

**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. 60/2007

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

Kalyani Power Development Private Ltd, Pune

Respondent

Following were present:

1. Shri Avinash Shethji, KPDPL
2. shri Tarit Roy, KPDPL

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

M/s Kalyani Power Development Private Ltd, Pune, was granted the licence for inter-State trading in electricity for Category `F`, 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 Kalyani Power Development Private Ltd. licence for inter-State trading was changed from Category `F` (present Category `I`) to Category `III` with effect from 15.4.2009.

2. M/s Kalyani Power Development Private Ltd. are maintaining their accounts on financial year basis, as noted from the annual reports and the financial statements submitted by them from time to time. Therefore, M/s Kalyani Power Development Private 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 Kalyani Power Development Private 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 Kalyani Power Development Private Ltd were directed to explain why their trading licence be not revoked.

3. By another order also dated 13.2.2009, M/s Kalyani Power Development Private 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 Kalyani Power Development Private 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 Kalyani Power Development Private Ltd. on the action proposed in the notice dated 13.2.2009.

5. In the above notice dated 17.6.2009, M/s Kalyani Power Development Private 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 31.1.2.2008. M/s Kalyani Power Development Private Ltd were afforded time up to 17.7.2009 for showing cause. The matter was posted for hearing on 21.7.2009.

6. M/s Kalyani Power Development Private Ltd submitted their balance sheet for the period 1.4.2008 to 31.3.2009 on 2.7.2009. The unaudited Special Balance Sheet as at 31.12.2008 have also 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 has been initially filed. Similarly, the direction for supply of the Special Balance Sheet as at 31.12.2008 too has not been complied with since it has been audited by the auditors. However, taking a lenient view in the matter and for the fact that balance sheet as on 31.3.2009 has become due, we are not proceeding with imposition of penalty. M/s Kalyani Power Development Private 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.

