

**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI****Bench
Sr.Nos:-
15-18
[3483]****WRIT APPEAL NO: 792 of 2025 along with
W.A.Nos.793, 794 & 795 of 2025****W.A.No.792 of 2025:**

Ecoren Energy India Private Ltd and others

...Appellants

Vs.

Union of India and others

...Respondents

Advocate for Appellants : Mr. P. Sri Raghu Ram, Sr. Counsel &
Mr. Shoeb Alam, Sr. Counsel
appearing vice
Ms. Shagufta Jahan Noor

Advocates for Respondents : Mr. O. Manohar Reddy, Sr. Counsel

**CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR
SRI JUSTICE RAVI CHEEMALAPATI****DATE : 11th July 2025****Per DHIRAJ SINGH THAKUR, CJ:**

The present set of Writ Appeals, under Clause 15 of the Letters Patent, have been preferred against a common judgment and order, dated 02.07.2025, rendered in I.A.Nos.1, 2 & 3 of 2024 and I.A.No.1 of 2020 in W.P.No.21601 of 2019, whereby the interim orders, dated 02.01.2020 and 22.11.2022 are vacated.

2. Briefly stated, the material facts are as under:

The appellants herein are wind and solar power generators, who claim that they had entered into Power Purchase Agreements (in short, 'PPA') with the Power Distribution Companies at rates which also had statutory approval of the Regulatory Authority i.e. the Andhra Pradesh Electricity Regulatory Commission (APERC).

3. According to the Power Purchase Agreements entered into between the parties, the appellants had claimed that they were entitled to be paid the charges as per the agreed rates prescribed for solar power and wind power separately. The appellants claim that on account of the change of the Government in 2019, there was a change in policy and perception and an effort was made by the Government through the Power Distribution Companies, which are controlled only by the Government, to deny to the appellants the rates which are otherwise fixed as per the Power Purchase Agreements.

4. In the earlier round of litigation, it is stated that a Writ Petition was filed in which, as an interim measure, a learned single Judge of this Court ordered to pay an amount of Rs.2.44/- per unit of solar power generated and Rs.2.43/- per unit of wind power generated till such time as O.P.No.17 of 2019 filed by the Power Distribution Companies before the Regulatory Commission was decided.

5. It is stated that a batch of Writ Appeals came to be preferred challenging this direction passed by the learned single Judge, which was ultimately set aside and the DISCOMs were directed to pay the appellants the same rates as were contained in the Power Purchase Agreements for the power so generated by them.

6. The Division Bench also held that the O.P.No.17 of 2019 preferred by the DISCOMs before the Regulatory Commission was not maintainable as it was not open to the Regulatory Commission to amend the parameters and reduce the tariff, which was to be made operative for a period of 25 years by separate tariff orders, as the same was not subject to periodic review.

7. In the interregnum between the date when the order, dated 29.04.2019, came to be passed by the learned single Judge, which subsequently became the subject matter of Writ Appeals as discussed hereinabove and the decision rendered in the batch of Writ Appeals by virtue of judgment and order, dated 15.03.2022, the appellants herein preferred W.P.No.21601 of 2019.

8. The relief that was prayed for in the aforementioned Writ Petition was in the nature of Mandamus to the Power Distribution Company to make payments of the outstanding amounts in respect of the respective Power Purchase Agreements along with late payments of surcharge at an interim

rate of Rs.2.43/- per unit. A further relief was sought to restrain the lenders/respondent Nos.6 to 8 in the writ petition i.e. India Infrastructure Finance Company Ltd., Tata Cleantech Capital Ltd., and M/s. PTC India Financial Services Ltd. from taking any precipitative steps against the petitioners in respect of loan facilities extended to them and further that the statutory period of 90 days for declaring the account as Non Performing Asset (NPA) as per RBI Master Circular, dated 01.07.2015, and RBI Circular, dated 07.06.2019, should commence after the O.P.No.17 of 2019 was finally disposed of.

9. By virtue of the interim orders, dated 02.01.2020 and 22.11.2022, in W.P.No.21601 of 2019, the learned single Judge passed the following orders:

Order, dated 02.01.2020:

“
.....

In the meantime, considering that, in the order dated 24-09-2019 in W.P.No.9844 of 2019 and batch, this Court observed that the petitioners have invested money and have also borrowed money for establishing the project, where the return of investment, the tariff etc., is the basis for financial assistance rendered by the institutions, there shall be stay of proceedings of declaration of NPA in respect of the petitioners.”

Order, dated 22.11.2022:

“
.....

In view of the above circumstances, there shall be an interim direction directing the respondents not to take any coercive action against the petitioners till 02.12.2022.”

10. Interlocutory Applications vide I.A.Nos.1, 2 & 3 of 2024 and I.A.No.1 of 2020 came to be filed by the respondents/lenders seeking vacation of the interim orders, dated 02.01.2020 and 22.11.2022, which applications are ordered by virtue of the judgment and order, dated 02.07.2025, which is impugned in the present set of writ appeals.

11. Mr. P. Sri Raghu Ram, learned Senior Counsel & Mr. Shoeb Alam, learned Senior Counsel appearing for the appellants, would submit that it was true that huge sums of money had been advanced by the private respondents, based upon the feasibility of the projects of the appellants in reference to the Power Purchase Agreements executed between the parties, yet if the lenders were permitted to recover the dues which the appellants owe to them on account of loans advanced, it would result in the closure of the entire power generation units set up by the appellants.

12. It was also stated that if an interim order was permitted to continue for a period of as many as five years, it should have been permitted to continue further till the matter was finally heard and decided by the learned single Judge.

13. We have heard learned counsel for the parties.

14. Learned counsel for the appellants lay a lot of emphasis on the need to sustain the power generating units, which would suffer irreparably in case the lenders were permitted to recover their dues and that if they were

permitted to recover the dues, it would also directly affect the availability of power, which is otherwise required for the industrial growth of the country.

15. We find it difficult to accept the argument of learned counsel for the appellants that the lenders be restrained from recovering their outstanding dues till such time as the entire payment is received by them from the power distribution companies. In fact, the stand of the power distribution company is that the amounts strictly as per the Power Purchase Agreements were being paid to the appellants.

16. However, the right which is vested with the lenders to declare an account as an NPA is a statutory right to recover the outstanding dues and cannot be made subject to a further recovery from a third party like the power distribution company, which is not a signatory to the loan agreements entered into between the appellants and the lenders.

17. In any case, learned counsel for the appellants has failed to satisfy us as to how, in view of the specific loan agreements executed between them and the lenders, the lenders could be restrained from proceeding further to recover the amounts outstanding after declaring the accounts of the appellants as NPA and that too the same is in accordance with the RBI Master Circular, dated 01.07.2015, and RBI Circular, dated 07.06.2019.

18. Be that as it may, we do not find any merit in the present Writ Appeals, which are, accordingly, dismissed. No costs.

Consequently, connected miscellaneous applications, if any, shall stand closed.

DHIRAJ SINGH THAKUR, CJ

RAVI CHEEMALAPATI, J

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**HON'BLE MR. JUSTICE DHIRAJ SINGH THAKUR, CHIEF JUSTICE
&
HON'BLE MR. JUSTICE RAVI CHEEMALAPATI**

W.A.Nos.792, 793, 794 & 795 of 2025

Dt: 11.07.2025

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