

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 74/2007**

**Coram**

1. Dr. Pramod Deo, Chairperson
2. Shri S. Jayaraman, Member
3. Shri V.S.Verma, Member
4. Shri M. Deena Dayalan, Member

**Date of Hearing: 16.3.2010**

**Date of Order: 8.4.2010**

**In the matter of**

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

**And in the matter of**

Patni Project Private Limited, Mumbai

**Respondent**

**Following was present:**

Shri Rajesh Jain, PPL

**ORDER  
(Date of hearing: 7.1.2010)**

Patni Project Private Limited, Mumbai (hereinafter " the licensee ") was granted Category "C" licence on 23.8.2007 for undertaking inter-State trading in electricity under the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2004. 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 (hereinafter "the 2009 regulation"), the licence stands re-classified to Category-`III`.

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 the licensee 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, the licensee was directed to show cause as to why penalty under Section 142 of the Electricity Act, 2003 (the Act) be not imposed on it for non-compliance of the provisions of the payment of fees regulations. The licensee was further directed to explain as to why, for the same reason, Category `III` licence for inter-State trading in electricity granted to it be not revoked.

4. The licensee was afforded time up to 16.10.2009 for showing cause. On the date fixed for hearing on 27.10.2009, none appeared on behalf of the licensee, nor had any reply been filed. However, the licensee by its letter dated 26.10.2009 remitted Rs. 2,51,458/- vide D.D. dated 27.10.2009. As the licence fee had not been paid before 30.4.2010, it was concluded

that the licensee had contravened the provision of payment of fees regulation. Besides, the surcharge had not been paid in accordance with regulation 6 of the payment of fees regulations. Thereupon, the Commission vide its order dated 13.11.2009 imposed a penalty of Rs. 50,000/- payable by 30.11.2009. On the date fixed for hearing 3.12.2009, none appeared on behalf of the licensee. However, the licensee vide its letter dated 2.12.2009 had proposed to surrender its trading licence. The licensee, under the said letter dated 2.12.2009 also deposited demand draft dated 25.11.2009 for Rs. 1042/- purportedly towards the balance of surcharge. In addition, the respondent also requested review of the penalty of Rs. 50,000/- imposed on it for non-compliance of the provision of payment of fees regulations.

5. The Commission vide its order dated 29.1.2010 directed the licensee to remit the balance of late payment surcharge amounting to Rs. 12,500/-. The Commission had also rejected the request for waiving the penalty imposed on it for the delay in payment of licence fee. Accordingly, the matter was posted for hearing on 16.3.2010. Meanwhile, the licensee, vide its affidavit dated 10.3.2010 has deposited the balance of late payment surcharge amounting to Rs. 12,500/- vide D.D. No. 139931 dated 8.3.2010 with request to waive the penalty of Rs. 50,000/- imposed on it.

6. The licensee has submitted that it has, by oversight, but not with any intention delayed payment of license fee. The licensee has also submitted that it has, since however made all payment against licence fees and surcharge for delay in payment of fee. The licensee has tendered apology for the omission. During the hearing, the representative of the licensee requested to waive the penalty and discharge from the show cause notices dated 24.9.2009 and 30.11.2009 for non-compliance of the provisions of the payment of fees regulations.

7. We have given our thoughtful consideration to the submissions made in the licensee's affidavit dated 10.3.2010 and the submission made during the hearing. We also take note of the fact that the licensee has since surrendered its licence. In view of the above considerations, we discharge the licensee from the notices dated 24.9.2009 and 30.11.2009 and waive the penalty imposed on it.

8. The licensee has further submitted that due to market trends in power trading business, it has not been able to undertake any inter-State trading in electricity. The licensee has further confirmed that it does not have any outstanding liability towards any party on account of the trading licence granted to it.

9. Clause (2) of Regulation 14 of the 2009 regulations provide for revocation of trading licence on the request of licensee. Accordingly, the request of licensee to surrender the Category `III` licence is accepted. The trading licence granted to Patni Project Private Limited stand revoked with immediate effect.

**Sd/-**  
**(M.DEENA DAYALAN)**  
**MEMBER**

**sd/-**  
**(V.S.VERMA)**  
**MEMBER**

**sd/-**  
**(S. JAYARAMAN)**  
**MEMBER**

**sd/-**  
**(Dr. PRAMOD DEO)**  
**CHAIRPERSON**