

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

I.A.No. 18/2010 in Petition No. 78/2007

Coram:

- 1. Shri S.Jayaraman, Member**
- 2. Shri M.Deena Dayalan, Member**

Date of order: 6.5.2010

In the matter of

Grant of licence for inter-State trading in electricity to Vandana Vidyut Ltd., Raipur.

And in the matter of

Vandana Vidyut Ltd., Raipur.

....Applicant

ORDER

Through this Interlocutory Application, the applicant Vandana Vidyut Ltd. has requested for downgradation of the inter-State trading licence issued to it from Category-`B` to Category-`III`

2. Based on the application made under sub-section (a) of Section 15 of the Electricity Act, 2003 (the Act), the Vandana Vidyut Ltd. (the licensee) was on 3.4.2008 granted Category `B` 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, except the State of Jammu and Kashmir for trading in electricity up to 200 MUs in a year. The Category `B` licence was re-categorized as Category `II` under Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading Licence and other related matters) Regulations, 2009 (the 2009 regulation) and the existing licensees were allowed to achieve the required net worth by 31.3.2010.

3. The applicant has submitted that on account of tough competition in power market, it proposes to trade within the permissible limit applicable to Category `III` electricity traders, that is, up to 100 MUs of electricity in a year. The applicant has accordingly requested for down gradation of its licence to Category `III`.

4. In accordance with Regulation 3 (3) of the 2009 regulation, a person applying for Category `III` trading licence should have net worth of Rs. 5 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)

S. No.	Particulars	2008-09	2007-08
	Source of fund :		
1.	Share capital	49.12	7.51
2.	Reserve and surplus	39.39	53.91
	Total Net worth : (1 + 2)	88.51	61.42
	Application of fund :		
3.	Net Block	10.31	11.00
4.	Capital work in progress	2.59	0
5.	Total : (3 + 4)	12.90	11.00
6.	Expenditure during construction period	1.73	0.40
7.	Investment	34.75	27.78
8.	Current Assets :		
9.	Inventories	3.05	3.60
10.	Sundry debtors	17.17	21.45
11.	Cash at bank balance	3.05	2.68
12.	Loans & advances	24.03	5.92
13.	Total : (9 + 10 + 11 + 12)	47.30	33.65
14.	Current liabilities :	1.56	2.13
15.	Net current asset : (13 - 14)	45.74	31.52
16.	Secured loan fund	6.61	9.28
17.	Net worth (5 + 6 + 7 + 15 - 16)	88.51	61.42

6. From the above, it is evident that the applicant has the net worth of more than Rs. 5 crore required for Category `III` licence.

7. On the above facts, we have considered the request of the applicant and approve down gradation of its licence from Category `II`

to Category `III` for inter-State trading in electricity from the date of issue of this order. We direct that necessary endorsement regarding change from Category `II` to Category `III` be also made in the licence already granted to the applicant.

8. I.A. stands disposed of accordingly.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER