

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:
1. Shri Bhanu Bhushan, Member
2. Shri R. Krishnamoorthy, Member

Petition No.74/2007

In the matter of

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

And in the matter of

Patni Projects Pvt. Ltd., Mumbai

..Applicant

The following were present:

1. Shri R.Vyas, PPPL
2. Ms. M. Dhingra, PPPL

**ORDER
(DATE OF HEARING: 19.7.2007)**

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 Category `C` licence for inter-State trading in electricity in whole of India up to 500 Million Units 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 (hereinafter referred to as "the trading regulations") have been published by the applicant. 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. 7.5 crore in case of an applicant proposing to trade up to 500 Million Units of electricity in a year.

3. The applicant has placed on record special balance sheet as on 15.7.2007 along with a certificate dated 15.7.2007 from M/s S.C. Bandi & Co., Chartered Accountants certifying net worth.

4. From the special balance sheet of the applicant company, its net worth values have been worked out as detailed below:

		(Rs.Lakh)	
Year		2006-07	As on 15.7.2007
1	Share Capital		
	Paid up equity capital	990.00	990.00
2	Reserves and Surplus		
	General Reserve		
	Surplus in P/L A/C		
	Sub-Total 2	-	-
	Less:		
3	Misc.Expenses to the extent not written off or adjusted	8.73	16.68
	Net Worth (1 + 2 - 3)	981.27	973.32

5. It is noted that the above net worth is represented by the following assets and liabilities:

		(Rs. in lakh)	
Year		2006-07	As on 15.7.2007
1	Fixed Assets		
	Gross Block	144.78	23.15
	Less: Depreciation		
	Net Block	144.78	23.15
	Pre-operative expenses pending allocation		132.50
	Sub-Total 1	144.78	155.65
2	Investments	902.92	902.92
3	Current Assets, Loans & Advances		
	Inventories		
	Cash and Bank Balance	53.47	208.83
	Sundry Debtors		
	Loans & Advances	192.79	859.72
	Other Current Assets	1.05	0.88
	Sub-Total 3	247.30	1,069.43
4	Current Liabilities & Provisions		
	Sundry Creditors	2.40	2.23
	Other Liabilities	0.54	
	Provisions		
	Sub-Total 4	2.94	2.23
5	Loans		
	Secured Loans	15.79	15.08
	Unsecured Loans	295.00	1,137.36
	Sub-Total 5	310.79	1,152.44
6	Items not considered for Net worth		
	Net Worth(1+2+3-4-5-6)	981.27	973.32

6. 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 up to 500 MUs of electricity during a year. Therefore, *prima facie*, based on its net worth, the applicant qualifies for grant of licence for inter-State trading as category `C` electricity trader, that is, for trading a volume up to 500 Million Units of electricity during a year.

7. Therefore, the Commission proposes to grant the licence to the applicant for category `C`. 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.

8. List this petition for further directions on 23.8.2007

sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 19th July, 2007

sd/-
(BHANU BHUSHAN)
MEMBER