

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 7/SM/2019

Coram:
Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member

Date of Order : 9th December, 2019

In the matter of:

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

And

In the matter of:

Parshavnath Power Projects Private Limited
Office No. 6, 3rd Floor, Street No. 3,
Near PVR Cinema Hall, Opp. Saket,
Saidulajab, New Delhi-110 030

...Respondent

ORDER

Parshavnath Power Projects Private Limited (hereinafter referred to as “the licensee”) was granted trading licence for Category-IV vide order dated 19.5.2014 in Petition No. 283/TDL/2013, 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 2017-18 and annual licence fee for the year 2018-19, Parshavnath Power Projects Private Limited was issued notice vide order dated 4.9.2019 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:-

“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 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 Fee Regulations. In our view, the licensee is not entitled to hold licence when he has failed to pay the licence fee in violation of the regulations. Accordingly, we direct the Respondent to file its response as to why its inter-State trading 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 if no reply is received within two months 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 4.9.2019, Parshavnath Power Projects Private 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. Parshavnath Power Projects Private 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 4.9.2019 by not responding to the notice. Therefore, Parshavnath Power Projects Private 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 Parshavnath Power Projects Private 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 Parshavnath Power Projects Private Limited.

7. The Petition No.7/SM/2019 is disposed of with the above.

Sd/-
(I.S. Jha)
Member

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

sd/-
(P. K. Pujari)
Chairperson

