THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2322/2025

QUORUM

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

Hon'ble Shri Griesh Kumar Vaish, Member(Law)

IN THE MATTER OF

Petition under Section 86(1)(b) read with Section 86(1)(f) of the Electricity Act, 2003, and PPA dated 10.12.2010 seeking directions to UPPCL for payment of interest/carrying cost component on outstanding dues as on 03.06.2022 converted into "Equated" Monthly Instalments in terms of the Rule 5 of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022.

AND

IN THE MATTER OF

Bajaj Energy Private Ltd.

TC – 13, Vibhuti Khand, Gomti Nagar, Lucknow – 226 010

.... Petitioner

VERSUS

1. **U.P. Power Corporation Ltd. (UPPCL)**

Shakti Bhawan, 14-Ashok Marg, Lucknow-226001

.... Respondents

THE FOLLOWING WERE PRESENT

1. Shri Hemant Sahai, Advocate, UPPCL
2. Shri Nitish Gupta, Advocate, UPPCL
3. Shri Nipun Sharma, Advocate, UPPCL
4. Ms. Varanika Tyagi, Advocate, UPPCL
5. Shri. Anil Kumar, SE, UPPCL

6. Shri Kashi Nath Yadav, EE(PPA), UPPCL
7. Shri Manish Dwivedi, CE(PPA), UPPCL
8. Shri Ketan Patil, V. P, BEPL
9. Shri Amit Mittal , Executive Director, BEPL
10. Shri Amit Kapoor, Advocate, BEPL
11. Shri Akshat Jain, Advocate, BEPL
12. Shri Avdesh Mandloi, Advocate, BEPL
13. Shri Amit Kumar Pandey, Sr. Manager, BEPL

ORDER

(DATE OF HEARING: 09.07.2026)

1. During the previous hearing held on 21.04.2026, after considering the respondent's request, the Commission granted four weeks to the Respondent for filing its reply and a further four weeks thereafter to the Petitioner for filing its rejoinder. UPPCL has filed its reply on 05.06.2026. The petitioner has filed rejoinder on 03.07.2026.

2. During the hearing today, Learned Counsel Sri. Kapoor for the Petitioner submitted that UPPCL had incorrectly treated the outstanding dues as repayable through equal monthly instalments rather than equated monthly instalments (EMIs) as contemplated under Rule 5 of the LPS Rules, 2022. The Counsel further added that the expression "Equated Monthly Instalments (EMIs)" under Rule 5 of the LPS Rules, 2022 has a settled financial meaning and necessarily comprises both principal and interest components. The counsel placed reliance on various judgements of Hon'ble High Court and Supreme Court and various provisions contained in RBI's master direction titled (Regulatory Framework for Micro Finance Lons) Directions,2022 dated 17.07.2025 to contend that EMIs cannot be equated with simple equal monthly payments of principal.

3. Shri. Kapoor argued that UPPCL incorrectly computed the instalments by merely dividing the outstanding dues into equal monthly portions without accounting for any interest or carrying cost, thereby defeating the very concept of EMIs and depriving the Petitioner of compensation for the deferred recovery of its dues. He argued that carrying cost represents compensation for the time value of money and is distinct from Late Payment Surcharge (LPS), which is penal in nature. Therefore, the counsel argued that, Rule 5(3) of the LPS Rules, 2022 only grants exemption from payment

of LPS upon adherence to the instalment schedule and does not extinguish the interest component embedded in the EMI structure. The counsel further placed reliance on the second proviso to Rule 5(2) to contend that the repayment mechanism envisages an amortized structure involving both principal and interest. Therefore, the Respondent UPPCL ought to have factored in carrying cost while computing the EMIs and LPGCL is entitled to recovery of such carrying cost on account of the deferred payment of their admitted dues.

4. Learned Counsel, Shri. Sahai for the Respondent, raised a preliminary objection that the petition, being a money claim towards recovery of interest/carrying cost, is barred by limitation. He further submitted that the limitation period of three years can be extended only through a valid acknowledgment of liability or part payment, and not by mere correspondence or negotiations between the parties. The counsel argued that the cause of action arose on 03.06.2022, the date of notification of LPS Rule or latest on 05.08.2022, when the first instalment was due, however the petition was filed in Oct,2025 which is beyond the prescribed limitation period of 3 years. It was further contended that the issue of limitation, being a pure question of law, may be raised at any stage of the proceedings. Learned Counsel sought liberty to file a brief note along with relevant judgments in support of the objection within a week.

5. The Commission accepted the request of the Respondent to file affidavit within a week and present his argument during next hearing.

List the matter on 16.07.2026.

Griesh

(Griesh Kumar Vaish)
Member (Law)

Sanjay

(Sanjay Kumar Singh)
Member

(Arvind Kumar)
Chairman

Place: Lucknow
Dated: 15 .07.2026

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U.P. ELECTRICITY REGULATORY COMMISSION