

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 13/SM/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A. K. Singhal, Member

Shri A.S.Bakshi, Member

Date of Order: 17.3.2015

In the matter of

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

And

In the matter of

Gemac Engineering Services Private Limited
3rd Floor, Wescare Towers,
No. 16, Cenotaph Road,
Teynompeta, Chennai

.....**Respondent**

ORDER

By order dated 21.6.2012, Gemac Engineering Services Private Limited (hereinafter referred to as "the licensee") was granted trading licence for Category IV to trade in electricity as an electricity trader in the whole of India 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, 2009 as amended from time to time (Trading Licence Regulations) subject to compliance of terms and conditions specified in said regulations.



2. On account of default in payment of annual licence fee for the year 2014-15, we had directed in our order dated 27.8.2014, as under:

"4. As per Regulation 7 (a) of the Trading Licence Regulations, the licensee is required to regularly pay the licence fee specified by the Commission. The respondent has failed to deposit the licence fee within the stipulated period and has defaulted in payment of late payment surcharge. The respondent has also not responded to the letters issued by the staff of the Commission for depositing the licence fee for the year 2014-15. The conduct of the respondent amounts to non-compliance of the provisions of the Trading Licence Regulations and Payment of Fee Regulations. Accordingly, the respondent is directed to show cause, latest by 15.9.2014, as to why action under Section 142 of the Electricity Act, 2003 should not be taken against it for non-compliance of Trading Licence Regulations and Payment of Fees Regulations."

3. The licensee has not responded to the show cause notice dated 27.8.2014.

4. In accordance with the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 (Payment of Fee Regulations), the licensee is required to pay the licence fee for the years 2013-14 and 2014-15 by 30.4.2013 and 30.4.2014 respectively. The licensee has paid the licence fee for the year 2013-14 on 13.1.2014 as against the due date of 30.4.2013 and failed to deposit the licence fee for the year 2014-15 within the stipulated period despite notice.

5. In Regulation 14A of the Trading Licence Regulations, non-compliance of the orders of the Commission, non-payment of the licence fees and surcharge have been covered under serious contravention. Relevant portion of Regulation 14A is extracted as under:



“14 A. **Contravention by Licensee**

(1) Contraventions of the provisions of the Act, Rules and Regulations framed thereunder and non-compliance of the orders of the Commission by a licensee shall be grouped under two categories such as serious contraventions and non-serious contraventions.

(2) Serious contraventions shall cover the following:

(a) Violations and non-compliance of the provisions of the Act, Rules and the Regulations specified by the Commission, particularly, Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010, Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, Central Electricity Regulatory Commission (Grant of Connectivity, Long term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, Central Electricity Regulatory Commission (Power Market) Regulations, 2010 and as amended from time to time or any subsequent amendment thereof;

(b) Deliberate under-reporting of transaction volume in monthly reporting;

(c) Non-compliance of the orders of the Commission including the orders issued for contravention of any regulation of the Commission;

(d) any willful, repeated and persistent violation of non-serious contraventions committed by the licensee.

(e) Non-payment of the licence fees and surcharge if applicable within the due date as specified in Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

The licensee has committed serious contravention in terms of Regulation 14A (2)

(c) and (e) of the Trading Licence Regulations.

6. Under Regulation 14 C (d) of the Trading Licence Regulations, the licence of the licensee is liable to be revoked for cases of serious contraventions.



7. In our view, licence is liable for revocation as the licensee has failed to comply with payment of Fees Regulations and the directions of the Commission. In exercise of our power conferred under Section 19 (3) of the Electricity Act, 2003 and Regulation 14B (1) of the Trading Licence Regulations, notice is given to the licensee to explain as to why its licence should not be revoked for wilful default in depositing the licence fee and non-compliance with the regulations. If no response is received within three months from the date of issue of the order, the Commission shall proceed to revoke the licence of the licensee thereafter.

Sd/-
(A.S.Bakshi)
Member

sd/-
(A.K.Singhal)
Member

sd/-
(Gireesh. B. Pradhan)
Chairperson

