

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.SM/003/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A. K. Singhal, Member

Date of Order: 12.3.2014

In the matter of

Non-compliance of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

**And
in the matter of**

Subhash Kabini Power Corporation Limited
Mfar Silvrline Techpark, 2nd Floor, Plot No. 180,
EPIP Zone, 2nd Phase, Whitefield
Bangalore-560 066

.....**Respondent**

ORDER

By order dated 26.5.2005, Subhash Kabini Power Corporation Limited (hereinafter referred to as "the licensee") was granted trading licence for Category `A` to trade in electricity 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 Trading Licence Regulation), the licence stands re-categorized as Category 'IV'.

2. Under clause (4) of Regulation 7 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 (hereinafter referred to as 'Payment of Fee 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 of each year. It has been brought to our notice by the staff of the Commission that the respondent has not paid the licence fee for the year 2013-14, which was payable by 30.04.2013, despite issue of reminders dated 28.6.2013 and 2.9.2013.

3. 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 the Payment of Fee Regulations, the licensee is required to pay the licence fee for the year 2013-14 by 30.4.2013. The respondent has failed to deposit the licence fee within the stipulated period.

4. Vide letter dated 6.1.2014 Northern Regional Load Despatch Centre, Western Regional Load Despatch Centre, North Eastern Regional Load Despatch Centre, Eastern Regional Load Despatch Centre and Southern Regional Load Despatch Centre were directed to submit information as to whether the licensee has carried out any trading business and has defaulted in making any payment to RLDC in connection with the

transactions made by it. In response, WRLDC, NERLDC and NRLDC have submitted that licensee has not carried out any inter-State trading in electricity.

5. As per Regulation 7(a) of the Trading Licence Regulations, the licensee is required to regularly pay the licence fee specified by the Commission from time to time. The respondent has not responded to the letters issued by the staff of the Commission for depositing the licence fee. The conduct of the licensee amounts to non-compliance of the provisions of the Trading Licence Regulations and Payment of Fee Regulations. In our view, the licensee is not entitled to hold the licence when he has failed to pay the licence fee in violation of the regulations. Accordingly, we direct the respondent to file its response on affidavit as to why its licence should not be revoked for willful default in depositing the licence fee. This order shall also be treated as notice under sub-section (3) of Section 19 of the Act and unless otherwise directed by the Commission, the licence of the licensee shall stand revoked after expiry of the period of three months from the date of issue of this order.

Sd/-
(A.K.Singhal)
Member

sd/-
(M. Deena Dayalan)
Member

sd/-
(Gireesh. B. Pradhan)
Chairperson