

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N.Sinha, Member**
3. **Shri Bhanu Bhushan, Member**

Petition No.46/2004

In the matter of

Grant of licence for inter-state trading in electricity to GMR Energy Limited

And in the matter of

GMR Energy Limited, Bangalore

...Applicant

The following were present:

1. Shri Pradeep Lenka, VP, GMT Energy Limited
2. Shri R.S. Rana, AGM, GMR Energy Limited
3. Shri V. Bhaskar, AGM, GMR Energy Limited
4. Shri B. Sreedhar, GMR Energy Limited

**ORDER
(DATE OF HEARING: 22.7.2004)**

The application has been made under sub-section (1) of Section 15 of the Electricity Act, 2003 (the Act) for grant of licence for inter-state trading in electricity. The public notices in accordance with sub-section (2) of Section 15 of the Act read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Trading Licence and other related matters) Regulations, 2004 (the Regulations) were published.

2. We heard Shri Pradeep Lenka for the applicant.

3. In accordance with sub-clause (c) of Clause (4) of Regulation 4, the applicant was to publish its shareholding pattern in the public notices. This has, however, not been done. The shareholding pattern has neither been indicated in the application

filed before the Commission.

4. The provision for publication of share-holding pattern in the public notice has been made with the object that the public at large should be made aware of the persons in the ultimate control of the affairs of the applicant for grant of licence, so that, if considered necessary, the antecedents of such persons could be brought to the notice of the Commission before it decides to grant licence. We, therefore, direct that the applicant shall publish fresh notices after complying with the requirements of Clause (4) of Regulation 4.

5. The applicant has not filed the Annual Report for the year 2003-2004. The representative of the applicant undertook that a copy of the annual report shall be filed before the next date of hearing.

6. In accordance with the Memorandum of Association of the applicant, its authorised share capital is Rs.329 crore. However, in the public notices published by the applicant, the authorised share capital is shown as Rs.279 crore. The discrepancy needs to be reconciled while publishing fresh public notices.

7. It is further noted that the applicant, under its Memorandum of Articles, is authorised to carry on the business of transmitters, among other businesses. In accordance with third proviso to Section 41 of the Act, a transmission licensee is prohibited from entering into any contract or otherwise engaging in the business of trading in electricity. The representative of the applicant informed that presently the applicant is neither granted licence to undertake transmission of power neither does it propose to do so in near future. The applicant is directed to file an affidavit to clarify

the position in this regard. The applicant shall further file an undertaking on affidavit that in case it makes any application for grant of licence for transmission of electricity either before the Central Commission or any of the State Commissions, it shall disclose the fact that it is permitted to undertake trading in electricity, if the licence for inter-state trading in electricity is granted to the applicant based on the present application or any other application that may be made subsequently.

8. The applicant is directed to also clarify the position in regard to its meeting the technical requirements as per the Regulations since this aspect is not clear from the application made.

9. The above details shall be filed by the applicant, duly supported by affidavit at least one week before the next date of hearing.

10. The petition be listed for further directions on 23.9.2004.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated 23rd July, 2004