

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 306/MP/2022 along with IA Nos. 20/2023 & 16/2024

Subject : Petition under Section 19 of the Electricity Act, 2003 read with Regulation 20 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and other related matters) Regulations, 2020 *inter-alia* seeking punitive action against and revocation of trading license of Kreate Energy (I) Pvt Ltd.

Petitioner : Uttarakhand Power Corporation Limited (UPCL).

Respondent : Kreate Energy (I) Private Limited (KEIPL) Ors.

Petition No. 87/MP/2024

Subject : Petition under Section 79(1)(b) read with Section 79(1)(f) and Section 19 of Electricity Act, 2003 read with Regulation 9, 19 and 20 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading License and other related matters) Regulations, 2020, *inter alia*, seeking a direction seeking a direction to the Respondent to pay the outstanding amount of Rs. 11,22,05,158 to the Petitioner against the power supplied by the Petitioner to the Respondent.

Petitioner : DB Power Limited (DBPL).

Respondent : Kreate Energy (I) Private Limited.

Date of Hearing : **26.12.2024**

Coram : Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member

Parties Present : Shri Amartya Ashish Sharan, Advocate, UPCL
Ms. Madhu Sharan, Advocate, UPCL
Shri Deepak Khurana, Advocate, DBPL
Shri Gopal Jain, Sr. Advocate, KEIPL

Record of Proceedings

At the outset, learned counsel for the Petitioner, in Petition No. 306/MP/2022, submitted that the present Petition had been filed seeking (i) revocation of the trading licence granted to the Respondent, KEIPL, on account of wilful and prolonged failure on its part to clear the dues of the Petitioner under the various contracts between the parties, and (ii) taking punitive action against KEIPL. Learned counsel submitted that as of date, the principal amount of Rs. 20.75 crores and Late Payment Surcharge (LPS) of Rs.34 crores are required to be paid by Respondent No.1. Learned counsel submitted that vide Record of Proceedings for the hearing dated 1.5.2024, Respondent No.1 was directed to

make the payment of the entire principal outstanding in two equated monthly instalments. However, no compliance has been made to the said direction of the Commission by Respondent No.1, KEIPL.

2. Learned senior counsel for Respondent No.1, KEIPL, clarified that the intention of KEIPL is to resolve the issue and make the payment towards the principal amount involved in the matters. Learned senior counsel further submitted that the Respondent, KEIPL, remains committed to resolving the disputes amicably and in a manner that ensures finality. However, the Petitioner's conduct, including the pursuit of parallel proceedings and imposition of unwarranted charges, has rendered the situation untenable and has made it impossible for redressal of issues. Learned senior counsel added that necessary directions be passed for amicable settlement of the matter(s), whereby parties can sit together and arrive at a full and final settlement, which results in payment to the Petitioners, while also ensuring the withdrawal of all the cases and action on the blacklisting by the Petitioner. Learned senior counsel further submitted that insofar as Petition No. 87/MP/2024 is concerned, KEIPL is willing to pay the principal amount, including LPS thereon, subject to withdrawal of the parallel proceedings by the Petitioner, DBPL.

3. Learned counsel for the Petitioner, DBPL, in Petition No. 87/MP/2024, strongly opposed the proposal of the Respondent, KEIPL, for referring the matter(s) for arbitration and submitted that the reference of the dispute to the arbitration would further delay the payment of the Petitioner. Learned counsel submitted that vide Record of Proceedings for the hearing dated 1.5.2024 and 9.12.2024, KEIPL was directed to make the payment of the entire principal outstanding in two equated monthly instalments. However, in utter disregard to the Commission's above direction, no payment has been made by the Respondent, KEIPL, towards the said principal amount. Learned counsel urged that the Respondent, KEIPL, be directed to comply with the direction of the Commission dated 1.5.2024 or lead to the initiation of appropriate proceedings against Respondent, KEIPL, under the provisions of the Electricity Act, 2003, and the Trading Licence Regulations.

4. After hearing the learned senior counsel and learned counsels for the parties, the Commission reserved the matters for order.

By order of the Commission
SD/-
(T.D. Pant)
Joint Chief (Law)