

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 201/TD/2018**

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

**Date of Order: 31<sup>st</sup> of December, 2018**

**In the matter of**

Surrender of inter-State Trading Licence granted to Reliance Energy Trading Limited.

**And**

**In the matter of**

Reliance Energy Trading Limited  
H Block, 1<sup>st</sup> Floor,  
Dhirubhai Ambani Knowledge City,  
Navi Mumbai 400 710

**....Petitioner**

**Parties Present:**

Shri Hasan Murtaza, Advocate for the Petitioner

**ORDER**

This petition has been filed by Reliance Energy Trading Limited for surrender of trading licence with the following prayers to:

“(a) Pass appropriate order for surrender of trading licence w.e.f 1.4.2018;

(b) To exempt the Petitioner from payment of annual fees for financial year 2018-19 and the requirement of publishing the notice about its application in two daily newspapers under Regulation 17 of the trading licence Regulations.”

2. By order dated 29.6.2004, Reliance Energy Trading Private Limited was granted trading licence for Category ‘ IV’ to trade in electricity as an electricity trader in the whole

of India except the State of Jammu and Kashmir in accordance with Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2004. Subsequently, vide order dated 6.9.2004, the name of trading licensee was changed from 'Reliance Energy Trading Pvt. Ltd.' to 'Reliance Energy Trading Limited'. Further, vide order dated 17.8.2005 the licence of the Petitioner was upgraded from Category 'IV' to Category 'I'. Consequent to the notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2009 (hereinafter referred to as the "Trading Licence Regulations") as amended vide notification dated 7.6.2010, the licence stands re-categorized as Category 'I', subject to the terms and conditions contained in the licence. Based on the request of the Petitioner, the Commission in its order dated 28.9.2015 in Petition No. 94/MP/2015, downgraded the licence from Category 'I' to Category 'IV'.

3. The Petitioner has submitted that in view of the stiff and tough competition, volatility and uncertainty in power trading, the Petitioner has not undertaken any trading activities for last three years. The Petitioner has submitted that looking at the future business potential of trading, it is seeking to surrender its existing trading licence.

4. The Petitioner has submitted that it does not have any undischarged liability, against its inter-State trading licence nor any claim has been raised by any party for past three years. The Petitioner has submitted that there is no operation contract pending against the licensee. The Petitioner has requested to relax the provisions of Regulation 14 (3) of the Trading Licence Regulations and exempt the Petitioner from payment of

annual fees for financial year 2018-19 which would add to the financial burden of the Petitioner.

5. We have considered the submissions of the Petitioner. Sub-Regulation (3) of Regulation 14 of the Trading Licence Regulations provides as under:

“(3) Where the licensee makes an application for revocation of licence, the application shall contain the following information and documents:

- (a) Reasons for seeking revocation;
- (b) an affidavit to the effect that the licensee has deposited the licence fee for the year in which revocation is sought, that there are no undischarged liabilities against the licensee, that there are no operation contracts for trading of electricity to which the applicant is party at the time of filing the said application;
- (c) an affidavit to the effect that the applicant has posted the complete application on its website and shall keep the application uploaded on its website till its disposal by the Commission;
- (d) documents showing that the licensee has published the notice about its application for revocation in two daily newspapers having circulation in each of the five regions in addition to those published from Delhi including one economic newspaper.”

6. The Petition was heard on 26.7.2018. During the course of hearing, The Petitioner vide Record of Proceedings for the hearing dated 26.7.2018 was directed to pay licence fee for the year 2018-19 along with surcharge and publish notice of its application as per Regulation 14 (3) of the Trading Licence Regulations.

7. The Commission directed IEX, PXIL, NLDC and RLDCs to submit the confirmation to the effect that the Petitioner has not defaulted in making any payment in connection with the transactions made by the Petitioner and no adverse information regarding the conduct and operation of the licensee has come to the notice.

8. The Petitioner vide its affidavit dated 12.8.2018 has submitted that it has paid Rs. 3.12 lakh towards licence fee for the 2018-19 and surcharge thereon. The Petitioner has uploaded its application on its website. The Petitioner has published the notices regarding surrender of inter-State trading licence on 1.8.2018 in all editions of Business Standard, Indian Express and the New India Express, Echo of Arunachal (Itanagar), Pokhnapham (Manipur), Shillong Times (Meghalaya), Highlander (Aizwal), Nagaland Post (Dimpur) and Tripura Observer (Agartala). However, no comments/objections have been received from the general public.

9. National Load Despatch Centre vide its letter dated 6.9.2018 has submitted that no default has been committed by the Petitioner with regard to short term open access transactions. NLDC has further submitted that NLDC does not keep account of the information pertaining to default in payment of collective transactions charges by the Petitioner.

10. We have considered the request of the licensee. The trading licensee has surrendered the licence on account of its inability to put the trading licence into use for the last three years. The licensee has submitted that it has not committed any breach of any of the provisions of the licence and Trading Licence Regulations and has paid all applicable fees for the Financial Year 2018-19 alongwith surcharge for late payment. NLDC vide its letter dated 6.9.2018 has confirmed that the licensee has not committed any default in payment of STOA charges. IEX vide its letter dated 18.12.2018 has confirmed that there is no default in making any payment in connection with the transaction made by the licensee.

11. Considering the request of the licensee, the Commission directs that the licence granted to Reliance Energy Trading Limited be revoked with immediate effect.

12. A copy of this order be sent to the Central Government in Ministry of Power and CEA for their information and record.

13. The Petition No. 201/TD/2018 is disposed of in terms of the above.

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

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