

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 281/TDL/2010

**Coram:
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

Date of order: 8.10.2013

In the matter of

Surrender of inter-State trading licence granted to Jay Polychem (India) Ltd.

**And
In the matter of**

Jay Polychem (India) Ltd.

...**Petitioner**

ORDER

By order dated 13.1.2011, Jay Polychem (India) Ltd. (hereinafter referred to as 'licensee') was granted trading licence for Category 'I' to trade in electricity as an electricity trader in the whole of India, 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, 2009 (hereinafter referred to as "Trading Licence Regulations") amended from time to time. Subsequently, vide order dated 23.8.2012 in Petition No. 173/Com/2012 licence of the petitioner was downgraded from Category I to Category III.



2. The licensee vide its affidavit dated 23.9.2013 has submitted that due to recession and stiff competition and volatility and uncertainty for power trading it is unable to undertake the trading activities. The licensee has further confirmed that it does not have any liability against its inter-State trading licence. The licensee has requested to waive the licence fee for the period 2013-14 and exempt it to comply with Regulation 14 (3) of the Trading Licence Regulations.

3. Regulation 14 (3) of the Trading Licence Regulations provides as under:

"(3) Where the licensee makes an application for revocation of licence, the application shall contain the following information and documents:

(a) reasons for seeking revocation;

(b) an affidavit to the effect that the licensee has deposited the licence fee for the year in which revocation is sought; that there are no undischarged liabilities against the licensee; that there are no operative contracts for trading of electricity to which the applicant is a party at the time of filing the said application;

(c) an affidavit to the effect that the applicant has posted the complete application on its website and shall keep the application uploaded on its website till its disposal by the Commission;

(d) documents showing that the licensee has published the notice about its application for revocation in two daily newspapers having circulation in each of the five regions in addition to those published from Delhi including one economic newspaper;

(4) Where the Commission, after considering the application made in accordance with clause (3), is satisfied that public interest so requires, the Commission shall revoke the licence, as to the whole or any part of the area of trading upon such terms and conditions as the Commission may consider appropriate;

(5) Where the licence is revoked under clauses (2) and (4) of this regulation, the Commission shall serve a notice of revocation on the licensee and fix a date from which revocation shall take effect."

4. We have considered the request of the licensee. The trading licence has been surrendered by the licensee due to stiff competition in the market and uncertainty and volatility in trading business. Since the licensee has expressed its inability to undertake trading to the prevailing market conditions, it is in public interest to revoke the licence. The licensee has confirmed that there is no operative contract pending against the licence. The licensee has confirmed that it has not incurred any financial liability against the trading licence granted to it. We accept the request of the licensee and revoke the licence granted to the licensee with immediate effect.

5. The licensee has requested to waive payment of licence fee for the year 2013-14 and exempt it to comply with Regulation 14 (3) of the Trading Licence Regulations. As the licensee has not been able to undertake any trading and considering the fact that publication of notice for revocation of licence will add further financial liability on the petitioner, we waive the requirement of publication. As regard the request for waiver of licence fee, we notice that the licensee has requested for revocation of licence on 30.4.2013 and surrendered the licence issued to it. Therefore, in exercise of our power under regulation 17 of the Trading Licence Regulations, we waive the requirement of payment of fees for the year 2013-14.

6. We direct that the Category-III licence granted to M/s Jay Polychem (India) Ltd be revoked with effect from date of issue of this order.



7. A copy of this order be sent to the Central Government in Ministry of Power and Central Electricity Authority for their information and record.

Sd/-

(M.Deena Dayaln)
Member

sd/-

(V.S. Verma)
Member

