

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.1/SM/2017**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K.Iyer, Member**

**Date of Order: 11<sup>th</sup> of April, 2017**

**In the matter of**

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

**And**

**In the matter of**

1. Vandana Vidyut Limited  
Vandana Bhawan, M.G. Road,  
Raipur-492001, Chhattisgarh
  
2. Provestment Services Limited  
Building No.5, First Floor,  
Pusa Raod, W.E.A. Karol Bagh,  
NewDelhi-110005

**.....Respondents**

**ORDER**

Vandana Vidyut Limited and Provestment Service Limited (hereinafter referred to as "the licensees") were granted trading licences for Category-IV vide orders dated 3.4.2008 and 27.1.2015, respectively, to trade in electricity in whole of India, 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, 2009 as amended from time to time (Trading

Licence Regulations) subject to compliance of terms and conditions specified in said regulations and trading licences.

2. On account of default in payment of annual licence fee for the year 2016-17, Vandana Vidyut Limited and Provestment Service Limited were issued notices vide order dated 5.1.2017 under Section 19 (3) of the Electricity Act, 2003 read with Regulation 14B (1) of the Trading Licence Regulations for revocation of licences for willful default in depositing the licence fee and non-compliance with the regulations.

Relevant portion of said order dated 5.1.2017 is extracted as under:

“3. As per Regulation 7 (m) 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 (hereinafter referred to as 'Trading Licence Regulations'), the licensee is required to pay the licence fee by the stipulated date specified by the Commission. The licensees have failed to deposit the licence fees within the stipulated period. The licensees have also not responded to the letters issued by the staff of the Commission for depositing the licence fees for the year 2016-17. The conduct of the respondents amounts to serious contravention under Regulation 14A (2) (a) and (e) of the Trading Licence Regulations. In our view, the licensees are not entitled to hold their licences when they have failed to pay the licence fees in violation of the regulations. Accordingly, in exercise of power conferred under Regulation 14B (1) of the Trading Licence Regulations, we direct the respondents to file their responses on affidavit, by 29.1.2017 as to why their licences should not be revoked for non-compliance of the Trading Licence Regulations and Payment of Fees Regulations and the outstanding licence fees should not be recovered from them as arrears of land revenue in terms of Section 170 of the Electricity Act, 2003. 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 licences of the licensees shall stand revoked after expiry of the period of three months from the date of issue of this order.”

3. In response to the order dated 5.1.2017, Vandana Vidyut Limited and Provestment Service Limited have not filed any response. Regulation 14A of the Trading Licence Regulations provides 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.”

4. Vandana Vidyut Limited and Provestment Service Limited have not only contravened the provisions of Regulation 7 (m) and Regulation 14A (e) of the Trading Licence Regulations by not paying licence fees and surcharge thereon, but have also not complied with the directions of the Commission issue vide order dated 5.1.2017 by not responding to the notices. Therefore, Vandana Vidyut Limited and Provestment Service Limited have committed serious contravention in terms of Regulations 14 A (2) (c) of the Trading Licence Regulations.

5. Regulation 14C of the Trading Licence Regulations further provides for the penalty for contravention of the regulations and non-compliance with the directions of the Commission which is extracted as under:

**“14 C. Penalties for Contravention and non-compliance**

(1) Where the charge of serious contraventions is established against the licensee, the Commission may:

(a) direct that the licensee shall pay, by way of penalty, a sum which shall not exceed rupees one lakh for each contravention;

and /or

(b) debar the licensee, from trading in short term market or medium term market or through power exchanges for a period not exceeding one year; or

(c) suspend the licence for trading in electricity for a period not exceeding one year; or

(d) revoke the licence of the licensee; or

(e) issue such other directions or impose such other condition as the Commission may deem appropriate.”

6. The Commission is of the view that it will be appropriate to revoke the licence under Regulation 14C (1) (d) of the Trading Licence Regulations on Vandana Vidyut Limited and Provestment Service Limited for contravention of the provisions of the regulations and non-compliance with the directions of the Commission. Accordingly, we revoke the licences granted to Vandana Vidyut Limited and Provestment Service Limited.

7. The Petition No. 1/SM/2017 is disposed of with the above.

**Sd/-**  
**(Dr. M.K. Iyer)**  
**Member**

**sd/-**  
**(A.S.Bakshi)**  
**Member**

**sd/-**  
**(A.K. Singhal)**  
**Member**

**sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**