



WEB COPY



W.A.No.928 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 21.04.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

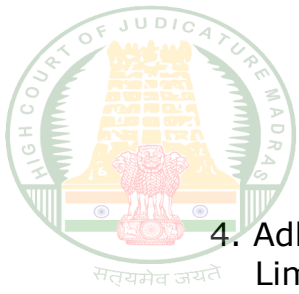
WA No.928 of 2026
and CMP No.9728 of 2026

PTC India Limited
Rep by its Chairman and Managing Director,
2nd Floor, NBCC Tower,
15, Bhikaji Gama Place, New Delhi-110066.

Appellant(s)

Vs

1. Tamil Nadu Power Distribution
Corporation Limited
Rep by its Chief Engineer,
Private Power Projects, 6th Floor
Eastern Wing, 144, Anna Salai,
Chennai - 600 002.
2. Union of India
Rep by its Secretary
Ministry of Power, Shram Shakti Bhavan
Rafi Marg, New Delhi-110 001.
3. Indian Overseas Bank
Anna Salai Branch, Chennai-600 002.



W.A.No.928 of 2026

4. Adhunik Power and Natural Resources
Limited, Rep. by its Chief Executive Officer,
1st Floor, 468, Udyog Vihar,
Phase -III, Gurugram-122016, Haryana.

WEB COPY

Respondent(s)

For Appellant(s): Mr.Vijay Narayanan
Senior Counsel
for Mr.Prahalad Bhat.K.

For Respondent(s): Mr. P.S.Raman
Advocate General
Assisted by
Mr. D.R.Arun Kumar for R1

Mr. T.Mohan, Senior Counsel
for Mr. Bhagavath Krishnan
for R4

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

Assailing the order dated 25.3.2026 passed by the learned
Single Judge, the second respondent in the writ petition has filed
this appeal.

2.1. The case of the appellant is that the appellant is a
licensed electricity trader operating under the Electricity Act, 2003
and had entered into a back-to-back Power Purchase arrangement



W.A.No.928 of 2026

with the first respondent and the fourth respondent. The contractual framework clearly establishes a pass-through payment mechanism, wherein the liability of the first respondent flows to the appellant, and thereafter to the fourth respondent.

2.2. It is stated that disputes arose regarding payment of capacity charges, which were adjudicated by the Central Electricity Regulatory Commission (CERC) and, subsequently, upheld by the Appellate Tribunal for Electricity (APTEL). Execution proceedings were also initiated and the matter is currently sub judice before APTEL, where appeals and stay applications are pending.

2.3. It is further stated that despite having invoked the statutory appellate remedy under Section 111 of the Electricity Act, the first respondent filed a writ petition challenging the invocation of Letter of Credit, which is purely contractual in nature and the learned Single Judge, without affording an opportunity to the appellant herein to file a counter affidavit, granted injunction restraining encashment of the Letter of Credit. Hence, the present appeal.



W.A.No.928 of 2026

WEB COPY

3.1. Learned Senior Counsel appearing on behalf of the appellant submits that the order impugned passed by the learned Single Judge is in gross violation of the principles of natural justice, in as much as the appellant was not afforded an opportunity to file its counter affidavit.

3.2. It is further submitted that in view of the alternative efficacious remedy available to the first respondent under the provisions of the Electricity Act, 2003, the writ petition is not maintainable. It is further submitted that the appeal filed by the first respondent before the Appellate Tribunal for Electricity is pending consideration and, therefore, the writ petition ought not to have been entertained by the learned Single Judge.

3.3. Learned Senior Counsel pointed out that seeking identical prayer to restrain the invocation of Letter of Credit the first respondent had already filed an application before the Appellate Tribunal and, hence, the writ petition seeking identical relief before



W.A.No.928 of 2026

this court is an abuse of process. He added that, in fact, the Letter of Credit already stood invoked on 23.2.2026.

3.4. It is further submitted that in view of the order passed by the learned Single Judge, invocation of one Letter of Credit is injuncted, whereas the Letter of Credit which the appellant has given to appellant is not stayed and, therefore, the appellant is put to undue hardship.

4. Learned Advocate General appearing on behalf o the first respondent submitted that the appeal is pending consideration before the Appellate Tribunal for Electricity and the matter is directed to be listed on 22.4.2026 and, therefore, no interference is warranted at this stage.

5. Learned Senior Counsel appearing on behalf of the fourth respondent submitted that the dispute is only between the appellant and the first respondent and the fourth respondent has no role to play.



W.A.No.928 of 2026

WEB COPY

6. It is not in dispute that the appeal along with interim applications is listed on 22.4.2026 before the Appellate Tribunal for Electricity.

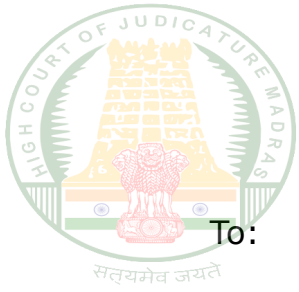
7. We are of the view that any order passed in this appeal will have a direct bearing on the proceedings pending before the Appellate Tribunal for Electricity. We, therefore, direct all the parties to maintain status-quo till the outcome of the stay application pending before the Appellate Tribunal for Electricity. We request the Appellate Tribunal for Electricity to dispose of the stay application in accordance with law as expeditiously as possible.

List this appeal on 2.6.2026.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)

21.04.2026

sasi



W.A.No.928 of 2026

To:

1. The Chief Engineer,
Tamil Nadu Power Distribution
Corporation Limited
Private Power Projects, 6th Floor
Eastern Wing, 144, Anna Salai,
Chennai - 600 002.
2. The Secretary, Union of India
Ministry of Power, Shram Shakti Bhavan
Rafi Marg, New Delhi-110 001.
3. Indian Overseas Bank
Anna Salai Branch, Chennai-600 002.



WEB COPY



W.A.No.928 of 2026

THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

(sasi)

WA No.928 of 2026

21.04.2026