

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

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

Petition No.7/2004

Date of order: 7.2.2012

In the matter of

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

And in the matter of

Vinergy International Private Limited

.....**Respondent**

ORDER

By order dated 12.7.2004, Sumex Organics Private Limited (hereinafter referred to as "the licensee") was granted trading licence for Category `B` to trade in electricity as an electricity trader within the Country, except the State of Jammu and Kashmir in terms of Regulation 6 of 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 referred to as '2009 trading licence regulations'), the licence stood re-categorised as category 'III'. On the request of the licensee, Commission vide its order dated 3.11.2005 in I.A. No. 58/2005 had changed the name of the licensee from "Sumex Organics Private Limited" to "Vinergy International Private Limited".

2. In accordance with the Section 19 of the Electricity Act, 2003 (hereinafter referred to as "the Act"), where the licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under the Act or the Rules or the Regulations, the Commission may revoke the licence after serving a notice of not less than three months. Under clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008 (hereinafter referred to as "the payment of fee regulations") the licensees are required to pay licence fee within thirty days from the date of grant of licence and thereafter annually by 30th April of each year. Therefore, the Vinergy International Private Limited was required to pay its licence fee for the year 2011-12 latest by 30th April, 2011.

3. It is noted that the respondent had not paid the licence fee for the year 2011-12, which was payable by 30.4.2011 despite issue of reminders dated 31.5.2011 and 10.8.2011. Accordingly, a notice dated 30.9.2011 was issued to M/s Vinergy International Private Limited under sub-section (3) of Section 19 of the Act directing him to file its response as to why its licence should not be revoked for willful default in depositing the licence fee.

4. M/s Vinergy International Private Limited has not filed any reply to the notice dated 30.9.2011.

5. Section 19 of the Electricity Act, 2003 provides for the revocation of licence as under:

"19. Revocation of licence-(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:

(a) Where the licensee, in the opinion of the Appropriate Commission, makes willful and prolonged default in doing anything required of him by or under this Act, or the rules or regulations made thereunder;

(b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

*(c) and (d) * * * * **

(2) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months notice in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation."

6. In our order dated 30.9.2011, the respondent was directed to file its response as to why its trading licence should not be revoked for willful default in depositing the licence fee. A period of three months has already lapsed since the issue of notice to the respondent. Therefore, we are of the view that the trading licence issued to M/s Vinergy International Private Limited should be revoked in public interest. In exercise of our power under Section 19 of the Electricity Act, 2003, we revoke the licence granted to M/s Vinergy International Private Limited with effect from 1.4.2011. We further direct that if it comes to the notice of the Commission that M/s Vinergy International Private Limited has undertaken any trading during the period from 1.4.2011 till the date of issue of this order, the same shall be considered as illegal and unauthorized and appropriate action under the Electricity Act, 2003 shall be taken against M/s Vinergy International Private Limited.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(V.S. VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER

sd/-
(DR.PRAMOD DEO)
CHAIRPERSON

