

**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. 5/2004

In the matter of

Application for grant of Inter-State Trading Licence

And in the matter of

Lanco Electricity Utility Limited

... **Applicant**

ORDER

The application has been made 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. 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. However, no objections have been received.

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 carry on the business of purchase, harness, develop, produce, accumulate, transmit, distribute, sell and supply electricity”. 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 100 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.1.50 crore as the applicant proposed to undertake trading up to 100 MUs in a year. The net worth details of the applicant are given hereunder:

	(Rs. in lakh)
(a) Share capital issue and paid up	158.00
(b) Share applicant money	3.31
Total	161.31
Less pre-operation expenses to the extent not written off	7.67

Net worth	153.64

3. Based on the above, the applicant can be considered to have qualified for grant of licence as Category ‘A’ trader, that is, trading volume up to 100 MUs in a year. Therefore, the Commission proposes to grant a licence to the applicant for category ‘A’. 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.

4. List this petition for further directions on 22nd July 2004

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 22nd June 2004