Seller shall be payable only if the decrease in revenue or increase in expenses of the Seller is in excess of an amount equivalent to 1% of the value of the Standby Letter of Credit in aggregate for the relevant Contract Year.

10.3.3 For any claims made under Articles 10.3.1 and 10.3.2 above, the Seller shall provide to the Procurer and the Appropriate Commission documentary proof of such Increase/ decrease in cost of the Power Station or revenue/ expense for establishing the impact of such Change in Law.

10.3.4 The decision of the Appropriate Commission, with regards to the determination of the compensation mentioned above in Articles 10.3.1 and 10.3.2, and the date from which such compensation shall become effective, shall be final and binding on both the Parties subject to right of appeal provided under applicable law.

10.5 Tariff Adjustment Payment on account of Change in Law

10.5.1 ***Subject to Article 10.2, the adjustment in monthly Tariff Payment shall be effective from***

(I) the date of adoption, promulgation, amendment, re-enactment or repeal of the Law or Change in Law, or

(ii) the date of order/ judgment of the Competent Court or tribunal or Indian Governmental Instrumentality, if the Change in law is on account of a change in interpretation of Law

10.5.2 The payment for Change in Law shall be through Supplementary Bill as mentioned in Article 8.8. However, in case of any change in Tariff by reason of Change in Law, as determined in accordance with this Agreement, the Monthly Invoke to be raised by the Seller after such change in Tariff shall appropriately reflect the changed Tariff."

52. Schedule I (VIII) of the PTC-PPA is extracted as under:

*"**VIII. Article 10- Change in Law***
The terms of Article 10 of the Procurer-PPA shall be applicable to the Parties in its totality without any deviations under this Agreement"

53. The term "Law" has been defined under Article 1.1 of the Procurer-PPA as under:

""Law" shall mean in relation to this Agreement, all laws including Electricity Laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having

force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commission"

54. The events broadly covered under 'Change in Law' are as under:

a) Any enactment, bringing into effect, adoption, promulgation, amendment, modification, or repeal of any law, or

b) Any change in interpretation of any Law by a Competent Court of law, Tribunal, or Indian Governmental Instrumentality acting as the final authority under law for such interpretation, or

c) Any change in any consents, approvals or licenses available or obtained for the Project, than for default of JPL

d) The purpose of compensating the Party affected by such Change in Law is to restore through monthly tariff payments, to the extent contemplated in Article 10, the affected party to the same economic position as if such "Change in Law" has not occurred.

e) The adjustment in monthly tariff payment shall be effective from the date of adoption, promulgation, amendment, re-enactment, or repeal of Law or Change in Law or the date of order/judgment of the Competent Court or tribunal or Indian Governmental Instrumentality if the Change in Law is on account of a change in interpretation of Law.

f) The decision of the Commission with regard to the determination of compensation and the date from which such compensation shall become effective shall be final and binding on both parties, subject to rights of appeal provided under the Act.

g) The compensation shall be payable for any decrease in revenue or increase in expenses to the seller (APNRL) in excess of an amount equivalent

to 1% of the value of standby Letter of Credit in aggregate for the relevant Contract Year.

55. Having taken note of the scope of the Change in Law provisions in the PPAs, we now proceed to examine the Petitioner's Change in Law claim, i.e., cancellation of allotment of the Ganeshpur coal block/de-allocation of the Ganeshpur coal block by the Hon'ble Supreme Court in Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012 titled *Manohar Lal Sharma v. Principal Secretary & Ors.* and subsequent promulgation of the Coal Mines (Special Provisions) Ordinance, 2014, Coal Mines (Special Provisions) Act, 2015 and rules made thereunder.

56. Undisputedly, as per Format 4.13 of the RFP submitted by PTC, the primary fuel mentioned by the Petitioner in the bid was Tapering Linkage and the Ganeshpur Coal Block. In the present case, the cut-off date to claim the Change in Law event in terms of Article 10 of the Procurer's PPA is 27.2.2013. The Hon'ble Supreme Court cancelled the allotment of the Ganeshpur Coal Block/de-allocated the Ganeshpur Coal Block vide its Judgments/Orders dated 25.8.2014 and 24.9.2014 in Writ Petition (Criminal) No. 120/2012, titled *Manohar Lal Sharma v. Principal Secretary & Ors.* Further, the Government of India promulgated the Coal Mines (Special Provisions) Ordinance, 2014, the Coal Mines (Special Provisions) Second Ordinance, 2014, and the Coal Mines (Special Provisions) Act, 2015, w.e.f. 21.10.2014, 26.12.2014, and 30.5.2015, respectively.

57. The Commission dealt with a similar Petition filed by the Petitioner/APRNL in Petition No. 305/MP/2015 titled *APNRL v. WBSEDCL & Ors.* seeking compensation for (i) shortfall in supply of coal under tapering linkage granted pending operationalisation of the Ganeshpur captive coal block, and (ii) cancellation of the Ganeshpur captive coal block allocation with respect to back-to-back Power Purchase Agreements with

WBSEDCL and PTC. The Commission, vide order dated 29.1.2020, partially allowed the Petition, *inter alia*, holding that (i) cancellation of allocation of the Ganeshpur captive coal block in terms of the Hon'ble Supreme Court's Judgment in Manohar Lal Sharma v. Principal Secy. & Ors. did not constitute a Change in Law event under Article 10.1.1(b), (c) or (d) of the PSA/PPA, and (ii) the Petitioner shall be entitled to compensation to the extent of shortfall in tapering linkage granted pending operationalisation of the Ganeshpur captive coal block.

58. Aggrieved by the Commission's aforesaid order, both APNRL and WBSEDCL approached the APTEL through Appeal Nos. 143/2020 and 66/2020, respectively. The APTEL, vide common judgment dated 4.9.2025, affirmed the findings of the Commission, *inter alia*, holding that APNRL was entitled to compensation to the extent of shortfall in tapering linkage granted pending operationalisation of the captive block, which it met through the e-auction or import of coal, etc. (albeit the APTEL disagreed with the direction to approach through a fresh Petition). However, the APTEL overturned the Commission's findings on coal block cancellation and held that cancelling the allotment of the Ganeshpur captive coal block, pursuant to the Hon'ble Supreme Court's Judgment in Manohar Lal Sharma v. Principal Secy. & Ors., constituted a Change in Law event in terms of Article 10.1.1(b) of the PSA/PPA.

59. Aggrieved by the aforesaid decision, WBSEDCL had challenged the aforesaid judgment of the APTEL before the Hon'ble Supreme Court in Civil Appeal Nos. 2584 and 2585 of 2026. The Hon'ble Supreme Court, vide judgment dated 27.02.2026, partly allowed the appeals and upheld the findings that cancellation of the Ganeshpur captive coal block vide Manohar Lal (supra) and the subsequent promulgation of the Coal Mines (Special Provision) Act, 2015 constituted a Change in Law under Article 10 of the PPA/PSA and thereby, APNRL was entitled to Change in Law compensation w.e.f. 25.8.2014, along with carrying costs till the date of actual payment. However, the

Hon'ble Supreme Court set aside the APTEL's findings to the extent that it granted compensation for procuring coal through e-auction/import to meet the shortfall in tapering linkage granted, pending operationalisation of the Ganeshpur captive coal block. The relevant portion of the said judgment dated 27.2.2026 is extracted as under:

> *"24. With regard to compensation payable on account of additional coal cost arising due to a Change in Law event i.e. cancellation of Ganeshpur captive coal block vide this Court's decision in Manohar Lal (supra) and the subsequent promulgation of the Coal Mines (Special Provision) Act, 2015, we are in wholesome agreement with APTEL that in Manohar Lal (supra), this Court interpreted the provisions of Coal Mines Nationalization Act, 1957 ('CMN Act') and Mines & Minerals Development and Regulation Act, 1957 ('MMDR Act') in a manner different from the interpretation adopted by the Government of India, and consequently cancelled the allotment of coal blocks made by the Screening Committee as well as through the Government dispensation route. This change in interpretation of the CMN Act, 1957 and the MMDR Act, 1957 by this Court resulting in cancellation of the coal blocks and subsequent promulgation of the Coal Mines (Special Provision) Act, 2015 falls within Articles 10.1.1(b) and 10.1.1(f) of the PPA/PSA. There is no cavil that such Change in Law materially affected the right of APNRL to procure coal from the cancelled coal block, compelling it to source coal from other sources at a higher price. WBSEDCL cannot claim immunity under Article 2.5 of the PPA/PSA. We say so as Article 2.5 and Article 10 operate in different fields. While Article 2.5 indemnifies WBSEDCL against escalation in coal price beyond the levelized price9 where coal is procured from sources other than the captive source i.e. the Ganeshpur captive coal block, Article 10 is triggered when a Change in Law event materially affects the right of APNRL to operate the coal block and meet its obligation under the PPA/PSA. Given this situation, APTEL had rightly reversed the findings of CERC vis-à-vis Change in Law event and awarded compensation with effect from 25.08.2014, along with carrying costs until the date of actual payment.*
>
> *25. However, we are unable to agree with APTEL's view that APNRL would be entitled to compensation for procurement of coal through e-auction/imports to meet the shortfall in tapering linkage prior to the cancellation of the coal block on 25.08.2014. In arriving at this conclusion, APTEL appears to have lost sight of the fact that the Minutes of Meeting dated 03.01.2011 expressly recorded, as one of the salient features, that the Ganeshpur Captive Coal block had been allotted to APNRL in joint venture with TISCO. It was also assured by APNRL that the said coal block would be operational by the time power supply to WBSEDCL commenced. In this factual backdrop, it was incorrect for APTEL to hold that the indemnity clause contained in Article 2.5 of the PPA/PSA would be inapplicable as delay in operationalization of the coal block was attributable to inaction by the lead miner TISCO and/or owing to 'go-no-go' policy of the Ministry of Environment and Forests. Such restrictive interpretation of Article 2.5, in our considered opinion, is untenable, as it would expose WBSEDCL to the vagaries of coal cost escalation due to unforeseen events, save and except a Change in Law event under Article 10 of the PPA/PSA. APTEL's reliance on its earlier decision in GMR Kamalanga Energy Ltd. and Anr v. CERC and Ors.10 is also misconceived. The said decision is clearly distinguishable on facts, inasmuch as the PPA therein did not contain any clause akin to Article 2.5 indemnifying the purchaser against cost escalation arising due to procurement of coal from sources other than the captive source.*
>
> ***Conclusion***
>
> *26. In light of such discussion, the appeals are partly allowed and the impugned order dated 04.09.2025 passed by APTEL is set aside to the limited extent that it grants compensation for procurement of coal through e auction/import to meet shortfall in*

tapering linkage granted to it pending operationalization of the Ganeshpur captive coal block. The remaining portion of the order awarding compensation on account of Change in Law events with effect from 25.08.2014 along with carrying costs till the date of actual payment, is upheld. Though not placed on record during the course of hearing, we have taken note of the fact that CERC has already passed a consequential order dated 11.02.2026 for implementation of the impugned order. We direct CERC to modify its order in terms of the aforesaid directions within four weeks from the date of this order. No order as to costs."

60. In light of the Hon'ble Supreme Court judgment, the issue of declaration of cancellation of the Ganeshpur captive coal block by the Hon'ble Supreme Court in Manohar Lal (supra) and the subsequent promulgation of the Coal Mines (Special Provision) Act, 2015 as Change in Law is no longer *res-integra*.

Issue No. 4: What reliefs, if any, should be granted to the Petitioner in the light of the answers to the above issues?

61. The declaration of cancellation of the coal block as a Change in Law entitles the Petitioner to relief under the Change in Law provisions of the PPA for the additional cost incurred on account of procurement of alternate coal after cancellation of the coal block. Given the applicability of limitation in the present matter, the said compensation shall be payable only from 21.8.2022 onwards (i.e., the limitation period). This decision is in accordance with the similar compensation allowed to the Petitioner in the remand order in Petition No. 305/MP/2015. The relevant extract of the Commission's order dated 11.2.2026 is as under:

"24. Further, for the period after cancellation of coal block from 25.8.2014 to 31.3.2022, the Petitioner shall be entitled to additional coal cost incurred on account of procurement of alternate coal due to cancellation of coal block, over and above the recovery of energy charges in terms of Article 2 read with Schedule A of the PSA."

In light of the above, the Petitioner shall be entitled to recover the additional cost of coal incurred in procuring alternate coal due to the cancellation of the coal block from 21.8.2022.

Carrying cost

62. Relying on the Hon`ble Supreme Court's Judgments in the cases of ***Uttar Haryana Bijli Vitran Nigam Ltd. & Anr. v. Adani Power Ltd. & Ors., [(2019) 5 SCC***

325], Uttar Haryana Bijli Vitran Nigam Limited v. Adani Power (Mundra) Limited, [(2023) 2 SCC 624], GMR Warora Energy Ltd. v. CERC & Ors, [(2023) 10 SCC 401], Jaipur Vidyut Vitran Nigam Ltd. & Ors. v. Adani Power Rajasthan Ltd., [2025 SCC OnLine SC 1211], the Petitioner has submitted that it is a settled position of law that in order to effect restitution of an affected party on account of Change in Law event, the affected party, the Petitioner herein, is entitled in law to be compensated along with the carrying cost/interest on compounding basis.

63. We have considered the submissions of the Petitioner. The issue of carrying cost is no longer res-integra, as the Hon'ble Supreme Court in Uttar Haryana Bijli Vitran Nigam Ltd & Anr. vs **Adani Power Ltd. & Ors. [(2019) 5 SCC Online 325]** has allowed carrying cost on the principle of restitution. Relevant portion of the said judgment dated 25.2.2019 is extracted as under:

> *"10. …This being the case, the restitutionary principle contained in Article 13.2 would kick in for the simple reason that it is only after the order dated 4-5-2017 [Adani Power Ltd. v. Uttar Haryana Bijli Vitran Nigam Ltd., 2017 SCC OnLine CERC 66] that CERC held that the respondents were entitled to claim added costs on account of change in law w.e.f. 1-4-2015. This being the case, it would be fallacious to say that the respondents would be claiming this restitutionary amount on some general principle of equity outside the PPA. Since it is clear that this amount of carrying cost is only relatable to Article 13 of the PPA, we find no reason to interfere with the judgment of the Appellate Tribunal."*

64. It is observed that Article 10.2 of the PPA executed between PTC and TNPDCL is premised on the same restitutionary principle and provides as under:

> *"10.2.1 While determining the consequence of Change in Law under this Article 10, the Parties shall have due regard to the principle that the purpose of compensating the Party affected by such Change in Law, is to restore through monthly Tariff Payment, to the extent contemplated in this Article 10, the affected* ***Party to the same economic position as if such Change in Law has not occurred****."*

65. Thus, the Petitioner is entitled to carrying cost on the compensation determined on account of a Change in Law. However, TNPDCL has submitted that the present Petition was filed only in August 2025, while the events alleged as Change in Law occurred in 2014–2015 and were rejected by the Respondents in 2017–2018. The

Petitioner took no steps for nearly ten years and has now attempted to claim carrying cost for the entire period of its own inaction. TNPDCL has argued that it is a long-settled principle that a litigant cannot claim carrying cost for periods attributable to its own delay, and that any such periods must be excluded. The APTEL has categorically held so in *MSEDCL v. MERC, Appeal No. 70 of 2007 (19.09.2007); Torrent Power Ltd. v. GERC, Appeal Nos. 147, 148 & 150 of 2013 (30.05.2014) and PGVCL v. GERC, Appeal No. 45 of 2014 (04.12.2014).* These judgments uniformly hold that the delay in filing a Petition or providing the requisite information disentitles the claimant from carrying cost for the delayed period.

66. We have considered the submissions of TNPDCL. The issue of carrying cost was also dealt with by this Commission in Petition No. 513/MP/2020 wherein the Commission had set the following principles vide order dated 23.6.2023 for such cases:

> *"61. This judgement allows carrying cost on revenue gap where the deferment is on account of reasons other than attributable to the distribution licensee. Conversely, if the deferment is attributable to distribution licensee, then carrying cost can be legitimately denied. Extrapolating the same principle in case of delay in filing the petition for Change in Law claims by a generating company, it can be held that the carrying cost would not be admissible if the claims are not brought before the Commission as soon as possible after becoming aware of the Change in Law events. We consider a maximum gap of six month as reasonable between the occurrence of Change in Law event and filing of the petition. Accordingly, we hold that where there is a lapse of six months or more between the occurrence of Change in Law affecting the Seller and filing of the petition, no carrying cost shall be admissible for the period prior to filing of the petition. In case, the petition is filed within six months, carrying cost shall be admissible from the date the seller is affected by change in law till the date of the Order provided the seller is eligible as per Article 13.2(b) of the PPA. Accordingly, carrying costs are allowed as under….."*

67. In view of the above order, the Petitioner in the present case shall be entitled to carrying costs for the claims falling within the limitation period considered by the Commission from the date of filing of the Petition. As regards the rate of interest for computing carrying cost, Article 8.3.5 of the PPA provides as under:

> *'8.3.5. in the event of delay in payment of monthly bill by the Procurer beyond its Due Date, a Late Payment Surcharge (LPS) shall be payable by such Procurer to the Seller at the rate equal to SBIPLR per annum, on the amount*

of outstanding payment, calculated on a day to day basis (and compound with monthly rests), for each day of the delay'. The Late Payment Surcharge shall be claimed by the seller through the Supplementary Bill."

Accordingly, the carrying cost shall be paid at the interest rate mentioned in Article 8.3.5 of the PPA or at the actual interest rate paid by the Petitioner or the rate of interest on Working Capital as per the applicable CERC Tariff Regulations, whichever is the lowest.

68. Accordingly, Petition No. 845/MP/2025 is disposed of in terms of the above discussions and findings.

Sd/-	sd/-	sd/-	sd/-
(Ravinder Singh Dhillon)	**(Harish Dudani)**	**(Ramesh Babu V.)**	**(Jishnu Barua)**
Member	**Member**	**Member**	**Chairperson**