



WEB COPY

WP No. 12809 of 2



-IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 01-04-2026

CORAM

THE HON'BLE MR JUSTICE C. SARAVANAN

WP No. 12809 of 2026

AND

WP NO. 12816 OF 2026, WMP NO. 14019 OF 2026, WMP NO. 14026 OF 2026

The Tamil Nadu Power Distribution Corporation Limited
(Previously Tamil Nadu Generation and Distribution Corporation Limited),
Rep. by its Authorized Signatory,
7th and 10th Floor, East Wing, NPKKR Maaligai,
Anna Salai, Chennai 600 002.

..Petitioner(s)

Vs

The Deputy Commissioner of Income Tax,
TDS Circle 3(i/c),
BSNL Office, 1st Floor,
No. 16, Greams Road, Thousand Lights,
Chennai-600 006

..Respondent(s)

WP No. 12816 of 2026

The Tamil Nadu Power Distribution Corporation Limited
(Previously Tamil Nadu Generation and Distribution Corporation Limited),
Rep. by its Authorized Signatory,
7th and 10th Floor, East Wing, NPKKR Maaligai,
Anna Salai, Chennai 600 002.

..Petitioner(s)

Vs

The Deputy Commissioner of Income Tax,
TDS Circle 3(i/c),
BSNL Office, 1st Floor,
No. 16, Greams Road, Thousand Lights,
Chennai 600 006



..Respondent(s)

WEB

Prayer in WP No.12809 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, call for the records of the case on the file of the Respondent resulting in the Impugned Order passed by the respondent under Section 201(1) / 201(1A) of the Income Tax Act, 1961, dated 26.02.2026 in DIN No.TRACES/O/201(1) / 201(1A) /2025-26/062951 (F.No. DCIT/TDS CIR-3/201- TNPDCCL-2017-18/2025-26) for the Assessment Year 2018-19 in PAN : AADCT4784E and quash the same as illegal and without jurisdiction and declare that no tax was deductible at source under section 194C of the Income Tax Act,1961 on power purchase payments, wheeling charges, transmission charges and under section 194A of the Income Tax Act, 1961 on interest payment to IREDA.

Prayer in WP No. 12816 of 2026: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, call for the records of the case on the file of the Respondent resulting in the Impugned Order passed by the respondent under Section 201(1) / 201(1A) of the Income Tax Act, 1961, dated 26.02.2026 in DIN No. TRACES/O/201(1)/201 (1A)/2025-26/062893 [F.No.DCIT/TDS CIR-3/201-TNPDCCL-2018-19/2025-26] for the Assessment Year 2019-20 in PAN AADCT4784E and quash the same as illegal and without jurisdiction and declare that no tax was deductible at source under section 194C of the Income Tax Act, 1961 on power purchase payments, wheeling charges, transmission charges and under section 194A of the Income Tax Act, 1961 on interest payment to IREDA and no interest payable under section 201(1A).

In Both Writ Petitions

For Petitioner(s):

Mr.N.L.Rajah, Senior Counsel
for M/s. Subbaraya Aiyar Padmanabhan



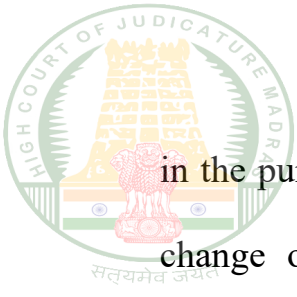
Common Order

WEB COPY

Heard the learned Senior Counsel for the Petitioner.

2. This is the second round of litigation before this Court. Earlier, the Petitioner had suffered adverse orders dated 29.03.2025 under Section 201/201(1A) of the Income Tax Act 1961. This order was challenged by the Petitioner in WP No.16558 of 2025. This Court intervened and remitted the case back to the Respondents to pass fresh orders on merits. Pursuant to the aforesaid order dated 18.06.2025 in WP No.16558 of 2025, the impugned orders have been passed for the respective assessment years, namely 2018-19 and 2019-20.

3. The argument of the learned Senior Counsel for the Petitioner is that the Petitioner was not required to deduct tax on the purchase of power from various power-generating companies under various power purchase agreements signed during the period in dispute. It is submitted that the electricity has been declared as “within goods” and, therefore, only for the first time tax was to be deducted under Section 194(Q) pursuant to insertion of Section 194(Q) with effect from 01.07.2021 vide the Finance Act, 2021. It is submitted that the power-generating company, which generated power and supplied it to the Petitioner and the Petitioner, was TANGEDCO (a composite company engaged



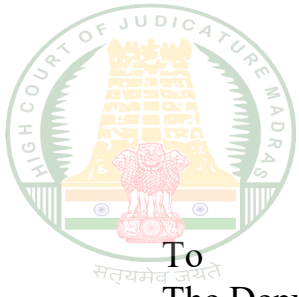
in the purchase and distribution of electrical energy). It is submitted that by no change of imagination can be stated under the various power purchasing agreements, as the suppliers were work contractors (billing and transmission).

4. *Prima facie*, the Petitioner appears to be made out a case. Considering the same, I am inclined to admit this Writ Petition. There shall be an interim order as prayed for a period of eight weeks from today. The Petitioner shall serve notice on the learned counsel for the Respondent. Private notice is also permitted.

5. List this matter on 01.06.2026, for filing counter and for final orders.

GBI

01-04-2026



WEB COPY

To
The Deputy Commissioner of Income Tax,
TDS Circle 3(i/c),
BSNL Office, 1st Floor,
No. 16 Greams Road, Thousand Lights,
Chennai 06

WP No. 12816 of 2026

To
The Deputy Commissioner of Income Tax,
TDS Circle 3(i/c),
BSNL Office, 1st Floor,
No. 16 Greams Road, Thousand Lights,
Chennai 06



WEB COPY

WP No. 12809 of 2



C.SARAVANAN J.

GBI

**WP No. 12809 of 2026
AND
WP NO. 12816 OF 2026, WMP NO. 14019 OF 2026, WMP NO. 14026 OF
2026**

01-04-2026