

**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. 94/2005

In the matter of

Grant of licence for inter-state trading in electricity to Essar Electric Power Development Corporation Limited, Mumbai

And in the matter of

Essar Electric Power Development Corporation Ltd, Mumbai **Applicant**

The following was present:

1. Shri A.K. Srivastava, Essar EPDCL
2. Shri R. K. Naravan, Essar EPDCL
3. Shri S. Srivastava, Essar EPDCL

**ORDER
(DATE OF HEARING 25.10.2005)**

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 & Kashmir for trading of 500 Million Units in a year.

2. Heard Shri A. K. Srivastava for the applicant.
3. The applicant is directed to file on affidavit the annual report for the year 2004-05 and also the special balance sheet/profit and loss account as at 10th August 2005. The representative of the applicant undertook to file these details by 3.11.2005.

4. From the Memorandum of Association of the applicant company, it is noticed that the applicant can undertake the business of transmission of electricity, in addition to pursuing the object of trading in electricity and other objects. Under third proviso to Section 41 of the Act, no transmission licensee can enter into any contract or otherwise engage in the business of trading in electricity. In other words, a person granted licence for trading in electricity cannot undertake the business of transmission. Therefore, Essar Electric Power Development Corporation Limited is required to file an affidavit to the effect that it will not make an application to undertake transmission in electricity as a transmission licensee (inter-state or intra-state) without surrendering the trading licence if granted by Commission. Essar Electric Power Development Corporation Limited shall, therefore, file further affidavit by 3.11.2005 that in case an application is made before the Central Commission or the State Commission for grant of transmission licence, it shall disclose the fact of its having been granted trading licence in case the licence is finally granted.

5. List on 10.11.2005 further directions.

Sd/-
(BHANU BHUSHAN)
MEMBER

sd/-
(K.N.SINHA)
MEMBER

sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi, dated the 25th October 2005