

**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. 14/2005

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

Maheshwary Ispat Limited, Kolkata

Respondent

Following were present:

Nemo.

**ORDER
(DATE OF HEARING: 21.7.2009)**

M/s Maheshwary Ispat Ltd., Kolkata were granted the licence for inter-State trading in electricity for Category `A`, subject to compliance of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence) Regulations, 2004 (the trading licence regulations). In terms of sub-clause (f) of clause (1) of Regulation 10 of the trading licence regulations, the licensee is mandated to submit its annual accounts not later than nine months after the close of the year to which the accounts relate.

2. M/s Maheshwary Ispat Ltd. are maintaining their accounts on financial year basis, as noted from the annual report and the financial statements

submitted by them while making application for grant of licence for inter-State trading in electricity. Therefore, M/s Maheshwary Ispat 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 Maheshwary Ispat 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 as to 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 Maheshwary Ispat Ltd. were directed to explain why their trading licence be not revoked.

3. By another order also dated 13.2.2009, M/s Maheshwary Ispat 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 Maheshwary Ispat 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 Maheshwary Ispat Ltd. on the action proposed in the notice dated 13.2.2009, on 21.7.2009.

5. M/s Maheshwary Ispat Ltd. had not submitted the Special Balance Sheet as on 31.12.2008. In the notice dated 17.6.2009, M/s Maheshwary Ispat Ltd.

were also directed to show cause as to 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.

6. M/s Maheshwary Ispat Ltd. were afforded time up to 17.7.2009 for showing cause. The matter was posted for hearing on 21.7.2009.

7. M/s Maheshwary Ispat Ltd. under their letter dated 14.7.2009 have submitted the annual report for the year 2007-08.

8. Based on facts available on record and narrated hereinabove, we are satisfied that the charge of the non-compliance of the trading licence regulations inasmuch as the balance sheet for the year 2007-08 has not been initially filed. However, taking a lenient view in the matter and for the fact that Balance Sheet as at 31.3.2008 has since been filed, we are not proceeding with imposition of penalty on that count.

9. M/s Maheshwary Ispat Ltd. have, however, not furnished the Special Balance Sheet as on 31.12.2008, as directed vide the second order dated 13.2.2009. Neither have they shown any cause. Therefore, we are satisfied that contravention of the Commission's directions dated 13.2.2009 *ibid* stands established. In exercise of powers under Section 142 of the Electricity Act, 2003,

we hereby impose the token penalty of Rs. 50000/- on M/s Maheshwary Ispat Ltd. The amount of penalty shall be deposited by 30.9.2009.

sd/-	sd/-	sd/-	sd/-
(V.S.VERMA)	(S. JAYARAMAN)	(R. KRISHNAMOORTHY)	(Dr. PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON

New Delhi, dated the 7th September 2009.