

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri R. Krishnamoorthy, Member**

Petition No.60/2007

In the matter of

Application for grant of inter-State trading licence in electricity.

And in the matter of

Kalyani Power Development Private Limited, Pune **..Applicant**

The following were present:

1. Shri Avinash Shethji, KPDPL
2. Shri B.S.Sahasrabudhe, KPDPL
3. Shri Ramanan, KPDPL

**ORDER
(DATE OF HEARING: 5.7.2007)**

The applicant, 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 (the Act) for grant of licence for inter-State trading in electricity in whole of India, except the State of Jammu and Kashmir for trading of a volume 1000 Million Units or more of electricity in a year. The Memorandum of Association of the applicant covers trading in electricity as one of its main objects. The notices under sub-section (2) of section 15 of the Act read with clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2004 have been published. No objections have been received on the public notices.

2. As per Regulation 6, the net worth of the electricity trader at the time of filing of application should not be less than Rs. 20.00 crore in case an applicant proposing to trade 1000 Million Units of electricity in a year.

3. The applicant has been incorporated on 5.10.2005. Therefore, in support of networth, the applicant has submitted its networth values as on 1.4.2007 as certified by the Chartered Accountant as under:

(Rs. in lakh)

	Year	2006-07
1	Share Capital	2,050.00
2	Profit and loss A/C	31.05
	Networth (1-2)	2,018.95

4. It is noted that the above networth is represented by the following assets and liabilities

(Rs. in lakh)

	Year	2006-07
1.	Current Assets, Loans & Advances	
	Cash and Bank Balance	118.98
	Inter-corporate deposits	1,900.00
	Sub-Total 1	2,018.98
2.	Current Liabilities & Provisions	
	Networth(1-2)	2,018.95

5. On consideration of the above facts, we are satisfied that the applicant meets the net worth requirements specified by the Commission for grant of licence for trading of 1000 MUs or more during a year. Therefore, *prima facie*, based on its net worth, the applicant qualifies for grant of licence for inter-state trading as category 'F' electricity trader, that is, for trading a volume of 1000 Million Units or more of electricity during a year.

6. Therefore, the Commission proposes to grant the licence to the applicant for category 'F'. 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.

7. As per the Memorandum of Association of the applicant company, it can also undertake transmission of electricity. However, under the Act, trading in and transmission of electricity cannot be combined in one person. The applicant has filed an affidavit to the effect that it will make an application before the Central Commission or any of the State Commission to act as a transmission licensee only after surrendering the trading licence granted to it. The applicant shall remain bound by the undertaking given in the affidavit.

8. List this petition for further directions on 9.8.2007.

**sd-/
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 5th July 2007**

**sd-/
(BHANU BHUSHAN)
MEMBER**