

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:
1. Dr. Pramod Deo, Chairperson
2. Shri S.Jayaraman, Member
3. Shri V.S.Verma, Member

Petition No. 283/2010

DATE OF HEARING: 8.3.2011

DATE OF ORDER: 23.3.2011

In the matter of

Application for grant of inter-State trading licence to Jaiprakash Associates Limited, Noida.

And in the matter of

Jaiprakash Associates Limited, Noida **Applicant**

The following were present:

1 Shri S.K.Thakral, JAL
2 Shri Ajay Jain, JAL

ORDER

The applicant, Jaiprakash Associates Limited, a company registered under the Companies Act, 1956 (1 of 1956) has made the present application under sub-section (1) of Section 15 of the Electricity Act, 2003 (36 of 2003) (the Act) read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2009 (hereinafter referred to as 'the trading licence regulations') for grant of Category 'I'



licence for inter-State trading in electricity in whole of India. The notices in accordance with sub-section (2) of Section 15 of the Act read with Clause (4) of Regulation 6 of the trading licence regulations were published by the applicant on 5.11.2010. In response to the said public notices, no objections have been received.

2. In accordance with Regulation 3 (3) of the trading licence regulations, a person applying for Category 'I' trading licence should have net worth of ₹50 crore, and should have maintained minimum current ratio and liquidity ratio of 1:1, consistently for three years immediately preceding the year in which the application is made. Based on the details furnished by the applicant, it was established that the applicant had the required net worth, current ratio and liquidity ratio at the time of making of the application. Accordingly, the Commission came to the conclusion that the applicant *prima-facie* qualified for grant of licence for inter-State trading in electricity as a category 'I' electricity trader.

3. On the above considerations, the Commission vide its order dated 7.2.2011 had proposed to grant Category 'I' trading licence to the applicant. A notice under clause (a) sub-section (5) of Section 15 of the Act was published on 13.2.2011 in all editions of Times of India and Dainik Bhaskar inviting suggestions/objections to the above



proposal of the Commission. No suggestions or objections have been received in response to the notice issued by the Commission.

4. Clause (9) of Regulation 6 of the trading licence regulations provide as under:

“(9) On consideration of further objections or suggestions received and the reply of the applicant thereto, if any, the Commission may grant the licence or reject the application, for reasons to be recorded in writing if the application does not confirm to the provisions of the Act, the rules or regulations or provisions of any other law for the time being in force:

Provided that no application shall be rejected, unless the applicant has been given an opportunity of being heard.”

5. The matter was heard on 8.3.2011 on which the applicant participated. No body appeared as objector during the hearing.

6. On consideration of the materials on record, we are satisfied that the applicant company meets the requirements of the Act and the trading licence regulations for grant of trading licence for Category 'I'. Accordingly, we direct that Jaiprakash Associates Limited be issued a Category 'I' licence for inter-State trading in electricity in whole of India.

7. The grant of trading licence to the applicant is subject to the fulfillment of the following conditions throughout the period of subsistence of the licence:



(a) The applicant shall comply with the provisions of the Act, the Rules and the Regulations, particularly, trading licence regulations, orders and directions issued by the Commission from time to time and any other law in force.

(b) The applicant shall not exceed the volume of trading authorized under the licence, but may, in exceptional circumstances, undertake trading in electricity up to the maximum of 120 per cent of the volume of trade authorized under the licence granted to him. Where the licensee exceeds the volume of trading in a year authorized under the licence, it shall pay licence fee applicable to the higher category for that particular year:

(c) The applicant shall charge the trading margin strictly in accordance with Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2009 as amended from time to time.

(d) The applicant shall continue to be governed by the qualifications and disqualifications specified in Chapter 2 of the trading licence regulations during the subsistence of licence.

(e) The applicant shall abide by the terms and conditions of

licence specified in Chapter 4 of the trading licence regulations.

(f) The applicant shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008, as amended from time to time or any of other regulations in force.

(g) Non-compliance of the provisions of the Act, rules, regulations framed by the Commission and the provisions of trading licence regulations shall make the licence of the applicant liable for revocation.

8. Petition No. 283 of 2010 is disposed of in terms of the above.

Sd/-
(V.S.Verma)
MEMBER

Sd/-
(S. JAYARAMAN)
MEMBE

Sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON

