CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Coram

- 1. Dr. Pramod Deo, Chairperson
- 2. Shri R. Krishnamoorthy, Member
- 3. Shri S. Jayaraman, Member
- 4. Shri V.S.Verma, Member

Petition No. 21/2004

Respondent

In the matter of

Non-compliance of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and other related matters) Regulations, 2004.

And in the matter of

DLF Power Ltd., Gurgaon

Following was present:

Shri Vijay Sharma, DLF

ORDER (DATE OF HEARING: 21.7.2009)

M/s DLF Power Ltd., Gurgaon, was granted the licence for inter-State trading in electricity for Category `C`, subject to compliance of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence) Regulations, 2004 (the trading licence regulations). On the request of DLF Power Ltd. licence for inter-State trading was changed from Category `C` to Category A` with effect from 1.4.2005.

2. M/s DLF Power Ltd. are maintaining their accounts on financial year basis, as noted from the annual report and the financial statements submitted by them from time to time. Therefore, M/s DLF Power Ltd. were required to submit their annual accounts for the year 2007-08 latest by 31.12.2008. However, the annual

accounts were not submitted by M/s DLF Power Ltd. by the specified date. A show cause notice dated 13.2.2009 was issued under Section 142 of the Electricity Act, 2003 directing them to explain why penalty be not imposed for non-compliance with the provisions of sub-clause (f) of clause (1) of Regulation 10 ibid. Simultaneously, M/s DLF Power Ltd. were directed to explain why their trading licence be not revoked.

3. By another order also dated 13.2.2009, M/s DLF Power Ltd. were directed to submit latest by 10.3.2009, their Special Balance Sheet as on 31.12.2008 by virtue of powers under Regulation 11 of the trading licence regulations, which enjoins upon the licensees for inter-State trading in electricity to furnish such information from time to time as may be required by the Commission to +monitor the licensees` performance.

4. M/s DLF Power Ltd did not show cause to the notice dated 13.2.2009. Therefore, a notice dated 17.6.2009 was issued for oral hearing of M/s DLF Power Ltd. on the action proposed in the notice dated 13.2.2009, on 21.7.2009.

5. In the above notice dated 17.6.2009, M/s DLF Power Ltd. were also directed to show cause why penalty under Section 142 of the Act be not imposed for contravention of the directions contained in the second order dated 13.2.2009 for non-supply of the Special Balance Sheet as on 31.12.2008. M/s DLF Power Ltd were afforded time up to 17.7.2009 for showing cause. The matter was posted for hearing on 21.7.2009.

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6. M/s DLF Power Ltd. submitted their balance sheet for the periods 1.4.2007 to 31.3.2008 and 1.4.2008 to 31.3.2009 on 17.7.2009. However, the Special Balance Sheet as at 31.12.2008 has not been submitted.

7. Based on facts available on record and narrated hereinabove, we are satisfied that the charge of the non-compliance of the trading licence regulations has been established inasmuch as the balance sheet for the year 2007-08 had not been initially filed. Similarly, the direction for supply of the Special Balance Sheet as at 31.12.2008 too has not been complied with by M/s DLF Power Ltd. However, taking a lenient view in the matter and for the fact that balance sheet as on 31.3.2008 and 31.3.2009 have since been filed, we are not proceeding with imposition of penalty. M/s DLF Power Ltd. shall ensure that in future these regulations and the Commission's specific directions are complied with in letter and spirit. Any instances of violation of the trading licence regulations in future will attract appropriate action in accordance with law.

8. On above considerations, the proceedings initiated in terms of the show cause notices under orders dated 13.2.2009 and 17.6.2009 are hereby dropped.

Sd/-sd/-sd/-(V.S.VERMA)(S. JAYARAMAN)(R. KRISHNAMOORTHY)(Dr. PRAMOD DEO)MEMBERMEMBERMEMBERCHAIRPERSONNew Delhi, dated the 7th September 2009.CHAIRPERSON

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