

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 12/SM/2022 (Suo Motu)

**Coram:
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P.K. Singh, Member**

Date of Order: 8th September, 2022

In the matter of:

Non-compliance of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 and the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020.

**And
In the matter of**

Shyam Indus Power Solutions Private Limited,
16A, Second Floor, Najafgarh Road,
Moti Nagar, Shivaji Marg,
New Delhi.

ORDER

By order dated 11.11.2008, Shyam Indus Power Solutions Private Limited (hereinafter referred to as “the licensee”) was granted inter-State trading licence for Category ‘A’ to trade in electricity as an electricity trader in accordance with the central Electricity Regulatory Commission (Procedure, Terms and Conditions of trading licence and other related matters) Regulations, 2004. Consequent to the notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2009 as amended vide notification dated 7.6.2010, the licence of the Respondent stands re-categorized as Category-IV, subject to the terms and conditions contained in the licence. Based on the request of the

Respondent, vide order dated 5.6.2017 in Petition No. 72/MP/2017, licence of the Respondent was upgraded from Category "IV" to Category "III". Further, the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of trading licence and other related matters) Regulations, 2020 (hereinafter referred to as 'the Trading Licence Regulations') were notified on 30.1.2021 through which the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009 and all subsequent amendments thereof were repealed from the date of commencement of Trading Licence Regulations.

2. Under clause (4) of Regulation 7 of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 as amended from time to time (hereinafter referred to as 'the Payment of Fees Regulations'), the licensees are required to pay licence fee within thirty days of the date of grant of licence and thereafter, annually by 30th April of each year. Further, as per Regulation 9 (15) of the Trading Licence Regulations, the licensee is required to regularly pay the licence fee specified by the Commission from time to time.

3. It has been brought to our notice by office of the Commission that the Respondent has not paid the licence fee for the years 2021-22 and 2022-23, which was payable by 30.4.2021 and 30.4.2022 respectively despite issuance of reminder dated 26.5.2022.

4. As per Regulation 9 (16) of the Trading Licence Regulations, the trading licensee shall not omit or neglect to undertake trading activity. It has been brought to our notice by office of the Commission that Respondent has not undertaken any trading activity in the last three years.

5. In accordance with the Section 19 of the Electricity Act, 2003 (hereinafter referred to

as "the Act"), 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 not less than three months.

6. The Respondent has not responded to the letter issued by office of the Commission for depositing the licence fee. The conduct of the licensee amounts to non-compliance and contravention under the provisions of the Trading Licence Regulations and Payment of Fees Regulations. In our view, the licensee is not entitled to hold licence when he has failed to pay the licence fee and also neglected to undertake any trading activity in the last three years, in violation of the regulations. Accordingly, we direct the Respondent to file its response as to why its inter-State trading licence be not revoked for willful default in depositing the licence fee as well as for not undertaking any trading activity in the last three years. This order shall also be treated as notice under sub-section (3) of Section 19 of the Act and if no reply is received within two months and unless otherwise directed by the Commission, the licence of the licensee shall stand revoked after expiry of the period of three months from the date of issue of this order.

**Sd/-
(P.K. Singh)
Member**

**Sd/-
(Arun Goyal)
Member**

**Sd/-
(I.S. Jha)
Member**