

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 1/SM/2015

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Date of Order: 9.7.2015

In the matter of

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

And

In the matter of

1. Suryachakra Power Corporation Limited
Suryachakra House,
Plot No. - 304-L-III, Road No. – 78,
Jubilee Hills, Hyderabad- 500033

2. Green Fields Power Services (P) Ltd
101, Sri Guru Krupa,
7-1-54/2/C, D.K. Road,
Ameerpet, Hyderabad- 500016

3. HMM Infra Limited
Village-Manadour,
Ambala-Naraingarh Road,
Ambala-134 009

.....Respondents

ORDER

Suryachakra Power Corporation Limited (SPCL), Green Field Power Services Private Limited (GFPSPL) and HMM Infra Limited (HMMIL) (hereinafter referred to as “the licensees”) were granted trading licences vide orders dated 12.1.2006, 8.2.2013 and 11.3.2013 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 2014-15, SPCL, GFPSPL and HMMIL were directed vide order dated 21.1.2015 to show cause as to why their licences should not be revoked for non-compliance of the Trading Licence Regulations and Payment of Fees Regulations. Since these licensees did not submit their responses to the show notice, the Commission vide order dated 31.3.2015 issued notices to these licensees 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 31.3.2015 is extracted as under:

“7. Under Regulation 14C (d) of the Trading Licence Regulations, the licence of the licensee is liable to be revoked for cases of serious contraventions. 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 licensees for revocation of licences 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 licences shall be deemed to have been revoked.”

However, no response has been received from the licensees.

Case of GFPSPL

3. Proceedings were initiated against the defaulting licensees in Petition No. 12/SM/2014 for non-compliance of the Regulations 7(n) and 14 of the Trading Licence Regulations. GFPSPL was one of the licensees considered in the said petition. After

following the due procedure, the licence of GFPSPL was revoked. Relevant para of the order dated 16.6.2015 is extracted as under:

“10. The Commission is of the view that it will be appropriate to impose the penalty under Regulation 14C (1) (d) of the Trading Licence Regulations on GFPSPL and GESPL in the facts of the case for contravention of the provisions of the regulations and non-compliance with the direction of the Commission. Accordingly, we revoke the licences granted to GFPSPL and GESPL”.

4. Since the licence of GFPSPL has already been revoked vide order dated 16.6.2015 in Petition No. 12/SM/2014 for not undertaking trading and for non-compliance of the directions of the Commission issued vide orders dated 22.8.2014, 30.9.2014, 5.1.2015 and 23.4.2015, the present proceedings against GFPSPL has become infructuous and is accordingly dropped.

Case of SPCL and HMMIL

5. In response to the orders dated 21.1.2015 and 31.3.2015, SPCL and HMMIL 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.”

6. SPCL and HMMIL 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 orders dated 27.1.2015 and 31.3.2015 by not responding to the notices. Therefore, these licensees have committed serious contravention in terms of Regulations 14 A (2) (c) of the Trading Licence Regulations.

7. 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.”

8. The Commission is of the view that it will be appropriate to impose the penalty of revocation of licence under Regulation 14C (1) (d) of the Trading Licence Regulations on SPCL and HMMIL in the facts of the case for contravention of the provisions of the regulations and non-compliance with the directions of the Commission. Accordingly, we revoke the licences granted to SPCL and HMMIL.

9. The Petition No. 1/SM/2015 is disposed of with the above.

Sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson