

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.131/2011 (Suo motu)**

**Coram**

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri S. Jayaraman, Member**
- 3. Shri V.S.Verma, Member**
- 4. Shri M.Deena Dayalan, Member**

**Date of Hearing: 7.7.2011**

**Date of order: 19.9.2011**

**In the matter of**

Non-compliance of the Central Electricity Regulatory Commission  
(Payment of Fees) Regulations, 2008.

**And in the matter of**

Maheshwary Ispat Limited, Kolkata

.....**Respondent**

**Following were present:**

None was present

**ORDER**

By order dated 19.7.2005, Maheshwary Ispat Limited (hereinafter referred to as "the MIL") was granted trading licence for Category-A to trade in electricity as an electricity trader within the country, except the State of Jammu and Kashmir 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, 2004, subject of compliance of terms and conditions specified in the said



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 (hereinafter referred to as '2009 trading licence regulations'), the licence stood re-categorised as Category-IV.

2. In accordance with the provisions of Regulation 14 (1) (a) of the 2009 trading licence regulations, where the licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under the Act or the Rules or the Regulations, the Commission may revoke the licence after serving a notice of revocation. Under clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008 (hereinafter referred to as "the payment of fee regulations") the licensees are required to pay licence fee within thirty days of the date of grant of licence and thereafter annually by 30<sup>th</sup> April of each year. Therefore, the Maheshwary Ispat Limited was required to pay its licence fee for the years 2010-11 and 2011-12 latest by 30<sup>th</sup> April of each year.

3. It is noted that the respondent had not paid the licence fee for the year 2010-11 and 2011-12, which was payable by 30.4.2010 and 30.4.2011, respectively despite issue of reminders dated 14.6.2010 and 26.3.2011. Accordingly, a show cause notice dated 8.6.2011 was issued



to M/s Maheshwary Ispat Ltd. under Section 142 of the Electricity Act, 2003 directing him to explain as to why penalty be not imposed for non-compliance with the provisions of clause (4) of Regulation 4 of the payment of fees regulations. Simultaneously, M/s Maheshwary Ispat Ltd. was directed to explain why its licence of inter-state trading in electricity be not revoked.

4. M/s Maheshwary Ispat Ltd has not filed any reply to the show cause notice.

5. Section 19 of the Electricity Act, 2003 provides for the revocation of licence as under:

*"19. Revocation of licence-(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:*

*(a) Where the licensee, in the opinion of the Appropriate Commission, makes willful and prolonged default in doing anything required of him by or under this Act, or the rules or regulations made thereunder;*

*(b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;*

*(c) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefore-*

*(i) to show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or*

*(ii) to make the deposit or furnish the security, or pay the fees or other charges required by his licence;*

*(d) where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.*

*(2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.*

*(3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months notice in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation."*

6. In our order dated 8.6.2011, the respondent was asked to explain as to why its trading licence should not be cancelled for non-compliance with the provisions of payment of fees regulations. The respondent has neither filed any reply nor appeared before the Commission on 7.7.2011 when the matter was listed for hearing. A period of three months has already lapsed since the issue of notice to the respondent. Therefore, we are of the view that the trading licence issued to M/s Maheshwary Ispat Limited should be revoked in public interest. In exercise of our power under Section 19 of the Electricity Act, 2003, we revoke the licence granted to M/s Maheshwary Ispat Limited with effect from 1.4.2010. We further direct that if it comes to the notice of the Commission that M/s Maheshwary Ispat Limited has undertaken any trading during the period from 1.4.2010 till the date of issue of this order, the same shall be

considered as illegal and unauthorised and appropriate action under the Electricity Act, 2003 shall be taken against M/s Maheshwary Ispat Limited.

7. Petition No. 131/2011 is disposed of in terms of above.

Sd/-  
(M.DEENA DAYALAN)  
MEMBER

-Sd/-  
(V.S. VERMA)  
MEMBER

sd/-  
(S.JAYARAMAN)  
MEMBER

-sd/-  
(DR.PRAMOD DEO)  
CHAIRPERSON

