

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 208/TD/2021

Coram:

Shri P.K. Pujari, Chairperson

Shri I.S. Jha, Member

Shri Arun Goyal, Member

Shri P.K. Singh, Member

Date of Order: 22nd December, 2021

In the matter of

Application under Section 14 of the Electricity Act, 2003 read with Regulation 6 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2020 for grant of an inter-State trading licence in electricity.

And

In the matter of

Shell Energy Marketing and Trading India Private Limited,
2nd Floor, Campus 4A, RMZ Millenia Business Park-II,
143 Dr. MGR Road, Kandhanchavadi, Perungudi,
Chennai-600 096

..... Applicant

The following were present:

Shri Avijeet Lala, Advocate for the Applicant

Shri Sakya Singha Chaudhuri, Advocate for the Applicant

Ms. Meha Chandra, Advocate for the Applicant

Mr. Shayur Shah for the Applicant

Shri Amikar Jha for the Applicant

Shri Saurabh Agarwal for the Applicant

ORDER

The Applicant, Shell Energy Marketing and Trading India Private Limited, a company registered under the Companies Act, 1956 has made the present application under Section 14 of the Electricity Act, 2003 (hereinafter referred to as "the Act") read with Regulation 6 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and other related matters) Regulations,

2020 (hereinafter referred to as “the Trading Licence Regulations”) amended from time to time, for grant of Category `V` trading licence for inter-State trading in electricity in whole of India. In accordance with Sub-section (3) of Section 15 of the Act read with Clause (4) of Regulation 6 of the Trading Licence Regulations, notices were published by the Applicant on 1.10.2021. In response to the said public notice, no objections have been received.

2. In accordance with Clause (3) of Regulation 3 of the Trading Licence Regulations, a person applying for Category `V` trading licence should have net worth of Rs. two crore and should have maintained minimum current ratio and liquidity ratio of 1:1 as on date of audited balance sheet accompanying the application. As per Special Balance Sheet submitted by the Applicant as on 31.8.2021, the Applicant possesses the required net worth, current ratio and liquidity ratio for grant of Category “V” trading licence. Accordingly, the Commission vide order dated 21.11.2021, came to conclusion that the Applicant is *prima facie* qualified for grant of Category “V” licence for inter-State trading in electricity.

3. On the above consideration, the Commission vide its order dated 21.11.2021 had proposed to grant Category “V” inter-State trading licence to the Applicant. Relevant portion of the said order dated 21.11.2021 is extracted as under:

“13. On consideration of the above facts, after a preliminary examination, we find that the Applicant meets the requirements as specified in the Trading Licence Regulations for grant of Category `V` trading licence. In view thereof, the Commission proposes to grant Category `V` trading licence to the Applicant. We direct that a notice under Clause (a) of Sub-section (5) of Section 15 of the Act be issued inviting further suggestions or objections to the proposal of the Commission.”

4. In line with the above-mentioned order dated 21.11.2021, notice under Clause (a) of Sub-section (5) of Section 15 of the Act was published on 23.11.2021 in all

editions of Times of India (English) and Dainik Jagran (Hindi). No suggestions or objections have been received in response to the notice issued by the Commission.

5. Case was called out for virtual hearing on 21.12.2021.

6. The learned counsel for the Applicant submitted that no objection has been received in response to the public notice published by the Commission under sub-section (5) of Section 15 of the Act. The learned counsel for the Applicant further submitted that the Applicant company would comply with the requirements specified in the Trading Licence Regulations during the subsistence of the trading licence, if granted.

7. 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.”

8. 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 inter-State trading licence for Category 'V'. Accordingly, we direct that Shell Energy Marketing and Trading India Private Limited be issued a Category 'V' licence for inter-State trading in electricity in whole of India.

9. The grant of trading licence to the Applicant (hereinafter referred to as “the 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 comply with orders and directions issued by the Commission from to time;

(c) The licensee shall not engage in the business of transmission in electricity during the period of subsistence of the trading licence;

(d) The licensee shall charge trading margin strictly in accordance with Trading Licence Regulations as amended from time to time;

(e) 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;

(f) The licensee shall continue to abide by the terms and conditions of licence specified in Chapter V of the Trading Licence Regulations, as amended from time to time;

(g) 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;

(h) Non-compliance of the provisions of the Act, Rules, Regulations and the provisions of Trading Licence Regulations shall make the licence of the Applicant liable for revocation;

(i) 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; and

(j) The licensee shall submit all such report or information as may be required under Trading Licence Regulations or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

10. Let an extract copy of this order be sent to the Central Government in Ministry of Power and Central Electricity Authority in terms of sub-section (7) of Section 15 of the Electricity Act, 2003 for their information and record.

11. Petition No. 208/TD/2021 is allowed in terms of the above.

Sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(P.K. Pujari)
Chairperson