

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**
- 4. Shri A.H. Jung, Member**

Petition No. 16/2005

In the matter of

Grant of licence for inter-state trading in electricity to Suryachakra Power Corporation Ltd.

And in the matter of

Suryachakra Power Corporation Ltd.

...

Applicant

The following was present:

1. Shri D. Krishna Rao, SPCL
2. Shri V. S. Murthy, SPCL

**ORDER
(DATE OF HEARING 4.10.2005)**

The applicant, a company registered under the Companies Act, 1956 has made the present 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, except the State of Jammu & Kashmir for trading of 100 Million Units in a year. The memorandum of association of the applicant covers trading in electricity as one of its main objects. The notices purportedly under sub-section (2) of Section 15 of the Act read with Clause (4) of Regulation 4 of the CERC (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2004 have been published.

2. The applicant has not mentioned the shareholding pattern in the public notice. The representative of the applicant submitted that because of the very large number, the details of individuals holding shares could not be published in the newspapers. The applicant is directed to file on affidavit latest by 10.10.2005 the necessary details of persons individually holding shares of value 5% or more. The applicant is also directed to submit its annual report for the year 2004-05. From the Memorandum of Association of the applicant company, it is noticed that the applicant can undertake the business of transmission of electricity, in addition to pursuing the object of trading in electricity and other objects. Under third proviso to Section 41 of the Act, no transmission licensee can enter into any contract or otherwise engage in the business of trading in electricity. In other words, a person granted licence for trading in electricity cannot undertake the business of transmission. Therefore, Suryachakra Power Corporation Limited is required to file an affidavit to the effect that it will not make an application to undertake transmission in electricity as a transmission licensee (inter-state or intra-state) without surrendering the trading licence if granted by Commission. Suryachakra Power Corporation Limited shall further file an affidavit that in case an application is made before the Central Commission or the State Commission for grant of transmission licence. it shall disclose the fact of its having been granted trading licence in case the licence is finally granted. A further view on the question of grant of licence shall be taken on consideration of the details to be filed.

Sd/-

(A.H.JUNG)
MEMBER

(BHANU BHUSHAN)
MEMBER

(K.N.SINHA)
MEMBER

(ASHOK BASU)
CHAIRMAN

New Delhi, dated the 7th October 2005