

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.313/TD/2023

Subject : Petition under Regulation 15 (1) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 for up-gradation of the inter-state trading license from Category 'V' to Category 'IV'.

Date of Hearing : **8.12.2023**

Coram : Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Petitioner : Instinct Infra And Power Limited (IIAPL)

Parties Present : Shri Nishant Kumar, Advocate for the Petitioner

Record of Proceedings

Learned counsel for the Petitioner submitted that the present Petition has been filed for up-gradation of its inter-State trading licence from Category V to Category IV in terms of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading Licence and other related matters) Regulations 2020 ('Trading License Regulation 2020') and amendments thereof. Learned counsel further submitted that the Petitioner has also submitted a Special Audited Balance Sheet (as prepared on 15.8.2023) and an auditor certificate indicating its Net worth, Current Ratio and Liquidity Ratio as on 15.8.2023 and, as such, meets these requirements for Category IV trading licence as prescribed in the Trading Licence Regulations, 2020.

2. In response to the specific query of the Commission regarding the payment of the annual licence fee for the current financial year 2023-24, learned counsel for the Petitioner stated that the Petitioner has yet not paid the annual licence fees for the current year. Learned counsel, however, added that for financial years 2020-21 & 2021-22, the Petitioner had paid an excess annual licence fee i.e. Rs. 6 lakh against applicable fees of Rs. 2 lakh and had also written to the Office of the Commission for adjustment of such fees.

3. The Commission observed that prior to the coming into effect of the Trading Licence Regulations, 2020, the Petitioner was a Category III trading licensee (under Trading Licence Regulations, 2009) and as per Regulation 21 of the Trading Licence Regulations, 2020, the existing transmission licensees were required to meet the Net Worth, Current Ratio and Liquidity Ratio criteria specified in Regulation 9(2) and submit an audited specific balance sheet within a period of six months from the date of commencement of said Regulations. Further, a proviso to the said Regulations also stipulated that in case the existing licensee failed to comply with the above, it shall submit an application for the change of category within six months from the

date of commencement of the said Regulations. Accordingly, the Commission directed the Petitioner to clarify the following, on an affidavit, within two weeks:

(a) Rationale for the Petitioner indicating in the Petition that *“pursuant to the enactment of new Regulations in the year 2020, the licence granted to the Petitioner again stood re-categorised as Category V in terms of the Trading Licence Regulations, 2020 subject to the terms and conditions contained in the licence.”*

(b) Whether the Petitioner had approached the Commission in accordance with Regulation 21(1) of the Trading Licence Regulations, 2020? If not, the reasons thereof.

4. The Commission further directed the Petitioner to pay the annual licence fees of the current financial year within two weeks. The Commission also indicated that the aspects relating to the total outstanding annual licence fees as well as the submissions of the Petitioner regarding having paid the excess annual licence fees, will be dealt with in the order after the Petitioner having furnished its affidavit on the above queries.

5. The Petition will be listed for hearing on **17.1.2024**.

By order of the Commission

**Sd/-
(T.D. Pant)
Joint Chief (Law)**