

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 385/TDL/2014

Coram:

Shri Gireesh B.Pradhan, Chairperson

Shri A.K.Singhal, Member

Shri A.S.Bakshi, Member

Date of Hearing: 15.01.2015

Date of Order : 27.01.2015

In the matter of

Application for grant of inter-State trading licence to Provestment Services Limited (PSL).

And

In the matter of

Provestment Services Limited
Building No. 5, First Floor,
Pusa Road, WEA Karol Bagh,
New Delhi-110 005

.... Petitioner

The following were present:

Shri Praveen Bhatia, PSL

Shri Anil Hridy, PSL

ORDER

The petitioner, Provestment Services Limited, a company registered under the Companies Act, 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 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”) amended from time to time, for grant of Category `IV` licence for inter-State trading in electricity within all regions and States 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 1.10.2014. In response to the said public notice, no objections have been received.

2. In accordance with Regulation 3 (3) of the Trading Licence Regulations, a person applying for Category 'IV' trading licence should have net worth of ₹ 1 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 special balance sheet as on 31.8.2014, it was found that the petitioner possessed the required net worth, current ratio and liquidity ratio for grant of Category 'IV' 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 'IV' electricity trader.

3. On the above considerations, the Commission vide its order dated 22.12.2014 had proposed to grant Category 'IV' trading licence to the petitioner. Notice under clause (a) sub-section (5) of Section 15 of the Act was published on 2.1.2015 in all editions of Hindustan Times and Hindustan (Hindi) 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. 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 'IV'. Accordingly, we direct that Provestment Services Limited be issued a Category 'IV' licence for inter-State trading in electricity in whole of India, except the State of Jammu and Kashmir.

6. The grant of trading licence to the petitioner (hereinafter '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 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 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;

(d) 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;

(e) The licensee shall abide by the terms and conditions of licence specified in Chapter 4 of the Trading Licence Regulations;

(f) The licensee shall have the liability to pay the 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; and

(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 petitioner liable for revocation.

(h) If the licensee fails to undertake trading in electricity within one year from the date of licence, the licence shall be liable for revocation in accordance with the provisions of the Act and Trading Licence Regulations.

7. Petition No. 385/TDL/2014 is disposed of in terms of the above.

**SD/-
(A.S. Bakshi)
Member**

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

**SD/-
(Gireesh B. Pradhan)
Chairperson**