

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Dr. Pramod Deo, Chairperson**
2. **Shri S. Jayaraman, Member**
3. **Shri V.S.Verma, Member**

Petition No. 7/2005

In the matter of

Non-compliance of the provisions 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

Subhash Kabini Power Corporation Ltd., Bangalore

Respondent

Following was present:

Shri Yadvendra Singh, Advocate, SKPCL

**ORDER
(Date of hearing: 7.1.2010)**

Subhash Kabini Power Corporation Ltd., Bangalore (hereinafter "SKPCL") was granted licence for inter-State trading in electricity for Category "A" on 26.5.2005 under the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2004 (hereinafter "the trading regulations"). Consequent to the notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, the licence stands re-classified to Category-`III`.

2. Under clause 11 of the trading regulations the licensee for inter-State trading in electricity is required to furnish such information from time to time as

the Central Commission may require to monitor the licensee's performance and to ensure compliance of the terms and conditions of the licence and any other legislative or regulatory requirement.

3. It was noticed that SKPCL had not submitted Special Balance Sheet as at 31.12.2008 as directed vide order dated 13.2.2009. Accordingly, by order dated 16.6.2009, SKPCL was directed to show cause as to why penalty under Section 142 of the Electricity Act, 2003 be not imposed on it for non-compliance of the directions contained in the said order dated 13.2.2009.

4. SKPCL was afforded time up to 17.7.2009 for showing cause. The matter was posted for hearing on 21.7.2009. On the date fixed for hearing, none appeared on behalf of SKPCL, nor had any reply been filed. Thereupon, the Commission vide its order dated 7.9.2009 imposed penalty of Rs. one lakh on SKPCL for non-compliance of the directions contained in the order dated 13.2.2009. The Commission by said order dated 7.9.2009 also directed to show cause, by 30.9.2009, as to why the trading licence granted to it be not revoked for non-compliance with the Commission`s direction which were part and parcel of the terms and conditions of the trading licence.

5. SKPCL under letter dated 30.11.2009 has deposited the penalty amount of Rs. one lakh.

6. Learned counsel for SKPCL has submitted that the lapse on the part of the licensee to submit the special balance sheet as directed by the Commission

was attributable to the shifting of its office to new location. Learned Counsel has requested to discharge SKPCL from the show cause notice dated 7.9.2009.

7. On the above considerations, we discharge SKPCL from the notice dated 7.9.2009. SKPCL shall ensure that in future the regulations notified by the Commission and its specific directions are complied with in letter and spirit. Any instance of non-compliance of any of the provisions of the regulation in future will attract appropriate action in accordance with the law.

Sd/-
(V.S.VERMA)
MEMBER

New Delhi, dated the 13th January 2010

sd/-
(S. JAYARAMAN)
MEMBER

sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON