

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 89/TD/2019

**Coram:
Shri P.K. Pujari, Chairperson
Dr. M.K. Iyer, Member
Shri I.S. Jha, Member**

Date of Order: 8th of May, 2019

In the matter of

Petition for surrender of inter-State trading licence in Category -I granted to IL&FS Energy Development Limited.

**And
In the matter of**

IL&FS Energy Development Company Limited
4th Floor, Dr. Gopaldas Bhawan,
28 Barakhamba Road, Connaught Place
New Delhi-110 001

...Petitioner

Parties Present:

Shri B.Biswal, IL&FS

ORDER

This Petition has been filed by IL&FS Energy Development Company Limited for surrender of inter-State trading licence granted to it.

2. By order dated 4.9.2017, IL&FS Energy Development Company Limited was granted trading licence for Category I to trade in electricity as an electricity trader in the whole of India in accordance with Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2009.

3. The Petitioner has submitted that due to stiff and tough competition, volatility and uncertainty in the power market, it could not undertake any trading business since June 2017. The Petitioner has further submitted that owing to liquidity crisis in its group company, Govt. of India has taken over the management and has appointed new Board of Directors of IL&FS group. The Petitioner has submitted that in consequence to restructuring and looking at the future business potential of trading, it is not keen to continue its trading business. Therefore, the Petitioner is seeking to surrender its existing trading licence. The Petitioner has submitted that it does not have any un-discharged liability, against its inter-State trading licence.

4. We have considered the submissions of the Petitioner. Sub-Regulation (3) of Regulation 14 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 operation contracts for trading of electricity to which the applicant is 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.”

5. IEX, PXIL, NLDC and RLDCs were directed to submit the confirmation to the effect that the Petitioner has not defaulted in making any payment in connection with the transactions made by the Petitioner and no adverse information regarding the conduct and operation of the licensee has come to the notice. IEX has filed its response on 10.4.2019. However, no response has been received from PXIL, NLDC and RLDCs.

6. The Petitioner has uploaded its application on its website and has published the notices regarding surrender of its inter-State trading licence on 20.3.2019 in Indian Express (Delhi, Mumbai and Kolkata editions), New Indian Express (Chennai edition), Financial Express (Delhi, Mumbai, Chennai and Chandigarh editions) and on 21.3.2019 in Financial Express (Kolkata edition). However, no comments/objections have been received from the general public.

7. IEX vide its letter dated 10.4.2019 has submitted that since the Petitioner is not its member, there is no outstanding payment of this licensee for transactions undertaking on power trading.

8. The Petition was heard on 7.5.2019. During the course of hearing, the representative of the Petitioner reiterated the submissions made in the Petition and requested to surrender licence of the Petitioner from 1.4.2019.

9. We note that the Petitioner has surrendered the Category I trading licence on account of its inability to use the trading licence from June, 2017 due to competition in the

power market. The Petitioner has submitted that it has not committed any breach of any of the provisions of the licence and there is no operative contract pending against it.

10. Considering the request of the Petitioner, the Commission directs that the licence granted to IL&FS Energy Development Limited be revoked with effect from 1.4.2019, subject to full payment of annual licence fee upto 31.3.2019.

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

12. The Petition No. 89/TD/2019 is disposed of in terms of the above.

Sd/-
(I.S. Jha)
Member

sd/-
(Dr. M. K. Iyer)
Member

sd/-
(P.K. Pujari)
Chairperson