

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 48/TD/2018**

**Coram:**  
**Shri P. K. Pujari, Chairperson**  
**Shri A. K. Singhal, Member**  
**Shri M. K. Iyer, Member**

**Date of Order: 13<sup>th</sup> of July, 2018**

**In the matter of**

Application seeking grant of Category-I inter-State trading licence under Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009.

**And  
In the matter of**

NLC India Limited  
Commercial Department  
Corporate Office,  
Block-1, Neyveli- 607801

.....**Petitioner**

**The following was present:**

Shri K. Nambirajan, NLCIL

**ORDER**

The Petitioner, NLC India 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 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of



Trading Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Trading Licence Regulations”) as amended from time to time, for grant of inter-State trading licence for Category-I in all States and Union Territories of India. In accordance with sub-section (2) of Section 15 of the Act read with Clause (4) of Regulation 6 of the Trading Licence Regulations, notices were published by the Petitioner on 2.2.2018. 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, as on the date of the audited balance sheet accompanying the application. Based on the Audited Balance Sheet as on 31.3.2017 and Special Audited Balance Sheet dated 31.12.2017, it was found that the Petitioner possessed the required net worth, current ratio and liquidity ratio for grant of Category 'I' trading licence. Accordingly, the Commission came to the conclusion that the Petitioner *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 6.6.2018 had proposed to grant Category 'I' trading licence to the Petitioner. Notice under clause (a) sub-section (5) of Section 15 of the Act was published on 15.6.2018 in all editions of Hindustan (Hindi) and Times of India 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. The Petitioner has submitted that during the subsistence of the trading licence if granted by the Commission, it shall not apply for any transmission licence before any concerned authority without surrendering the trading licence granted to it.

5. Clause (9) of Regulation 6 of the Trading Licence Regulations provides 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.”

6. On consideration of the materials on record, we are satisfied that the Petitioner company meets the requirements of the Act and the Trading Licence Regulations for grant of inter-State trading licence for Category 'I'. Accordingly, we direct that NLC India 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 Petitioner (hereinafter referred to as “licensee”) is subject to the fulfillment of the following conditions throughout the period of subsistence of the licence:

(a) The licensee 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 licensee shall not trade electricity generated by it on the basis of the licence granted to it;



- (c) The licensee can purchase and sale power involving other entities.
- (d) The licensee shall maintain separate accounts for trading activity by treating it as a separate cost centre;
- (e) The licensee 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;
- (f) The licensee shall continue to be governed by the qualifications and disqualifications specified in Chapter 2 of the Trading Licence Regulations during the subsistence of licence;
- (g) The licensee shall continue to abide by the terms and conditions of licence specified in Chapter 4 of the Trading Licence Regulations;
- (h) The licensee shall regularly pay the annual licence fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof;
- (i) 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 petitioner liable for revocation; and
- (j) If the licensee fails to undertake trading in electricity within one year from

the date of grant of licence, the licence shall be liable for revocation in accordance with the provisions of the Act and Trading Licence Regulations.

8. Petition No. 48/TD/2018 is disposed of in terms of the above.

**Sd/-**  
**(Dr. M. K. Iyer)**  
**Member**

**sd/-**  
**(A. K. Singhal)**  
**Member**

**sd/-**  
**(P. K. Pujari)**  
**Chairperson**

