

**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. 26/2004**

**In the matter of**

Application for grant of Inter-State Trading Licence

**And in the matter of**

NTPC Vidyut Vyapar Nigam Limited

... **Applicant**

**ORDER**

The applicant, a wholly owned subsidiary of National Thermal Power Corporation Ltd. has made this 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. 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 by the applicant. In response to the public notices, one Shri B.B. Jindal had filed the objections. These objections have been disposed of by the Commission by its order dated 31.5.2004.

2. We now propose to consider the eligibility of the applicant for grant of licence. The applicant is a company incorporated under the Companies Act, 1956. One of the main objects of the applicant, as per Memorandum of Association filed by it, is “to undertake the business of purchase of all forms of electrical power, both from conventional and non-conventional sources from Generating Companies, Captive Power Plants, Transmission Companies, State Electricity Boards, Licensees, and to procure it from other sources (whether private, public or joint sector undertakings) including import from abroad and to sell power to the State Electricity Boards, State Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, Statutory Bodies, other organisations and bulk consumers.....”. Based on this, we are satisfied that the objects of the applicant permit it to carry on the business of trading in electricity.

3. In the public notice issued by the applicant, it is stated that it proposed to undertake trading of 700-1000 MUs during the first year after grant of licence by the Commission. In accordance with Regulation 6, considering the volume of inter-state trading proposed to be undertaken by an applicant, its net worth at the time of application shall not be less than Rs.15.0 crore when the applicant proposed to undertake trading up to 700-1000 MUs in a year. The applicant had filed an affidavit sworn on 29.4.2004, wherein based on provisional accounts, the applicant had indicated its net worth of Rs.2217.67 lakh at 31.3.2004. Subsequently, the applicant filed a certificate dated 28.5.2004 issued by M/s.

Tiwari & Associates, Chartered Accountants, according to which the net worth of the applicant as at 31.3.2004 is Rs.21,40,13,103.00. The audited accounts for the financial year 2003-2004 have also been filed by the applicant. We take cognisance of the Chartered Accountants' Certificate dated 28.5.2004 and are satisfied that the applicant meets the requirements of net worth prescribed under the Regulations.

4. Accordingly, the applicant can be considered to have qualified for grant of licence as Category 'E' electricity trader, that is, trading volume up to 700-1000 MUs in a year. Therefore, the Commission proposes to grant a licence to the applicant for category 'E'. We direct that a notice as required under sub-section (5) of Section 15 of the Act be issued inviting suggestions or objections to the aforesaid proposal of the Commission to grant a licence for trading to the applicant.

5. List this petition for further directions on 22<sup>nd</sup> July 2004

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

Sd/-  
**(K.N. SINHA)**  
**MEMBER**

Sd/-  
**(ASHOK BASU)**  
**CHAIRMAN**

New Delhi dated the 28<sup>th</sup> June 2004