



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

4th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

SATURDAY, THE SIXTEENTH DAY OF NOVEMBER
TWO THOUSAND NINETEEN

:Present:

Sri Justice C.V. Nagarjuna Reddy, Chairman
Dr. P. Raghu, Member
Sri P. Rama Mohan, Member

O.P.No. 29 of 2019

Between:

M/s. Satya Maharshi Power Corporation Limited

... **Petitioner**

A N D

Andhra Pradesh Southern Power Distribution Company Limited
& another

... **Respondents**

This Original Petition has come up for hearing finally on 16-11-2019 in the presence of Sri Challa Gunaranjan, learned counsel for the petitioner and Sri P. Shiva Rao, learned Standing Counsel for the respondents. After carefully considering the material available on record and after hearing the arguments of the learned counsel for both parties, the Commission passed the following:

ORDER

This Original Petition is filed by the petitioner, which is the supplier of energy to the respondent No.1 for payment of interest on the delayed payments on the bills raised from the petitioner's 6 MW capacity bio-mass power project in terms of Article 5.2 of the Power Purchase Agreement dated 10-05-2004.

2. Clause 5.2 under Article 5 "Billing and Payment" of the Power Purchase Agreement reads as under:

"5.2 Any payment made beyond the due date of payment, APTRANSCO shall pay interest at a rate of 10% per annum as per existing nationalised

bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction”.

3. In the counter affidavit filed by them, the respondents have not disputed the fact of delayed payment. The only plea raised by them was non-availability of funds for payment of the bills. In our opinion, such a plea coming forth from a State Public utility is specious, to say the least. We cannot countenance such a stand coming forth from the respondents. As the respondents have unequivocally undertaken to pay bills within a stipulated time on the pain of payment of surcharge for delayed payment under clause 5.2 referred to hereinabove, this Commission is left with no option except to consider granting the relief to the petitioner.

4. Sri P. Shiva Rao, learned Standing Counsel submitted that respondent No.1 is in heavy losses and that the petitioner may, in public interest, give up a part of interest claim. Sri Challa Gunaranjan, learned counsel for the petitioner fairly responded to this plea and agreed to receive Rs.45,00,000/- (Rupees forty five lakhs only) in full and final settlement of the petitioner’s claim towards interest as claimed in this petition.

5. In the light of the above, this Original Petition is partly allowed directing the respondents to pay Rs.45,00,000/- (Rupees forty five lakhs only) towards full and final settlement of petitioner’s claim for interest within 45 days from today, failing which, the respondents shall pay the entire interest liability as accrued in terms of clause 5.2 of the Power Purchase Agreement dated 10-05-2004.

This order is corrected and signed on this the **16th day of November, 2019.**

Sd/-
P. Rama Mohan
Member

Sd/-
Justice C.V. Nagarjuna Reddy
Chairman

Sd/-
Dr. P. Raghu
Member