

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. SM/13/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A. K. Singhal, Member

Shri A.S.Bakshi, Member

Date of Order: 27.8.2014

In the matter of

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

And

In the matter of

Gemac Engineering Services Private Limited
3rd Floor, Wescare Towers,
No.16, Cenotaph Road,
Teynompeth, Chennai

.....**Respondent**

ORDER

By order dated 21.6.2012, Gemac Engineering Services Private Limited (hereinafter referred to as "the licensee") was granted trading licence for Category `IV to trade in electricity as an electricity trader in the whole of India 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.

2. Under clause (4) of Regulation 7 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 (Payment of Fees Regulations), the licensees are required to pay licence fee within thirty days of the date of grant of licence and thereafter, annually by 30th April of each year. As per Regulation 11(1) of the Payment of Fees Regulations, 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. The relevant provision is extracted as under:

"11. Late payment surcharge: (1) 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 specified in these regulations.

(2) Without prejudice to the liability for late payment surcharge, the Commission may take any other action as may be considered appropriate for non-compliance of these regulations if payment of fees is delayed beyond two months from the due dates of payment as specified in these regulations."

3. It has been brought to our notice by the staff of the Commission that the respondent has paid the licence fee for the year 2013-14 on 13.1.2014 as against the due date of 30.4.2013 without paying the late payment surcharge. The respondent has also not paid licence fee for the year 2014-15 due to be paid by 30.4.2014, despite issue of reminders dated 23.1.2014, 24.2.2014, 1.4.2014 and 7.5.2014.

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. The

respondent has failed to deposit the licence fee within the stipulated period and has defaulted in payment of late payment surcharge. The respondent has also not responded to the letters issued by the staff of the Commission for depositing the licence fee for the year 2014-15. The conduct of the respondent amounts to non-compliance of the provisions of the Trading Licence Regulations and Payment of Fee Regulations. Accordingly, the respondent is directed to show cause, latest by 15.9.2014, as to why action under Section 142 of the Electricity Act, 2003 should not be taken against it for non-compliance of Trading Licence Regulations and Payment of Fees Regulations.

Sd/-

(A.S.Bakshi)
Member

sd/-

(A.K.Singhal)
Member

sd/-

(M.Deena Dayalan)
Member

sd/-

(Gireesh B.Pradhan)
Chairperson