

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 96/MP/2015

Subject : Petition under Section 79(1)(c) & (f) and other applicable provisions of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium-Term Open Access in the inter-State transmission and related matters) Regulations, 2009 against the cancellation of LTA granted by the Respondent and encashment of bank guarantee.

Petitioner : Chettinad Power Corporation Private Limited (CPCL)

Respondents : Powergrid Corporation of India Limited (PGCIL) & Anr.

Date of Hearing : **8.1.2026**

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

Parties present : Ms. Swapna Seshadri, Advocate, CPCL
Ms. Aishwarya Subramani, Advocate, CPCL
Shri Sitesh Mukherjee, Senior Advocate, CTUIL
Ms. Deepriya Snehi, Advocate, CTUIL
Ms. Abiha Zaidi, Advocate, CTUIL
Shri Pritam Raman G, Advocate, CTUIL
Ms. Suriti Chowdhary, Advocate, CTUIL
Ms. Pragya Samal, Advocate, CTUIL
Ms. Tanya Sharma, Advocate, CTUIL
Ms. Arushi, Advocate, CTUIL
Shri Swapnil Verma, CTUIL
Shri Ranjeet Rajput, CTUIL
Shri Lashit Sharma, CTUIL

Record of Proceedings

During the course of the hearing, the learned senior counsel and the learned counsel for both sides argued the matter at length.

2. Learned counsel for the Petitioner mainly submitted as under:

(a) The Commission's Order dated 8.3.2017 was set aside by the APTEL vide Judgment dated 11.9.2025, restoring the Petition for reconsideration,

(b) Pursuant to the remand judgment, the validity of the bank guarantee

encashment must be assessed considering Petitioner's inability to pursue the Project due to suspension of environmental clearance and the fact that CTUIL had not committed any technical or financial resources or suffered any loss in relation thereto,

(c) The encashment of the Bank Guarantee by CTUIL was invalid as the Project could not proceed due to suspension of environmental clearance & cancellation of connectivity, as held by the Hon'ble High Court of Delhi in *NSL Nagapatnam Infrastructure Pvt. Ltd. v CERC & Ors. (W.P.(C) 6791 of 2017)*, CTUIL must demonstrate a commitment of resources to justify the invocation of the bank guarantee.

(d) CTUIL must be directed to refund the encashed bank guarantee amount along with carrying cost, as no prejudice or loss was caused to CTUIL.

3. Learned senior counsel appearing on behalf of CTUIL mainly submitted as under:

(a) CTUIL acted in accordance with the applicable regulations and Detailed Procedure by requiring execution of the LTA Agreement within time and, instead of mechanically encashing the BG, assessed the Petitioner's preparedness and project milestones before deciding on encashment.

(b) In the 17th SR Constituents' meeting and through letters dated 14.8.2014 and 30.1.2015, the Petitioner expressly agreed to encashment of the BG upon failure to execute the LTA Agreement or obtain environmental clearance within the extended timelines,

(c) The Petitioner has failed to demonstrate any hardship that prevented it from executing the LTA Agreement, and has also failed to establish any nexus between the suspension and subsequent challenge to the environmental clearance and its non-signing of the LTA,

(d) The BG is a regulatory instrument to ensure the seriousness of the LTA applicants and prevent blocking of transmission capacity or stranded assets, that no proof of actual loss is a precondition for its encashment, and that CTUIL, having exercised discretion through repeated extensions, justifiably invoked the BG.

4. Further, at the request of the learned senior counsel and learned counsel for the parties, the Commission permitted both sides to file their respective written submissions within ten days, with a copy to the other side.

5. Subject to the above, the Commission reserved the order in the matter.

By order of the Commission

Sd/-

(T.D. Pant)

Joint Chief (Law)