

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Dr. Pramod Deo, Chairperson**
2. **Shri R. Krishnamoorthy, Member**
3. **Shri S. Jayaraman, Member**
4. **Shri V.S.Verma, Member**

Petition No. 124/2007

In the matter of

Non-compliance of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008.

And in the matter of

Vandana Global Limited, Raipur

Respondent

Following were present:

None was present.

**ORDER
(DATE OF HEARING: 27.10.2009)**

Vandana Global Limited (hereinafter "VGL") was granted licence for inter-State trading in electricity for Category "C" on 20.2.2008. Consequent to the notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, the licence stands re-classified to Category-II.

2. Under clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008 (hereinafter "the payment of fees regulations") the licensees are required to pay licence fee within thirty days of the date of grant of licence and thereafter annually by 30th April each year.

3. It was noticed that VGL had not paid the licence fee for the year 2009-10, which was payable by 30.4.2009, despite issue of reminders dated 21.5.2009 and 20.8.2009. Accordingly, by order dated 24.9.2009, VGL were directed to show cause as to why penalty under Section 142 of the Electricity Act, 2003 be not imposed for non-compliance of the payment of fees regulations. VGL were further directed to explain as to why, for the same reason, Category `II` licence for inter-State trading in electricity granted to it be not revoked.

4. VGL were afforded time up to 16.10.2009 for showing cause. The matter was posted for hearing on 27.10.2009.

5. On the date fixed for hearing, none appeared on behalf of VGL, nor had any reply been filed. However, VGL under letter dated 27.10.2009 has deposited licence fee with 1% surcharge which was received in the Commission's office on 28.10.2009. By said letter dated 27.10.2009, VGL has submitted that the concerned officer of its organization had left the office and hence it was unable to send the fees in time and requested to condone the delay.

6. We are unable to accept the reasoning adduced by VGL for its failure to pay the licence fee in accordance with the provisions of the payment of fees regulations. Timely payment of the licence fee is statutory responsibility of every licensee and the same cannot be ignored on flimsy grounds such as change of personnel in the organization. However, in view of the subsequent payment of the licence fee together with surcharge, we take lenient view of the matter and direct that token penalty of Rs. 25,000/- be imposed on VGL for contravention of the provisions of the payment of the fees regulations. It is noticed that VGL has

paid excess amount of Rs. 12,500/-, while remitting the licence fee and surcharge for the delay of six months, that is, from May 2009 to October 2009. The excess amount paid by the VGL shall be adjusted against the penalty now being imposed. VGL shall deposit the balance amount of Rs. 12,500/- by 13.11.2009.

7. VGL shall ensure that in future the regulations notified by the Commission and its specific directions are complied with in letter and spirit. Any instance of non-compliance of any of the provision of the regulations in future will attract appropriate action in accordance with law.

8. On above considerations, we also discharge VGL from the notice for revocation of licence issued under order dated 24.9.2009.

sd/- **sd/-** **sd/-** **sd/-**
(V.S.VERMA) **(S. JAYARAMAN)** **(R. KRISHNAMOORTHY)** **(Dr. PRAMOD DEO)**
MEMBER **MEMBER** **MEMBER** **CHAIRPERSON**
New Delhi, dated the 4th November 2009