

**Notified on 22/08/2025**

**Bhopal Dated 12/08/2025**

No. 1643/MPERC/2025-In exercise of powers vested under Sections 14,15,16,17,18,19 and 52 read with Section 181 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that regard, the Madhya Pradesh Electricity Regulatory Commission hereby makes the following Regulations providing for the eligibility criteria for grant of intra-state trading licence, procedure to be followed to obtain intra-state trading licence, procedure for application, duties and the terms and condition of the intra state trading licensee, namely:

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION {PROCEDURE, TERMS AND CONDITIONS FOR GRANT OF TRADING LICENCE AND OTHER MATTERS OF TRADING LICENSEE (INCLUDING DEEMED LICENSEE)} REGULATIONS, 2025 (REVISION –I) (RG-18(I) OF 2025)**

**CHAPTER 1: PRELIMINARY**

**1. Short Title and Commencement:**

**1.1** These Regulations shall be called “**Madhya Pradesh Electricity Regulatory Commission {Procedure, Terms and Conditions for Grant of Trading Licence and Other Matters of Trading Licensee (Including Deemed Licensee)} Regulations, 2025 (Revision –I) {RG-18 (I) of 2025}**”.

**1.2** These Regulations shall apply to any person undertaking intra-state trading of electricity in the State of Madhya Pradesh:

Provided that a distribution licensee shall not require a trading licence to undertake trading in electricity;

Provided further that as per the Rule 9 of Electricity Rules 2005, notified by Ministry of Power, Government of India vide notification no. G.S.R. 379 (E) dated 8th June 2005, a Licence issued by the Central Electricity Regulatory Commission (CERC) under Section 14 read with clause (e) of sub-section (1) of Section 79 of the Act to an electricity trader for Inter-state operations shall also entitle such electricity trader to undertake intra-state trading operation, without the need to take a separate License for Intra-state trading from the Commission .

**1.3** These Regulations shall come into force on the date of their publication in the Official Gazette of Government of Madhya Pradesh.

**2. Definitions:**

In these Regulations, unless the context otherwise requires, the words, terms and expressions, if not defined in these Regulations, shall have the same meaning as assigned in Act:

- a) **“Act”** means the Electricity Act, 2003 (36 of 2003);
- b) **“Agreement”** means agreement(s) entered into by the licensee (intra-state electricity trader) with the seller of electricity, buyer of electricity, other licensees and State Load Despatch Centre, as the case may be, that enables the trading transactions;
- c) **“Annual Accounts”** means the accounts of the Trading Licensee prepared in accordance with the provisions of Companies Act, 2013 (18 of 2013), as amended from time to time and/or in such other manner as may be directed by the Commission in terms of the provisions of the Act or MP Act;
- d) **“Applicant”** means a person who has made an application or petition for grant of a licence for intra-state trading of electricity;
- e) **“Application”** means the application or petition made for grant or amendment or renewal or revocation of licence for Intra-State trading of electricity, as the case may be, and includes annexures and enclosures to such application or petition;
- f) **“Area of Activity”** means the area stated in the Trading Licence within which the Trading Licensee is authorized to trade;
- g) **“Auditors”** means the Trading Licensee’s auditors, and if the Trading Licensee is a company, auditors holding office in accordance with the requirements of the Companies Act, 2013 (18 of 2013) as amended from time to time or any other law for the time being in force;
- h) **“Authorized”** in relation to any Person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the third and ninth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;
- i) **“Commission”** means the Madhya Pradesh Electricity Regulatory Commission;
- j) **“Conduct of Business Regulations”** means the applicable Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2016, as revised and amended from time to time;
- k) **“Current Ratio”** means the ratio between current assets and current liabilities, where:
  - (i) current assets include cash or cash equivalent of money, accounts receivables, inventory, current investments excluding investment made in Associates and pre-paid expenses; and
  - (ii) current liabilities include sundry creditors, provisions and other liabilities to be discharged within a period of one year.
- l) **“Customer”** means any person purchasing electricity from the trader and includes distribution licensee, any other trading licensee and any consumer that the trading licensee gets into a sale agreement with;

- m) **"Deemed licensee"** means a person, who is deemed to be a Licensee for intra-state trading of electricity under any of the provisos to Section 14 of the Act;
- n) **"Distribution"** means the conveyance or wheeling of electricity by means of a Distribution System;
- o) **"Distribution Code"** means the applicable Madhya Pradesh Electricity Distribution Code, 2024 as revised and amended from time to time;
- p) **"Electricity Supply Code"** means the applicable Madhya Pradesh Electricity Supply Code, 2021, as revised and amended from time to time;
- q) **"Electricity Trader"** or **"Trader"** means a person who has been granted a licence to undertake intra-state trading in electricity under Section 14 of the Act or deemed to be granted under the third and ninth proviso to Section 14 of the Act or granted exemption under Section 13 of the Act;
- r) **"Financial Statement"** means financial statements comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto and such other particulars and details and in the manner as the Commission may prescribe from time to time and showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either charged from the Licenced Business to any Other Business or vice versa together with a description of the basis of that charge; or determined by apportionment or allocation between the Licenced Business and any other business of the licensee together with a description of the basis of the apportionment or allocation for each financial year.  
The Financial Statement shall show separately the requirements mentioned above for the Licenced Business and Other Business (es) in which the licensee may be engaged with the approval of the Commission;
- s) **"Financial Year"** or **"Year"** means a period of twelve months commencing on 1<sup>st</sup> April of a year and terminating on 31<sup>st</sup> March of the following year;
- t) **"General Conditions"** means General Conditions of Trading as specified in these Regulations;
- u) **"Grid Code"** means the MP Electricity Grid Code (MPEGC) specified by the Commission under Section 86 (1) (h) of the Act and includes the Indian Electricity Grid Code (IEGC) as amended from time to time;
- v) **"Intra-state Trading"** means trading in electricity within the territory of the State of Madhya Pradesh;
- w) **"Licenced Business"** means the business of Trading of electricity in the Area of Licence as authorized under the Trading Licence;
- x) **"Liquidity Ratio"** means the ratio between liquid assets and current liabilities, where:
  - (i) liquid assets include current assets less inventory less prepaid expenses; and

- (ii) current liabilities include sundry creditors, provisions and other liabilities to be discharged within a period of one year;
- y) **"MP Act"** means the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (4 of 2001);
- z) **"MP SLDC"** means Madhya Pradesh State Load Dispatch Centre;
- aa) **"Net Worth"** means aggregate value of the paid-up equity share capital and compulsorily convertible preference shares and free reserves (excluding reserves created out of revaluation and write back of depreciation) reduced by the aggregate value of accumulated losses, deferred expenditure (including miscellaneous expenses) not written off and loans and advances to and investments made in Associates;
- bb) **"Other Business"** means any business of the trading licensee other than the licensed business of intra-state trading;
- cc) **"Person"** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- dd) **"Quarter"** means a three-month period starting from 1<sup>st</sup> day of April, July, October and January and ending respectively on the last day of June, September, December and March of a financial year;
- ee) **"Trading Licence"** means a licence granted under Section 14 of the Act to undertake intra-state trading in electricity;
- ff) **"Trading Licensee"** means a person who has been granted an Intra-state Trading Licence and does not include a person granted licence by CERC for Inter-State trading or a person granted licence for trading by other State / Joint Electricity Regulatory Commission; and
- gg) **"Transfer"** shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing.

## **CHAPTER 2 PROCEDURE FOR GRANT OF LICENCE**

### **3. Proceedings Before the Commission:**

All proceedings before the Commission under these Regulations shall be governed by the MPERC (Conduct of Business) Regulations, 2016 as amended from time to time.

### **4. Eligibility for Grant of Licence:**

**4.1 General Qualifications** - The Applicant should have been authorized to undertake trading in electricity in accordance with its Main Objects in the Memorandum of

Association and Article of Association (in case of a company incorporated under the Companies Act, 2013) or the Partnership Deed (in case of a partnership firm registered under the Indian Partnership Act, 1932) or the statutory documents of Limited Liability Partnership under Limited Liability Partnership Act, 2008.

## 4.2 Technical Requirements

**4.2.1** Technical requirements to qualify as an Electricity Trader shall be as under:

- a) The applicant shall have at least one full-time professional who has required qualification and experience in each of the following disciplines, namely:

| S. No. | Discipline  | Qualifications & Experience  |
|--------|---|--|
| (a)    | System Operation or Power Trading or Energy Risk Management | Degree in Engineering with at least 5 years of experience in the field   |
| (b)    | Finance, commerce and accounts                              | CA/ ICWA/ MBA (Finance) with at least 5 years of experience in the field |

- b) The applicant must have skilled staff, including those at the lower levels with adequate qualifications and experience and basic computer awareness, in order to discharge commercial transactions smoothly.
- c) The technical requirement of staff shall be complied with before undertaking trading activities, notwithstanding the fact that the Commission has granted the licence for intra-state trading.
- d) The applicant shall furnish to the Commission the details of the professional and the supporting staff engaged by him on full-time basis before undertaking intra-state trading.
- e) The Commission may from time to time, by general or special order, decide on the technical capabilities to be maintained by the Electricity Trader.

**4.2.2** The Electricity Trader shall maintain the technical capability and resources as directed by the Commission throughout the period of licence and provide the Commission with the details of any changes thereon and justify that the capability is adequately maintained to cater to the volume of trade undertaken by him.

## 4.3 Financial Qualifications: Capital Adequacy Requirement and Credit Worthiness

**4.3.1** The applicant shall declare to the Commission the maximum trading volume the applicant proposes to handle in a year and its future plans for trading during the initial three years.

**4.3.2** Considering the volume of intra-state trading proposed to be undertaken, the net

worth of the electricity trader at the time of application shall not be less than as specified hereunder:

| S.No. | Category of the Trading Licence | Volume of electricity proposed to be traded in a Financial Year<br>(in kWh) | Minimum Net Worth<br>(in Rs. Crores) |
|-------|---------------------------------|---|--------------------------------------|
| 1     | Category A                      | Up to 50 Million  | 1.00                                 |
| 2     | Category B                      | Above 50 and upto 100 Million   | 2.00                                 |
| 3     | Category C                      | Above 100 and upto 200 Million  | 4.00                                 |
| 4     | Category D                      | Above 200 and upto 500 Million  | 10.00                                |
| 5     | Category E                      | Above 500 Million   | 15.00                                |

- 4.3.3** The net worth at any point of time during the operation of trading should not be reduced below 75% of the minimum requirements specified for the respective category of trader and shall be replenished at the end of every quarter, ending June, September, December and March every year to the above specified levels. An audited certificate of compliance regarding net worth would need to be submitted to the Commission for every quarter within a period of 30 days from the end of that quarter.
- 4.3.4** In case the cumulative energy traded during any time of the year exceeds the category wise specified volume of trade, then the trader shall immediately inform the Commission and increase its net worth to the specified level of respective category by the end of that quarter.
- 4.3.5** If a licensee holds multiple intra-state / inter-state licences and the trading volume of such licensee exceeds the combined net worth required for such licences, the licensee shall increase the net worth corresponding to the respective category within the end of the quarter.
- 4.3.6** At the time of application, the applicant shall submit to the Commission the applicant's earnings history, balance sheet, cash flow, funding arrangements and risk management strategy, which will demonstrate that the applicant has met the net worth requirement.

**4.3.7** The Applicant shall have Net worth as specified in Regulation 4.3.2 above and have a minimum Current Ratio of 1:1 and a minimum Liquidity Ratio of 1:1:

Provided that the Net Worth, Current Ratio and Liquidity Ratio specified in this regulation shall be computed on the basis of the audited special balance sheet prepared in accordance with the financial reporting framework prescribed under the Companies Act, 2013.

**4.3.8** In addition to the eligibility criteria specified in Regulation 4.3.2 and 4.3.7 above, the applicant shall have to meet the following basic criteria to be eligible for grant of Trading licence:

- i. None of the promoters of the company applying for licence have been classified as "willful defaulter" by RBI or other relevant authority; and
- ii. The debt instruments issued by the company applying for licence, if rated, should have a rating above C or equivalent rating symbol by any of the Independent Credit Rating Agencies.

**4.3.9** The existing licence holder's bank account should be classified as 'Standard' by all his current bankers.

(Explanation - Banks classify each of their loan account as 'Standard' or 'Sub-Standard' as per the guidelines of RBI, which will have an impact on the resource raising capability of a party from the banking sector).

**4.3.10** If a licensee defaults on any of the conditions under 'Technical Requirements' and 'Capital Adequacy Requirement and Credit Worthiness', then the Commission shall have the right to revoke the licence.

**4.3.11** Disqualifications: The Applicant shall not be qualified for grant of licence if:

- i. The Applicant, or any of his Associates, or partners, or promoters, or Directors is a undischarged insolvent; or
- ii. The Applicant holds a licence for transmission of electricity; or
- iii. The Applicant or any of his Associates or partners or promoters or Directors has been convicted of an offence involving moral turpitude, fraud, or any economic offence during any of the three Years immediately preceding the Year in which application is being made; or
- iv. The licence of the Applicant or any of his Associates or partners or promoters or Directors has been revoked by the Commission for the reasons mentioned in Section 19 (1) of the Act during any of the three Years immediately preceding the Year in which application is made; or
- v. The Applicant or any of his Associates or partners or promoters or

Directors has in the past been found guilty in any proceedings for non-compliance of any of the provisions of the Act or the Rules or the Regulations made thereunder, or an order made by the Commission during any of the three Years immediately preceding the Year in which application is made:

Provided that on the date of application or thereafter, if any proceeding for noncompliance of any provision of the Act, or the Rules or the Regulations made thereunder or for non-compliance of the order of the Commission is initiated against the Applicant, the application shall be considered after the final disposal of the proceedings:

Provided further that where the Applicant is found guilty of non-compliance in the proceeding, its application shall be dealt with in accordance with this regulation.

## **5. Procedure for Grant of Licence:**

**5.1** Any person desirous of engaging in the State of Madhya Pradesh in the business of intra-state trading of electricity shall apply to the Commission for the grant of trading licence in **Format-1** in accordance with the provision of the Act and these Regulations and accompanied by documentary evidence of having paid such fees as may be prescribed under Schedule-1 of Madhya Pradesh Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2024 as amended from time to time.

**5.2** Every application or petition for intra-state trading licence and the supporting documents, in such number of copies as the Commission may specify in MPERC (Conduct of Business) Regulations, 2016 as amended from time to time, shall be signed by the applicant or petitioner and addressed to Secretary or such Officer as the Commission may designate in this behalf and shall be accompanied by:

- i. a statement of business plan, with the capital proposed to be expended in carrying on the Licensed Business, the means of financing for such capital expenditure, the resultant efficiency improvements and such other particulars as the Commission may require;
- ii. a copy of the Memorandum of Association and Articles of Association of the company, where the Applicant is a body corporate, and similar applicable documents of incorporation, registration or agreement in case of other business entities;
- iii. a copy of Annual Accounts and other similar documents as may be required;
- iv. an affidavit by the Applicant verifying the information disclosed in the application;

- v. where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, distribution, transmission or trading of electricity, whether within the State of Madhya Pradesh or in any other State;
- vi. where the Applicant is not a body corporate, details of any business of generation, distribution, transmission or trading of electricity, whether within the State of Madhya Pradesh or in any other State, in which the Applicant is directly or indirectly interested;
- vii. A receipt in acknowledgement of payment of the fee; and
- viii. Such other documents or information as the Commission may seek.

### **5.3 Contents of application:**

The application referred to in Regulations 5.1 above shall contain the following particulars:

- i. A short title descriptive of the proposed licensee together with the address and description of the applicant, and if the applicant is a company, the names of all the directors of the company;
- ii. Location of the proposed area of operation;
- iii. A description of the proposed area of operation;
- iv. The general conditions and also the specific conditions, if any, which the Commission has specified and any deviation sought from the general or specific conditions, with justification; and
- v. Such other particulars as the Commission may specify.

### **5.4 Acknowledgment of application:**

On receipt of the application, the Receiving Officer shall note thereon the date of its receipt and shall send to the applicant an acknowledgment stating the date of receipt.

### **5.5 Copies of supporting documents for public inspection:**

The applicant shall maintain at his own office and at such other place as may be designated by the Commission, the copies of the supporting documents referred to in Regulation 5.2. for public inspection and furnish to persons applying for them the copies of such documents at a price not exceeding reasonable photocopying charges. The applicant shall also upload the complete application along with annexures including the supporting documents referred in Regulation 5.2 on its website. The application shall be kept posted on the website of the applicant till such time the application is disposed of by the Commission.

### **5.6 Calling for additional information:**

The Commission or the Secretary or any Officer designated for the purpose by the Commission may upon scrutiny of the application, require the applicant to furnish within a period as may be stipulated, such additional information or particulars or documents as considered necessary for the purpose of dealing with the application.

#### **5.7 Notifying the due filing of the application:**

On confirmation of the receipt of the requisite and necessary information, particulars and documents, the officer designated for the purpose shall certify that the application is ready for being considered for grant of licence in accordance with the procedure provided in the Act and in these Regulations and shall communicate the same to the applicant.

#### **5.8 Advertisement of application and contents thereof:**

**5.8.1** The applicant shall, within seven days after making such application to the Commission, publish notice of his application by public advertisement in at least two leading daily newspapers having wide circulation, one in English language and another in the Hindi language inviting comments from the general public. The advertisement shall contain such particulars as the Commission may specify. The notice shall also be kept posted on the website of the applicant.

**5.8.2** The application published in the newspapers and uploaded on applicant's website should clearly mention that the suggestions and objections to the application, if any, may be filed by any person within 21 days of publication of the notice to the Applicant with a copy to Secretary, MPERC at the address as specified in Conduct of Business Regulations, 2016 through an order made in that behalf.

**5.8.3** The Commission may direct that notice of the application be served on the Central Government, the State Government and such other authority, person or body as the Commission may specify in the manner as the Commission may consider appropriate.

#### **5.9 Objections:**

- a. Any person intending to object to the grant of the licence shall file objections within 21 days from the date of publication of the notice or extended period as may be specified by the Commission.
- b. Any person who desires to have any amendment made in the conditions of licence shall deliver a statement of the amendment to the applicant and to such officer as the Commission may designate in this behalf within the time allowed by the Commission.

#### **5.10 Hearings and local inquiries:**

- a) If the applicant has duly arranged for the publication of the notice of the application and the time for filing of the objection is over, the Commission will proceed with the hearing of the application.
- b) The Commission shall give the notice of inquiry or hearing to the applicant, the persons who had filed objections, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.
- c) If any person objects to the grant of a licence applied for, the Commission may cause a local inquiry to be held in such manner as the Commission may direct;
- d) In case of such local inquiry a memorandum of the results of the local inquiry shall be prepared and shall be signed by the applicant, the Officer or person designated for the purpose and such other person as the Commission may direct.

## **6. Grant of Licence:**

**6.1.** The Commission after considering the comments, suggestions and objections received in response to the public notice, may either propose to grant the licence to the applicant or for reasons to be recorded in writing, reject the application.

**6.2.** Before granting a licence, the Commission shall also publish a notice of its proposal on the Commission's website and in two daily newspapers, having wide circulation, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to grant the licence and any other details that the Commission may consider appropriate, to invite further suggestions and objections on its proposal within 21 days of the publication of the notice.

**6.3.** The Commission may, after consideration of the further suggestions and objections, if any, received in response to the public notice in terms of Regulation 6.2 of these Regulations, grant licence to the applicant, or for reasons to be recorded in writing, reject the application.

**6.4.** The Commission shall before granting the licence or rejecting the application under the provisions of these Regulations provide an opportunity of hearing to the applicant and the person who has filed comments/ objections/ suggestions, or any other interested person.

**6.5.** The Commission shall, within 7 days of making the order to grant the licence to an applicant send a copy of the licence to Energy Department, Govt of MP, the Central Electricity Authority, the State Load Dispatch Centre and the applicant.

## **6.6. Commencement of Trading Licence:**

The Trading licence shall commence from such date as the Commission shall notify.

## **6.7. Validity of Trading Licence:**

The Trading Licence shall be valid for a period of twenty-five (25) years from the date

of commencement unless it is revoked by the Commission.

#### **6.8. Deposit of copies of Licence:**

Every person who is granted a Trading licence shall, within thirty (30) days of the grant thereof:

- a) have adequate number of copies of the Trading Licence printed;
- b) Arrange to exhibit a copy of such Trading Licence for public inspection during working hours at his head office, at his local offices (if any) and at the office of every local authority within the area of supply as the Commission may stipulate in this regard; and
- c) Every such Licensee shall, within the aforesaid period of thirty (30) days, make necessary arrangements for the sale of printed copies of the Trading Licence to all persons applying for the same, at a price not exceeding normal photocopying charges.

### **CHAPTER 3: GENERAL CONDITIONS / OBLIGATIONS OF LICENSEE**

#### **7. Functions and Duties of Licensee:**

**7.1.** The Trading Licensee may engage in the business of trading in electricity in the State and shall not undertake any other activity not permitted by Act.

**7.2.** The Electricity Trader shall:

- (a) have in place all agreements or arrangements for the purchase and sale of electricity, and all necessary authorizations as required by the Trading Licence to be able to perform its obligations under such agreements or arrangements;
- (b) have in place the requisite Agreements with the Transmission Licensees and Distribution Licensees for the transmission or wheeling of electricity, as the case may be;
- (c) have in place Billing and Settlement Agreements, i.e. between the trader and generator, between the trader and other licensees and between the trader and his customers;
- (d) have in place a well-structured payment security mechanism, i.e. through a revolving letter of credit or through any other superior instrument, to safeguard against default on payments for the electricity traded;
- (e) inform the customer as to when the expiry will occur if the contract of the trader with its customer is for a fixed term, prior to its expiry and the tariffs and terms & conditions applicable to the customer beyond the expiry of the term, if the arrangement is to be continued;
- (f) maintain an up to date register or record of all the business transactions;
- (g) co-ordinate with MP SLDC and State Transmission Utility (STU) with regard to all

trading related activities and should comply with any direction by the MP SLDC, STU and Central Electricity Authority (CEA) issued in the discharge of their functions under the Act;

- (h) not omit or neglect to undertake trading activity for four consecutive quarters;
- (i) increase his net worth, by the end of the relevant quarter, if the volume of trade moves from a lower category to a higher category based on cumulative energy traded during anytime of the year and the change of category shall be decided based on the volume of electricity traded for the year ending on 31<sup>st</sup> March of each year and the Electricity Trader shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth;
- (j) be governed by the technical requirements, capital adequacy requirements and creditworthiness as may be specified by the Commission and shall upgrade these technical and capital adequacy requirements, including staff, when the volume of trading increases;
- (k) maintain separate accounts for his trading business, prepare and maintain the same in accordance with the provisions of the Companies Act, 2013, as amended from time to time and such other particulars and details in the manner as the Commission may direct from time to time;
- (l) also undertake such studies as the Commission may direct it to undertake from time to time in regard to the trading activities and any other matter concerning the Trading Business that the Commission considers necessary in the public interest. The Commission at its own discretion may require the submission of a report to be prepared by an independent person on the activities of the Trading Licensee at the cost and expense of the Trading Licensee.
- (m) comply with the requirements specified by the Commission from time to time under Section 66 of the Act;
- (n) pay to the Commission, non-refundable annual licence fee as specified in Regulation 14 of these Regulations as per the procedure specified in MPERC (Fees, Fines and Charges) Regulations, 2024 as revised and amended from time to time;
- (o) comply with any other requirements as the Commission may direct from time to time; and
- (p) not enter into any agreement leading to the abuse of its dominant position, if any, which is likely to cause an adverse effect on competition in the electricity industry.

## **8. Limitations on Trading Licensee:**

**8.1.** The Trading Licensee shall not, without prior approval of the Commission:

- a. undertake any transaction to acquire by purchase or takeover or otherwise, the

utility of any other Licensee;

- b. merge his utility with the utility of any other licensee; and
- c. create any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business.

**8.2.** The Trading Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any Person, except when made or issued for the purposes of the Licensed Business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

**8.3.** The Trading Licensee shall not at any time transfer or assign his licence in any manner without the prior approval of the Commission.

**8.4.** The Trading Licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the Trading Licensee in connection with the Licensed Business, subject to the following conditions:

- (a) that the transaction shall be undertaken on an "arms-length basis" and at a value that is fair and reasonable in the circumstances;
- (b) that the transaction will be consistent with any Regulations framed by the Commission relating to the provision of goods and services with respect to the Licensed Trading Business;
- (c) that the Licensee will give 15 days' notice to the Commission prior to commencement of the proposed arrangement and along with the notice provide all relevant details of the arrangement; and
- (d) That the Trading Licensee shall submit to the Commission, for each financial year a certificate from a chartered accountant as regards compliance with the requirement of Regulation 8.4 (a) above.

**8.5.** The Trading Licensee shall also set up a website to display the total amount of power made available by it, the amounts of power already contracted by various persons and power available for sale and such other information as may be required by the Commission. Such information shall be updated at least every twelve (12) hours.

**8.6.** The Trading licence shall be applicable for the area for which licence has been granted.

## **9. Obligations of Licensee:**

**9.1.** The Licensee shall comply with the provisions of the Act, Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws.

**9.2.** The Licensee shall act in accordance with these Regulations except where the Licensee is exempted from any provision of these Regulations at the time of the grant of licence or a specific approval is obtained from the Commission for any deviation therefrom.

**9.3.** The Licensee shall duly comply with and undertake the activities consistent with the Grid Code, Distribution Code, Electricity Supply Code, other applicable Regulations and Standards, orders, directions issued by the National Load Despatch Centre, Regional Load Despatch Centre, State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act.

#### **10. Renewal of Licence:**

The Licence shall, on completion of twenty-five (25) years from the date of issue of licence, stand automatically renewed for another period of twenty-five (25) years at a time, unless revoked earlier:

Provided that the Commission may renew the licence for a period less than 25 years after considering the merits of the case.

#### **11. Provisions applicable to Deemed Licensee:**

The general conditions specified in these Regulations shall also be applicable to deemed licensee.

### **CHAPTER 4: ACCOUNTS**

**12.1.** The Licensee shall, in respect of the Licensed Business and any Other Business:

- (a) keep such accounting records as would be required to be kept in respect of each such Business as if these were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Licensed Business are separately identifiable in the books of the Licensee, from those of any other business in which the Licensee is engaged; and
- (b) prepare on a consistent basis from such accounting records and deliver to the Commission:
  - (i) the Financial Statements;
  - (ii) in respect of first six months of each financial year, an interim profit and loss account, cash flow statement and balance sheet with all supporting documents and other information, if any, as the Commission may require from time to time;
  - (iii) in respect of the Financial Statements prepared in accordance with Regulation 12.1 (b) (i) and (ii), an Auditor's report in respect of each financial year, stating whether in their opinion these Statements have been properly prepared and give a true and

fair view of:

- A. the state of Company Affairs in case of Balance Sheet, and
- B. the profit or loss for its financial year, in case of the profit and loss account.

(iv) a copy of each interim profit and loss account not later than forty-five (45) days after the end of the period to which it relates, and copies of the Financial Statements and Auditor's report not later than six months after the end of the financial year to which they relate.

**12.2.** The Licensee shall not normally change the basis of charge or apportionment or allocation in relation to the preparation of the Financial Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the relevant Companies Act, 2013, the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) or any guidelines issued by the Commission in this regard.

**12.3.** Where, in relation to the Financial Statements in respect of a financial year, the Licensee has changed such basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission, in addition to preparing Financial Statements on those basis which it has adopted, prepare such Financial Statements for the purpose of Regulatory accounting on the same basis which applied in respect of the immediately preceding financial year.

**12.4.** Financial Statements prepared under Regulation 12.1 shall, unless otherwise approved or directed by the Commission:

- (a) be prepared and published with the Annual Accounts of the Licensee, in the manner prescribed in these Regulations;
- (b) State the accounting policies adopted; and
- (c) be prepared in accordance with Accounting Standards issued by ICAI.

**12.5.** References in this Chapter to costs or liabilities of, or reasonably attributable to, Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities, which do not relate principally to such Business, and interest thereon.

**12.6.** The Licensee shall ensure that the Financial Statements in respect of each financial year prepared under Regulation 12.1 and the Auditor's report in respect of each financial year referred to in Regulation 12.1 (b) (iii) are made available to any person requesting them at a price not exceeding the cost of duplicating them.

## **CHAPTER 5: PROVISION OF INFORMATION TO THE COMMISSION**

- 13.1.** The licensee shall provide all information as applicable to the licensee in **Format-2**, within sixty (60) days of the date of grant of License. Subsequently, the format shall be filled up and submitted by the licenses, annually, within a month after the completion of every financial year.
- 13.2.** The Licensee shall furnish to the Commission without undue delay such information as may be required from time to time, to monitor the compliance of the terms and conditions of the licence and any other legislative or regulatory requirement. The Licensee shall furnish quarterly information to MP SLDC in **Format-4**. MP SLDC shall verify the information submitted by Licensee and submit the duly verified information to the Commission within fifteen (15) days of receipt of information from Trading Licensee.
- 13.3.** The Licensee shall also furnish documents and details related to the Licensed Business or any Other Business, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, STU, MP SLDC, the Central Commission and/or CEA.
- 13.4.** The Licensee shall duly maintain the information as the Commission may specify under Section 128 (8) of the Act.
- 13.5.** The licensee shall provide information to the Commission in such form and manner as may be required by the Commission from time to time to demonstrate that the trader has complied with the net worth criteria.
- 13.6.** The Licensee shall submit information to the CEA as required under Sections 73 (i) and 74 of the Act.
- 13.7.** The licensee shall as soon as practicable report to the Commission any change in management control or major change in the shareholding pattern of its business.

#### **CHAPTER 6: PAYMENT OF ANNUAL FEES**

- 14.1.** The licensee shall pay an initial licence fees on prorata basis on number of days, as specified in these Regulations, from time to time, within a period of one week from the date of grant of Licence:

Provided that the annual fee calculated on pro rata basis for a part of the year shall be rounded off to nearest hundred (100) rupees.

- 14.2.** For each subsequent year that the licence remains in force, the licensee shall pay to the Commission annual licence fee, as specified hereunder, in advance by 31<sup>st</sup> March' of each year.

| Sr. No | Volume of Electricity proposed to be traded per annum<br>(in Kilo-Watt Hours) | Annual Fee (Rs in lakh) |
|--------|---|-------------------------|
| 1      | Upto 50 million   | 1.00                    |

|   |                    |       |
|---|--------------------|-------|
| 2 | 50 to 100 million  | 2.00  |
| 3 | 100 to 200 million | 5.00  |
| 4 | 200 to 500 million | 7.00  |
| 5 | Above 500 million  | 12.00 |
| 6 | Above 1000 million | 15.00 |

**14.3.** In case the licensee has moved from a lower category level to a higher category level during any time of a financial year, the higher licence fee (for higher category) shall be payable pro rata on number of day's basis for the remaining part of the financial year, subject to adjustment of annual licence fee already paid for lower category.

**14.4.** Where the licensee fails to pay any of the fees due under Regulation 14.1 and/or 14.2 above by the dates specified:

- (i) The licensee shall be liable to pay interest on the outstanding amount at the prevailing bank rate {Reserve Bank of India (RBI) rate}, the interest being payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made;
- (ii) The licensee shall be subject to proceedings for the recovery of the fees; and
- (iii) The Commission may revoke the license pursuant to the provisions of the Acts:

#### **CHAPTER 7: REVOCATION OF LICENCE**

**15.1.** Subject to the provisions of Section 19 of the Act and these Regulations, the Commission may, at any time initiate proceedings against the licensee for revocation of his licence and if satisfied in such proceedings on the grounds for revocation duly considering the public interest, may revoke his licence in any one of the following cases, namely: -

- (a) where the licensee in the opinion of the Commission, makes a willful and prolonged default in doing anything required of him by or under the Act or the MP Act, or the Regulations made thereunder or failed to comply with any order or direction issued by the Commission;
- (b) where the licensee violates any of the terms or conditions of his licence, the breach of which is expressly declared by such licence to render it liable to revocation;

(c) where the licensee fails, within the period fixed in this regard by his licence, or any longer period which the Commission may have granted therefor:

- i. to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his Licence; or
- ii. to make deposits or furnish the security, or pay the fee or other charges required by his Licence;

(d) where in the opinion of the Commission the financial position of the licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him; and

(e) has committed an act, which renders this licence revocable on any other grounds specified in the Acts or the Regulations.

**15.2.** The licensee shall comply with all the Regulations, codes, standards and also orders and directions of the Commission. When the Commission expressly states that an order subjects the Licensee to its compliance, failure to comply with that order will render his licence liable to revocation in accordance with Section 19 of the Act (without prejudice to the Commission's right to revoke his licence on any other applicable grounds).

**15.3.** The licence shall not be revoked except after an enquiry by the Commission in accordance with principles of natural justice, and unless the licensee has been given not less than three months' notice in writing stating the grounds for revocation of licence and considering the cause shown by the licensee within the period of that notice against the proposed revocation.

**15.4.** Pursuant to section 19 (4) of the Electricity Act, the Commission may also direct that the Licence may not be entirely revoked, but operations under Licence may be allowed to continue with additional terms and conditions that the Commission deems fit. Any such further terms and conditions shall be binding on the Licensee and shall be observed by the Licensee and shall be of like force and effect as if it were contained in the terms and conditions of License.

**15.5.** When the licensee makes an application for revocation of the licence and the Commission is satisfied that public interest requires it, the Commission may revoke the licence, on such terms and conditions as it thinks fit.

**15.6.** The Commission shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect and shall simultaneously specify how and by whom the obligations under the licence are to be discharged after such revocation.

**15.7.** Where the Commission has given notice for revocation of licence, without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under the Act, the Licensee may, after prior approval of the Commission, sell his utility to any

Person who is found eligible by the Commission for grant of Licence.

#### **CHAPTER 8: AMENDMENT OF LICENCE CONDITIONS**

- 16.1.** The Commission may on its own motion or on an application made by the licensee (other than deemed licensee) in **Format-3** or otherwise make such alterations and amendments in the terms and conditions of licence, if the Commission is of the opinion that the public interest so requires.
- 16.2.** Where the Commission orders any alterations and amendments otherwise than on the application of the licensee, the Commission shall publish a notice in two such daily newspapers as it considers necessary with the following particulars, namely:
- i. name and address of the licensee;
  - ii. alterations and modifications proposed to be made in the licence;
  - iii. grounds for such alterations and modifications; and
  - iv. statement inviting suggestions and objections, if any, on the proposal for consideration of the Commission within the time specified in the notice.
- 16.3.** The procedure specified in Regulation 5 of these Regulations shall mutatis mutandis be applicable in case the licensee makes an application for any amendment to the licence.
- 16.4.** The Commission shall also upload petition submitted by the applicant for amendment of licensee condition on the website of the Commission, inviting suggestions and objections on the proposal for amendment of the licence.
- 16.5.** The Commission shall carry out such amendment to the licence as may be considered necessary after consideration of the suggestions and objections received from stakeholders

#### **CHAPTER 9: PENALTY**

- 17.** Violation or persistent non-compliance of provisions of the Electricity Act, Rules and Regulations and directions issued under these Regulations by the licensee shall attract action under Section 142 of the Electricity Act and **Section 31 of MP<sub>[SO1]</sub> Act** and other applicable provisions of the Act and the Regulations. The Penalty shall not be allowed to be claimed in the Annual Revenue Requirement of the Licensee.

#### **CHAPTER 10: MISCELLANEOUS**

- 18. Procedure for Securing Compliance of Terms and Conditions of Licence:**
- 18.1.** Where the Commission, on the basis of material in its possession is satisfied that the licensee is contravening or is likely to contravene the terms and conditions of the licence, it shall serve a notice to the licensee narrating the terms and conditions of licence

contravened or likely to be contravened by him to seek its explanation.

- 18.2.** The notice may be served on him by delivering the same electronically, including through the e-portal of the Commission and at the registered office or at its usual or last known place of residence or business, either through registered post or speed post or by hand delivery through a messenger. Where the Commission is satisfied that it is not reasonably practicable to serve the notice on the licensee in the manner as mentioned, the Commission may direct for service of notice by publication in the newspaper in such manner as considered appropriate by the Commission.
- 18.3.** The Commission, if it considers that it is necessary to bring the matters to the attention of persons affected or likely to be affected by such contravention, shall publish a notice in one or more newspapers specifying the terms and conditions contravened or likely to be contravened by the licensee to invite suggestions from such persons.
- 18.4.** The licensee or the persons affected or likely to be affected by the contravention of the terms and conditions of the licence by the licensee may file their objections or suggestions within thirty (30) days from the date of receipt of notice under Regulation 18.2 or publication of notice in the newspapers under Regulation 18.3, as the case may be.
- 18.5.** The Commission shall, on consideration of the objections and suggestions received as aforesaid, pass such order or give such directions as may be necessary to secure compliance with the terms and conditions of the licence.

**19. Dispute Resolution:**

- 19.1.** All disputes or differences arising out of or connected with the interpretation of the licence or the terms and conditions thereof, shall, as far as possible, be resolved by mutual consultation and reconciliation in accordance with the agreements.
- 19.2.** The Commission shall be entitled to adjudicate upon the disputes between the Trading Licensee, other Licensees and generating companies or to refer any such dispute for arbitration in pursuance of section 86 (1)(f) of the Act.
- 19.3.** All issues arising in relation to the interpretation of these Terms and Conditions of Licence shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act.
- 19.4.** The arbitration proceedings for disputes under Regulations 19.2 above may be commenced and conducted by the Commission or the disputes may be referred to the arbitration of others, as the case may be, in accordance with the MPERC (Conduct of Business) Regulations, 2016 as revised and amended from time to time, specified by the Commission.
- 19.5.** The Commission may by order, after providing an opportunity of hearing, direct the Trading Licensee to provide such amount of compensation as the Commission may direct

to person(s) who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Trading Licensee.

## **20. Trading Margins**

The licensee shall be subject to the trading margin for intra-state trading as may be determined by the Commission from time to time.

## **21. Standards of performance**

**21.1.** The Licensee shall furnish quarterly information on its performance in **Format-5** to MP SLDC. MP SLDC shall verify the information submitted by Trading Licensee and submit the duly verified format to Commission within fifteen (15) days of receipt of information from Trading Licensee. The Commission may after consultation with the MP SLDC and Trading Licensee may modify the format for a licensee or a class of licensees after receiving inputs from Trading Licensee and/ or MP SLDC.

**21.2.** The MP SLDC shall facilitate the monitoring of performance of the Trading Licensee on a regular basis by providing report to the Commission on deviation observed in the performance from the applicable standards.

**21.3.** The MP SLDC shall also be required to monitor the general conditions specified in Regulations 7.2 (b),(d),(g),(h),(i),(j) and (n) of **Chapter 3** of these Regulations. The Trading Licensee shall be obliged to furnish information as may be required by MP SLDC for this purpose.

## **22. Settlement and Imbalances**

Imbalances shall be settled by the State Load Despatch Centre in accordance with the Open Access Regulations/ Balancing and Settlement Mechanism as the Commission specifies.

## **23. Communication**

**23.1.** All communications under these regulations shall be in writing and shall be delivered either in person to the addressee or its authorised agent or sent by registered post or speed post at the registered office or at the usual or last known place of residence or business of the addressee.

**23.2.** All communications shall be deemed to have been given by the sender and received by the addressee:

- a) When delivered in person to the addressee or to its authorized agent; or
- b) On expiry of 15 days from the date of sending the communication by registered or speed post at the address of the addressee.

## **24. Power to Relax:**

The Commission, may by general or special order for reasons to be recorded in writing and after giving an opportunity for hearing to the parties likely to be affected by grant of

relaxation, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.

**25. Power to Remove Difficulty:**

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, on its own motion or on an application made before it by an affected person, by order, make such provisions not inconsistent with the provisions of the Act, the Rules or provisions of other Regulations specified by the Commission, as may appear to be necessary for removing the difficulty in giving effect to the objectives of these Regulations.

**26. Repeal and Savings:**

- 26.1.** Save as otherwise provided in these Regulations, the Regulations namely MPERC {Eligibility Criteria for Grant of Trading Licence, the Duties and the Terms and Conditions for Trading Licensee (including deemed Licensee)} Regulations, 2004 and MPERC (Procedure of Application for License) Regulations, 2004 as applicable to the subject matter of this regulation, are hereby repealed.
- 26.2.** Notwithstanding such repeal, anything done or any action taken or notice made or issued or any Licence, permission, authorization or exemption granted under the repealed Regulations in so far as it is not inconsistent with the provisions of these Regulations, shall be deemed to have been done under the corresponding provisions of these Regulations.
- 26.3.** The trading licence(s) issued by the Commission prior to commencement of these Regulations shall be deemed to have been issued under these Regulations and shall continue to be valid for the balance periods of such licences and these Regulations shall apply to such licences from the date of commencement of these Regulations.
- 26.4.** Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission.
- 26.5.** Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of this Regulation, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

**26.6.** Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

**By Order of the Commission**

**(Dr. Umakanta Panda)**

**Secretary, MPERC**

**Format-1 [Refer regulation 5.1]**

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION**

**Application form for the Grant of Intra-State Trading Licence in the State of MP**

(The applicant must submit the completed application in required copies to the Secretary, MPERC, Bhopal with application fee of Rs..... (Rupees ..... only) as specified in these Regulations and in the required form.)

**PART-A: GENERAL INFORMATION OF APPLICANT**

1. Details of Applicant

- a) Full Name of the Applicant:
- b) Full Address of the Applicant:
  - i. Registered Office Address:
  - ii. Correspondence Address:
- c) Contact Telephone Numbers:
- d) Landline/ Mobile Number:
  - Fax Number(s):
  - Email ID:

2. Details of Ownership

- a) Company/ Partnership Firm/Association or a body of Individuals/ Others(specify):
- b) Particulars of Incorporation/ Registration
  - Place of Incorporation/ Registration:
  - Year of Incorporation/Registration:
  - Registration Number:
- c) Name and Address of Directors:

3. Principal Shareholders/ Partners/ Members:

4. (a). Details of the area of operation

- (b). Nature of other electricity licences / authorization, if any, of the applicant for electricity transmission, distribution or trading already granted:

5. Details of Operation: Maximum trading volume proposed to be undertaken by the applicant on a monthly basis for the first five years;

6. Funding arrangements (sources and application) to meet the obligations:

7. Arrangement for purchase of energy:

8. Arrangement, if any, proposed with other existing licensees

9. Resume of the Organization with details of

- a) Management capability
- b) Financial strength
- c) Ability to attend to the activities in a sustainable manner in terms of these Regulations

10. Prior experience (Past 5 years' details for related business)

*[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (as applicable)]*

| General Information  |  |
|--|--|
| Name & Address of the project(s) developed                                   |  |
| Brief description of project(s) developed                                    |  |
| Cost of the project(s) developed – Rs. Lakhs                                 |  |
| Name(s) & Address(s) of the client(s) for whom the project(s) were developed |  |
| Name(s), Designation(s) & Address(es) of reference persons of client(s)      |  |

11. Financial details of other business ventures of the applicant

*[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (as applicable)]*

| General Information                       |  |        |        |        |        |
|---|--|--------|--------|--------|--------|
| <b>Names of Subsidiary Business Units</b> | Products manufactured/ services provided |        |        |        |        |
|   | 1.                                       | 1.     |        |        |        |
|   | 2.                                       | 2.     |        |        |        |
|   | 3.                                       | 3.     |        |        |        |
|   | 4.                                       | 4.     |        |        |        |
|   | 5.                                       | 5.     |        |        |        |
| Financial Indicator                       | Year 1                                   | Year 2 | Year 3 | Year 4 | Year 5 |

|   |  |
|---|--|
| <b>Fixed Assets:</b><br>Gross Fixed Assets<br>Accumulated Depreciation<br>Net Fixed Assets  |  |
| <b>Equity:</b><br>Promoters<br>Government/ Financial Institutions<br>Public<br>Others (specific)  |  |
| <b>Liabilities:</b><br>Long Term<br>Short Term  |  |
| <b>Income:</b><br>Sale of Power<br>Others   |  |
| <b>Expenses:</b><br>Admin. & General Expenses<br>Repairs & Maintenance Expenses<br>Employee costs:<br>Interest & Financial Charges<br>Long Term<br>Short Term<br>Others |  |
| <b>Overall turnover (Rs. Lakhs)</b>   |  |
| <b>Profits &amp; Returns (Rs. Lakhs)</b><br>Net Profits<br>Dividends Paid   |  |
| <b>Operating Ratios:</b>  |  |

|  |  |
|--|--|
| Return on Equity<br>Return on Capital Employed<br>Return on Net Fixed Assets       |  |
| <b>Debt Service Coverage Ratio</b>   |  |
| <b>Capital Adequacy &amp; Creditworthiness:</b><br>Debt/ Net worth<br>Debt/ Equity |  |
| <b>Turnover Ratio:</b><br>Total Asset Turnover<br>Fixed Asset Turnover             |  |

12. Baseline Information (Business for which Licence is sought)

|                     |  |
|---------------------|--|
| General Information |  |
|                     |  |
|                     |  |

**PART -B : LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

1. Information relating to pre-existing licence (if any), with copy of licence / sanction.
2. Copies of Memorandum and Articles of Association (in case of Companies), Partnership deeds (In case of partnership Firms), Copies of income tax returns of previous 5 years of each of the member (in case of body of individuals or association of persons) and similar constitutional documents for other Categories.
3. Certification of incorporation/registration.
4. Certification for commencement of business.
5. Original Power of Attorney of the Signatory to commit the Applicant or its Promoters.
6. Details of Income Tax registration.
7. Data relating to Management and Financial capability
  - a. Managerial (As per Regulation 4.2.1)
    - i. Senior management's curriculum vitae
    - ii. Cadre strength for different categories (technical and non-technical)

- b. Financial (As per Regulation 4.3)
  - i. Bank references asserting that the Applicant is financially solvent
  - ii. Most recent Annual Financial Statements (Balance Sheet)
  - iii. Annual Audited Accounts for the past 5 years for the Applicant and any Holding Company, Subsidiary or affiliated company
  - iv. Any accompanying notes and certifications on the above statements from reputable chartered accountant
- c. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.
- 8. Data relating to the Applicant's Business proposals.
- 9. Five-year Business Plan (with projections) for the proposed business for which the application relates.
- 10. Five-year annual forecasts of costs, revenues, project financing and funding arrangements (clearly specifying the assumptions involved).
- 11. An affidavit that the Applicant is not engaged in the business of transmission of electricity.

**Date**

**Signature of the Applicant**

**Format – 2 [Refer Regulation 13.1]**

**FORMAT FOR PROVIDING INFORMATION TO COMMISSION**

Name of the Company \_\_\_\_\_

Registered Address \_\_\_\_\_

Date of Incorporation \_\_\_\_\_

Date of Registration \_\_\_\_\_

Date of Commencement of Business \_\_\_\_\_

Share Capital \_\_\_\_\_ Rs Lakh

Number of Subscribers \_\_\_\_\_

Net worth of the Company \_\_\_\_\_ Rs Lakh

Name of the Chairman or CMD \_\_\_\_\_

Name of the Managing Director (If posts of Chairman and MD are separated) \_\_\_\_\_

**Name of all Directors (Including independent Directors, wherever applicable)**

1

2

Proposed Organization Structure (Copy Attached)

**Authorised Signatory**

**Format-3 [Refer Regulation 16.1]**

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION**

**(Application Form for seeking amendment to Intra-State Trading Licence in MP)**

The applicant must submit the completed application in required copies to the Secretary, MPERC, along with application fee as determined by the Commission from time to time in the form as mentioned under these Regulations.

**Part-A**

The applicant hereby submits to the Commission the following particulars for making alterations or amendments to the terms and conditions of his existing Licence for intra-state trading in electricity under Section 18 of the Electricity Act, 2003:

1. Particulars of existing Licence  
  
Licence No. \_\_\_\_\_ Dated \_\_\_\_\_
2. Changes, if any, proposed in area of trading  
  
Existing area                      proposed area
3. Specific amendment/alteration proposed in other terms and conditions, if any  
  
Existing Terms /Conditions                      Proposed amendment/alteration  
  
(a)  
  
(b)  
  
(c)
4. Reasons for the alteration/amendment sought
5. If the proposed amendment/alteration will lead to additional investment, arrangements for funding it.
6. Any other particulars considered relevant/necessary.

Dated :

Signature of the Applicant

**Part-B**

List of documents to accompany an application for amendment/alteration to an existing licence.

1. Copy of existing licence.
2. Relevant resolution of Company/Society/Local authority.
3. Original Power of Attorney of the Signatory confirming the authorization from the Applicant or its Promoter.
4. Any other relevant and necessary document.

**Format-4 [Refer regulation 13.2]**

FORMAT FOR SUBMISSION OF INFORMATION FOR THE QUARTER

(to be submitted to MP SLDC)

Name of Electricity Trader:

Licence details:

| Sr No | Volume of trading in million kWh | Purchased from* | Sold to* | Point of purchase | Purchase price | Point of sale | Sale price | Transmission/ wheeling charge borne by buyer/ seller/ trader | Transmission loss borne by buyer/ seller/ trader | Deviation charge borne by buyer/ seller | Trading margin | Remarks |
|-------|----------------------------------|-----------------|----------|-------------------|----------------|---------------|------------|--|--|---|----------------|---------|
| (1)   | (2)                              | (3)             | (4)      | (5)               | (6)            | (7)           | (8)        | (9)  | (10)   | (11)                                    | (12)           | (13)    |

Note: All transactions should be reported transaction-wise and should not be aggregated

\*Besides the name of the buyer/ seller, indicate the category of the buyer/ seller, namely generator, captive power plant, distribution licensee, Government, consumer (when applicable) etc

\*\*Strike out whichever is not applicable

\*\*\* SLDC shall verify the information provided by Trading Licensee in column no. (2), (3) and (4) and forward a copy of the verified Format-4 to the Commission.

**Format -5 [Refer Regulation 21.1]**

FORMAT FOR SUBMISSION OF STANDARDS OF PERFORMANCE OF ELECTRICITY TRADER FOR THE YEAR  
ENDING ON 31<sup>st</sup> MARCH \_\_\_\_\_  
(to be submitted to the MP SLDC)

Name of Electricity Trader:

Licence details:

| Sr No | Volume of trading during the quarter | Cumulative trading upto the present quarter | Whether there is any change in the category of trader | Whether net worth is increased, due to change in category | Whether licence fee, as applicable has been deposited with the Commission | Whether any violation to the licence conditions pointed out by any agency or observed by the Electricity Trader | Payment track record for energy purchased for trading | Remarks |
|-------|--------------------------------------|---|---|---|---|---|---|---------|
| (1)   | (2)                                  | (3)   | (4)   | (5)   | (6)   | (7)   | (8)   | (9)     |

Notes: SLDC shall verify the information provided in column no. (2) and (3) by Trading Licensee and forward a copy of the verified Format-5 to the Commission.