

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.12/SM/2014

Coram:

**Shri Gireesh B.Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S.Bakshi, Member**

Date of Order: 13.8.2015

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, 2009.

And

In the matter of

Shyam Indus Power Solutions (P) Ltd.
129, Transport Centre, Rohtak Road,
Punjabi Bagh, New Delhi-110 035

Respondent

ORDER

As per the Regulations 7(n) and 14 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009 as amended from time to time (Trading Licence Regulations), the licensees are required to undertake trading in electricity and failure to undertake trading in electricity will render their licences liable for revocation. Accordingly, the Commission vide order dated 23.4.2015 had directed Shyam Indus Power Solutions (P) Ltd. (SIPSPL) and other trading licensees to submit their business



plan. However, SIPSPL did not submit its business plan. Accordingly, in order dated 23.4.2015, SIPSPL was directed to show cause as to why its licence should not be revoked for non-compliance of the Commission`s directions and for failure to undertake trading in electricity. Relevant portion of said order dated 23.4.2015 is extracted as under:

“11. Shyam Indus Power Solutions (P) Ltd. has not submitted its business plan. In accordance with the Regulation 14 of the Trading Licence Regulations, where the licensee in the opinion of the Commission, makes wilful 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 not less than three months. We are of the view that the said licensee has not only failed to comply with our directions but has also failed to comply with the provisions of Trading Licence Regulations. In our view, the licensee is not entitled to hold the licence when it has failed to comply with the Commission`s directions and failed to undertake trading of electricity in violation of the regulations. Accordingly, we direct the said licensee to file its response as to why its licence should not be revoked for non-compliance of the Commission`s direction. This order shall also be treated as notice under Regulation 14 (2) of the Trading Licence Regulations and the licence of the licensee shall be revoked after expiry of the period of three months in accordance with the provisions of the Electricity Act, 2003 and Trading Licence Regulations.”

2. SIPSPL in its reply dated 17.7.2015 has submitted that the Commission`s order dated 23.4.2015 regarding show cause notice was misplaced in its office and was never brought to the notice of the concerned officials of the company. As a result, the licensee could not file its reply to the notice along with the business plan. SIPSPL has submitted that it has entered into Implementation Agreement with IBM and is focusing on restructuring its processes through IT enabled system. SIPSPL has submitted that it could not undertake trading in electricity due to imposition of cross subsidy surcharge and non-availability of power evacuation facility. SIPSPL has submitted that its trading

business activities shall be reactivated very soon after stabilizing its new IT system. SIPSPL has requested to drop revocation of licence proceedings. SIPSPL has submitted its business plan as under:

Business Plan Projections for the Electricity Trading

Transaction of Electricity Trading	Year	2015-16	2016-17	2017-18	2018-19	2019-20
Short-Term-Bilateral	MU	50	50	100	150	200
Long Term-Bilateral	MU	-	-	-	-	-
Total Projected Volume Trading	MU	50	50	100	150	200

3. We have considered the submission of SIPSPL. The licensee has been regularly paying the licence fee and submitting the information as per the provisions of Trading Licence Regulations. Though the licensee did not respond earlier to the notice of the Commission which has been attributed to the misplacement of notice, the licensee has now committed on affidavit that it would start trading activities expeditiously and has submitted business plan projections for the electricity trading for the years 2015-16 to 2019-20. Considering the commitment given by the SIPSPL to undertake trading in electricity, we allow SIPSPL one year time from the issue of this order to comply with the provisions of Trading Licence Regulations. If SIPSPL does not undertake trading within a period of one year, then its case will be processed for revocation of licence. In view of the above, notice issued to SIPSPL for revocation of licence is discharged.

4. The petition No. 12/SM/2014 is disposed of with the above.

Sd/-

sd/-

sd/-

(A.S. Bakshi)
Member

(A.K. Singhal)
Member

(Gireesh B. Pradhan)
Chairperson

