

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 69/TD/2024

Coram:

Shri Jishnu Barua, Chairperson

Shri Arun Goyal, Member

Shri P. K. Singh, Member

Date of Order: 30th March, 2024

In the matter of

Application of surrendering the existing trading licence under Regulation 20(3) of Trading Licence Regulations, 2020.

And

In the matter of

Essar Electric Power Development Corporation Limited,
Essar House, 11 K.K.Marg,
Mahalaxmi, Mumbai-400 034
Maharashtra

... Applicant

Parties Present:

Shri Mahesh Agarwal, Advocate, EEPDCL

ORDER

This Application has been filed by Essar Electric Power Development Corporation Limited for surrender of trading licence w.e.f. 1.4.2022.

2. By order dated 14.12.2005, Essar Electric Power Development Corporation Limited was granted Category 'C' licence under the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading Licence and other related matters) Regulations, 2004 for undertaking inter-State trading in electricity in the whole of India except the State of Jammu and Kashmir, up to 500 MU in a year. Consequent to the

notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading Licence and other related matters) Regulations, 2009 (in short, 'the 2009 Trading Licence Regulations'), the licence granted to the Applicant stood re-categorised as Category 'III'. Based on the request of the Applicant, vide order dated 5.9.2014 in Petition No. 79/RC/2014, the licence of the Applicant was upgraded from Category 'III' to Category 'II'.

3. The Applicant has submitted that it has not undertaken any trading activities since April 2022 and is not interested in continuing the trading business. Therefore, it is seeking to surrender its inter-State trading licence.

4. The Applicant has submitted that it does not have any undischarged liability against its inter-State trading licence nor has any claim been raised by any party for the past one year. The Applicant has submitted that there is no operative contract pending against the licensee. The Applicant has submitted that it has already paid the licence fee for the financial year 2023-24.

Hearing dated 20.3.2024

5. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner had not undertaken any trading activities since April 2022. The learned counsel for the Petitioner submitted that there are no undischarged liabilities against the Petitioner, and no contracts for trading of electricity were in operation at the time of the filing of the instant Petition.

6. During the course of the hearing, the Commission observed that as per the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2012, the trading

licensee holding a Category 'II' licence is required to pay the annual licence fee of Rs. 15 lakh. However, the Petitioner has paid the annual licence fee of Rs. 3 lakh, Rs.15 lakh, and Rs. 3 lakh for the financial years 2021-22, 2022-23 and 2023-24 respectively. In response, the learned counsel for the Petitioner submitted that the Petitioner will pay the balance licence fee of Rs. 24 lakh shortly.

7. Vide Record of Proceedings for the hearing dated 20.3.2024, the Petitioner was directed to pay the outstanding annual licence fee of Rs. 24 lakh on or before 27.3.2024. On 27.3.2024, the Petitioner has paid the licence fee of Rs. 24 lakh.

8. We have considered the submissions of the Petitioner. Sub-Regulation (3) of Regulation 20 of the Trading Licence Regulations provides as under:

“(3) Where the licensee makes an application for revocation of licence, the application shall contain the following information and documents:

(a) Reasons for seeking revocation;

(b) an affidavit to the effect that the licensee has deposited the licence fee for the year in which revocation is sought, that there are no undischarged liabilities against the licensee, that there are no operation contracts for trading of electricity to which the applicant is party at the time of filing the said application;

(c) an affidavit to the effect that the applicant has posted the complete application on its website and shall keep the application uploaded on its website till its disposal by the Commission;

(d) documents showing that the licensee has published the notice about its application for revocation in two daily newspapers having circulation in each of the five regions in addition to those published from Delhi including one economic newspaper.”

9. The Applicant has uploaded the application on its website. The Applicant has published the notices regarding the surrender of the inter-State trading licence on

16/17.1.2024 in all editions of Indian Express, Financial Express, the New Indian Express and Assam Tribune (Guwahati). However, no comments/objections have been received from the general public.

10. We have considered the request of the licensee. The trading licensee has prayed to surrender its licence on account of its inability to put the trading licence into use for the last one year. The licensee has submitted that it has not committed any breach of any of the provisions of the licence and 2020 Trading Licence Regulations and has paid all applicable fees for the financial year 2023-24. The licensee has submitted that it has paid an outstanding licence fee of Rs.24 lakh in terms of the Record of Proceedings for the hearing dated 20.3.2024.

11. With regard to the late payment surcharge, Regulation 11 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 (Payment of Fees Regulations) provides that the late payment surcharge at the rate of one per centum (1%) shall be paid on the outstanding amount for each month or part thereof after the due dates of payment as specified in these regulations. In the present case, since the Petitioner has not been undertaking trading business for the last two years and is surrendering the trading licence, we are inclined to exercise our power to relax in order to waive the late payment surcharge. Thus, the Commission, in the peculiar facts and circumstances of the matter, in the exercise of power under Regulation 12 of the Payment of Fees Regulations, hereby relaxes the provisions of 11 of the Payment of Fees Regulations and waive the late payment surcharge on the outstanding licence fee of

Rs. 24 lakh, which has already been paid by the Petitioner on 27.3.2024. The relaxation granted in the instant Petition shall not be quoted as a precedent in the future.

12. Considering the licensee's prayer, the Commission hereby directs that the trading licence granted to Essar Electric Power Development Corporation Limited be revoked from the date of 1.4.2024.

13. Let a copy of this order be sent to the Central Government in the Ministry of Power and the CEA for their information and record.

14. The Petition No. 69/TD/2024 is disposed of in terms of the above.

Sd/-
(P.K.Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(Jishnu Barua)
Chairperson