

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 3/SM/2018

Coram:

**Shri P. K. Pujari, Chairperson
Shri A. K. Singhal, Member
Shri A. S. Bakshi, Member
Shri M. K. Iyer, Memebr**

Date of Order: 12th of June, 2018

In the matter of

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

**And
In the matter of**

Adhunik Alloys and Power Limited,
14, N. S. Road, 2nd Floor,
Kolkata-700001, West Bengal.

.....**Respondent**

ORDER

Adhunik Alloys and Power Limited (hereinafter referred to as “the licensee”) was granted trading licence for Category-IV vide order dated 26.6.2008, 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 (hereinafter referred to as “Trading Licence Regulations”) subject to compliance of terms and conditions specified in said regulations and trading licence.



2. On account of default in payment of surcharge for the year 2016-17 and annual licence fee for the year 2017-18, Adhunik Alloys and Power Limited was issued notice vide order dated 8.3.2018 under Section 19 (3) of the Electricity Act, 2003 read with Regulation 14B (1) of the Trading Licence Regulations for revocation of licence for willful default in depositing the surcharge, licence fee and non-compliance of the regulations. Relevant portion of the said order dated 8.3.2018 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 licensee has failed to deposit the surcharge and licence fees within the stipulated period. The licensee has also not responded to the letters issued by the staff of the Commission for depositing the surcharge for the year 2016-17 and licence fees for the year 2017-18. The conduct of the respondent amounts to serious contravention under Regulation 14A (2) (a) and (e) of the Trading Licence Regulations. In our view, the licensee is not entitled to hold its licence when it failed to pay the surcharge and 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 respondent to file its response on affidavit, by 7.5.2018 as to why its licence 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 it 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 licence of the licensee 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 8.3.2018, Adhunik Alloys & Power Limited has 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 and Central Electricity Regulatory Commission (Power Market) Regulations, 2010 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. Adhunik Alloys & Power Limited has 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 has also not complied with the directions of the Commission issued vide order dated 8.3.2018 by not responding to the notice. Therefore, Adhunik Alloys and Power Limited has 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 of Adhunik Alloys and Power Limited for contravention of the provisions of the regulations and non-compliance with the directions of the Commission. Accordingly, we revoke the licence granted to Adhunik Alloys and Power Limited.

7. The Petition No. 3/SM/2018 is disposed of with the above.

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

Sd/-
(A.S. Bakshi)
Member

Sd/-
(A. K. Singhal)
Member

Sd/-
(P. K. Pujari)
Chairperson

