

# CENTRAL ELECTRICITY REGULATORY COMMISSION

## Record of Proceedings

### Petition No. 295/2010

Sub: Application for grant of inter-State trading licence to Abhijit Power Limited, Nagpur.

Date of hearing : 29.3.2011

Coram : Dr Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member

Applicant : Abhijit Power Limited, Nagpur

Parties present : Shri Sanjay Sen, Advocate for applicant  
Shri Saurav Mathur, APL

The applicant, Abhijit Power Limited a company registered under the Companies Act, 1956 (1 of 1956) has made the present application under sub-section (1) of Section 15 of the Electricity Act, 2003 (36 of 2003) (the Act) for grant of Category 'II' licence for inter-State trading in electricity in whole of India, except the State of Jammu and Kashmir. Trading in electricity is covered under the main objects of the applicant company.

2. Learned counsel for the applicant submitted that no objections have been received in response to the public notices published under sub-section (2) of Section 15 of the Act read with clause (4) of Regulation 4 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2009 (the trading licence regulations).

3. The Commission observed that net worth of the applicant company during 2007-08 and 2008-09 has been worked out as ₹0.03 crore and ₹0.09 crore, respectively as per the audited balance sheets filed by the applicant. The Commission further observed that in column 16 of the Form-I of the application and auditor's certificate dated 4.11.2010, the net worth of

applicant company during 2007-08 and 2008-09 has been indicated as ₹ 2.86 lakh and ₹ 8.78 lakh, respectively, whereas, as per Regulation 3 (3) (b) of the trading licence regulations, an applicant seeking Category-II licence is required to possess, *inter-alia*, net-worth amounting to ₹15.00 crore for three years immediately preceding the year in which the application is made. Therefore, the applicant does not meet the requirement of net worth for grant of Category-II trading licence.

4. Learned counsel requested for one month's time to submit legal position on the issue of net worth and the scope for relaxation of net worth in accordance with the trading licence regulations.

5. Learned counsel was permitted to file his submission by 29.4.2011.

6. Subject to above, order in the petition was reserved.

Sd/-  
(T. Rout)  
Joint Chief (Law)