

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Petition No.3/2008

In the matter of

Application for grant of inter-State trading licence in electricity to Jain Energy Limited.

And in the matter of

Jain Energy Limited, Kolkata

..Applicant

The following were present:

1. Shri R.C.Dubey, JEL
2. Shri K.S.Arora, JEL

**ORDER
(DATE OF HEARING: 20.2.2008)**

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 `B` licence for inter-State trading in electricity in whole of India, except the State of Jammu & Kashmir up to 200 Million Units of electricity in a year.

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. 3.00 crore in case of an applicant proposing to trade up to 200 Million Units of electricity in a year. The applicant in its application has claimed networth of Rs. 377 lakh as on 31.3.2007 and Rs. 418.05 lakh as on 31.10.2007.

3. It has been noticed that the applicant has considered an amount of Rs. 333 lakh on account of share application money towards share capital. From the

Memorandum of Association of the applicant company it is further noted that its authorized capital is Rs. 1 crore. In view of the fact that the authorized capital is Rs. 1 crore only, the applicant can under no circumstances allot shares exceeding Rs. 1 crore unless authorised capital is revised upwardly. Also, the share application money held by the applicant cannot count towards net worth in terms of sub-section (29A) of Section 2 of the Companies Act 1956. When this position was brought to the notice of the representatives of the applicant, they sought short adjournment so that the issues are clarified at the next date of hearing. Accordingly, hearing of the application has been adjourned.

4. In the context of above, the applicant is directed to clarify the following issues, namely.-

- (a) Whether its authorized capital remains as Rs 1 crore or it has been revised in the meanwhile;
- (b). If the authorized capital has been revised, the amount of revised authorized capital;
- (c) Date or dates from which share application money of Rs. 333 lakh is held by the applicant;
- (d) If shares have been allotted, the date or dates on which such allotment has been made and the details of the persons allotted shares, along with number of shares allotted to each; and
- (e) Special balance sheet as on 31.12.2007.

5. Let the above information be filed by 7.3.2008, duly supported by affidavit.
6. List for further directions on 18.3.2008.

Sd/-

(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 20th February 2008

sd/-

(BHANU BHUSHAN)
MEMBER