

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**I.A.No. 19/2010 in Petition No. 85/2008**

**coram:**

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri V.S.Verma, Member**
- 3. Shri M.Deena Dayalan, Member**

**Date of order: 19.7.2010**

**In the matter of**

Grant of licence for inter-State trading in electricity to RPG Power Trading Co. Ltd., Kolkata.

**And in the matter of**

RPG Power Trading Co. Ltd., Kolkata

**....Applicant**

**ORDER**

Through this Interlocutory Application, the applicant RPG Power Trading Co. Ltd. has requested for downgradation of the inter-State trading licence issued to it from Category-`E` to Category-`II`

2. Based on the application made under sub-section (a) of Section 15 of the Electricity Act, 2003 (the Act), the RPG Power Trading Co. Ltd. (the licensee) was on 23.9.2008 granted Category `E` licence under Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading Licence and other related matters) Regulations, 2004 for inter-

State trading in electricity in whole of India for trading in electricity up to 1000 MUs in a year. The Category `E` licence was re-categorized as Category `I` under Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading Licence and other related matters) Regulations, 2009 (the 2009 regulations) and the existing licensees were allowed to achieve the required net worth by 31.3.2010.

3. The applicant has submitted that as per Regulation 3(3) of the 2009 regulations, the net worth criteria for Category-I has been specified Rs. 50 crore and in terms of Regulations 15(2) of the 2009 regulations, the existing licensees were allowed to meet the enhanced net worth criteria as well as current ratio and liquidity ratio criteria by 31.3.2010. The licensee has further submitted that net worth based on special balance sheet has been worked out to Rs. 27,55,46,510/- and it proposes to trade within the permissible limit applicable to Category `II` electricity traders, that is, up to 500 MUs of electricity in a year. The applicant has accordingly requested for down gradation of its licence to Category `II`.

4. In accordance with Regulation 3 (3) of the 2009 regulation, a person applying for Category `II` trading licence should have net worth of Rs. 25 crore, and should have maintained minimum current ratio and

liquidity ratio of 1:1, consistently for three years immediately preceding the year in which the application is made.

5. Based on the financial details submitted by the applicant, its net worth has been worked out as given below:

( Rs. in crore )

	<b>Particulars</b>	<b>2009-10</b>
1	<b>Share Capital</b>	
	Paid up equity capital	26.00
2	<b>Reserves and Surplus</b>	
	Rserves & Surplus	1.56
	<b>Sub Total 2</b>	<b>27.56</b>
3	Misc.Expenses to the extent not written off or adjusted	0.00
	<b>Net Worth (1 + 2 - 3)</b>	<b>27.56</b>

(Rs. in crore)

	<b>Particulars</b>	<b>As on 31.3.2010</b>
1	<b>Fixed Assets</b>	
	Gross Block	0.03
	Less: Depreciation	0
	Net Block	0.03
	<b>Sub-Total 1</b>	<b>0</b>
2	<b>Current Assets</b>	
	Cash & Bank Balance	27.65
	Sundry Debtors	2.79
	Loans and advances	0.62
	<b>Sub-Total 2</b>	<b>31.06</b>
3	<b>Current Liabilities &amp; Provisions</b>	
	Current Liabilities & Provisions	3.53
	<b>Sub-Total 3</b>	<b>3.53</b>
	<b>Net Worth(1+2-3)</b>	<b>27.56</b>

---

	<b>Ratio</b>	
	Current Ratio (Sub-total 2/ Sub-total 3)	8.80
	Liquid Ratio (Sub-total 2 - prepaid expenses-inventories/ Sub-total 3)	8.80

6. From the above, it is evident that the applicant has the net worth of more than Rs. 25 crore required for Category `II` licence.

7. On the above facts, we have considered the request of the applicant and approve down gradation of its licence from Category `I` to Category `II` for inter-State trading in electricity from the date of issue of this order. We direct that necessary endorsement regarding change from Category `I` to Category `II` be also made in the licence already granted to the applicant.

8. I.A. stands disposed of accordingly.

**Sd/-**  
**(M.DEENA DAYALAN)**  
**MEMBER**

**sd/-**  
**(V.S.VERMA)**  
**MEMBER**

**sd/-**  
**(Dr. PRAMOD DEO)**  
**CHAIRPERSON**