

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.12/SM/2014

Coram:

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

Date of Order: 23.4.2015

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

1. Karam Chand Thapar and Bros. Ltd.
Rishymook Building, 85A Panchkuian Road,
New Delhi-110 001.
2. Visa Power Ltd.
VISA House, 8/10 Alipore Road,
Kolkata-700 027
3. Indiabulls Power Trading Ltd.
Indiabulls House, 448-451,
Udyog Vihar, Phase-V
Gurgaon-122 001
4. Shyam Indus Power Solutions (P) Ltd.
129, Transport Centre, Rohtak Road,
Punjabi Bagh, New Delhi-110 035
5. PCM Power Trading Corporation Ltd.
PCM Tower, 2nd Mile, Sevoke Road,
Siliiguri-734 001 (WB)
6. DLF Energy Private Limited
DLF Gateway Tower, 7th Floor, DLF City,
Phase-III, Gurgaon-122 002



7. Gemac Engineering Services (P) Ltd.
3rd Floor, Wescare Towers, No.16
Cenotaph Road, Teynompeta,
Chennai-600 018

8. Vedprakash Power (P) Ltd.
Ground Floor, Ismail Building, D.N.Road,
Flora Fountain, Mumbai-400 001

9. Parshavnath Power Project (P) Ltd.
425, Sun-n-Moon Chambers, Railway Station,
Near Ajmer Bridge, Jaipur, Rajasthan

Respondents

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 the licences liable for revocation. Accordingly, the Commission vide order dated 5.1.2015 had directed Visa Power Ltd., Indiabulls Power Trading Ltd., Shyam Indus Power Solutions (P) Ltd. PCM Power Trading Corporation Limited, Vedprakash Power (P) Ltd. and Parshavnath Power Projects (P) Ltd. to submit their business plan. Relevant portion of said order dated 5.1.2015 is extracted as under:

“24. The Commission, vide Record of Proceedings for the hearing dated 14.10.2014, directed the respondents to submit their business plan. It is noted that Newfields Advertising Private Ltd., Vandana Vidhyut Ltd. (VVL), Solar Energy Corporation of India (SECI), Suryachakra Power Corporation Limited, Greenko Energies Private Limited, Adhunik Alloys and Power Ltd. (AAPL) and Pan India Network Infravest Limited (PINIL) have submitted their business plan. However, Visa Power Limited, Indiabulls Power Trading Ltd., Shyam Indus Power Solutions (P) Ltd., PCM Power Trading Corporation Ltd., Vedprakash Power (P) Ltd. and Parshavnath Power Projects (P) Ltd. have not submitted their



business plan. Accordingly, these respondents are directed to submit on affidavit, by 20.1.2015, their business plan.”

2. In response, Visa Power Ltd., Indiabulls Power Trading Ltd., PCM Power Trading Corporation Limited and Vedprakash Power (P) Ltd. have submitted their business plan. However, Shyam Indus Power Solutions (P) Ltd. and Parshavnath Power Projects (P) Ltd. have not submitted their business plan. DLF Energy Private Limited who was issued a notice of revocation of licence for not responding to the direction of the Commission vide its affidavit dated 20.2.2015 has submitted the business plan.

3. Indiabulls Power Trading Ltd. (IPTL) in its business plan dated 20.1.2015 has submitted as under:

(a) IPTL would mainly source the power from the power projects being set up by its parent company and would trade the same. These projects are expected to be fully operational by the end of 2016. Thereafter, the trading activities would be started.

(b) Trading activities have already started and State utilities, industries in Maharashtra, Gujarat and Madhya Pradesh are being targeted for sale of power on medium and long term basis.

(c) The targeted indicative trading volumes in the financial years 2014-15, 2015-16 and 2016-17, is 10 MUs, 60 MUs and 100 MUs respectively.

4. PCM Power Trading Corporation Limited (PCM) in its affidavit dated 15.1.2015 has submitted that it would start trading within 2-3 years from its hydel generating station.

5. Visa Power Trading Company Limited (VPTCL) in its affidavit dated 20.1.2015 has submitted that since power trading environment in the past was not conducive, it could not undertake trading in electricity. VPTCL has further submitted that it is under discussion with Visa Steel Ltd. for sale of its surplus power up to 100 MUs.

6. Vedprakash Power Private Limited (VPPL) in its affidavit dated 15.9.2014 has submitted that it is engaged in discussions with various stakeholders and has submitted purchase/sale offers. VPPL has further submitted that it is focusing on retail day ahead segment and on exchange based trading.

7. DLF Power Energy Private Limited (DLF) in its reply dated 20.2.2015 has submitted that the Commission's order dated 22.8.2014 was misplaced in its office and was never brought to the notice of the concerned officials. Therefore, it could not file reply to the notice and could not submit its business plan. DLF has further submitted that due to stiff competition in the market, low overall demand, imposition of cross subsidy surcharge and non-availability of power evacuation facility, it could not undertake trading in electricity. DLF has submitted that it would commence trading in electricity expeditiously.

8. The Commission vide said order dated 5.1.2015 had issued notice to Karam Chand Thapar and Bros. Ltd., Gemac Engineering Services (P) Ltd. and Green Fields



Power Services (P) Ltd. under Regulation 14 (2) of the Trading Licence Regulations and directed to file their responses as to why their licences should not be revoked for non-compliance of the Commission's direction and for failure to undertake trading in electricity. None of these licensees have filed their replies.

9. We have considered the submissions of Visa Power Ltd., Indiabulls Power Trading Ltd., PCM Power Trading Corporation Limited, Vedprakash Power (P) Ltd. and DLF Energy Private Limited. These licensees have submitted that they are making efforts to undertake trading in electricity and have committed that trading activities would be started as early as possible. Considering the efforts being made by the said licensees to undertake trading in electricity, we allow the said licensees one year time from the issue of this order to comply with the provisions of Trading Licence Regulations. If these licensees do not undertake trading within a period of one year, then their case will be processed for revocation of licence.

10. Shyam Indus Power Solutions (P) Ltd and Parshavnath Power Projects (P) Ltd. have not submitted their business plan in compliance with the directions of the Commission. It is however noted that as per report submitted by the Parshavnath Power Projects (P) Ltd., the licensee it has undertaken trading in electricity with effect from the month of January, 2015. Therefore, we withdraw the notice in respect of Parshavnath Power Projects (P) Ltd.

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.

12. Karam Chand Thapar and Bros. Ltd., Gemac Engineering Services (P) Ltd., and Green Fields Power Services (P) Ltd. have failed to submit their responses to the notice issued under Regulation 14C (d) of the Trading Licence Regulations for revocation of their licences. The petition shall be listed for hearing on 9.6.2015 and the licensees are directed to appear before the Commission and make their submission with regard to the notice of revocation of licence.

13. We direct Indian Energy Exchange, Power Exchange of India Limited and all RLDCs to file the following information in respect of the said licensees mentioned in Para 11 above, on affidavit by 29.5.2015:



- (a) Whether the said licensees have carried out any inter-State or intra-State trading in electricity based on the licences granted to them by the Commission;
- (b) Whether they have defaulted in making any payment to RLDC in connection with the transactions made by them; and
- (c) Whether any adverse information regarding the conduct and operation of the licensees has come to the notice of RLDCs.

Sd/-

(A.S.Bakshi)
Member

sd/-

(Gireesh B.Pradhan)
Chairperson