

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri G.S. Rajamani, Member**

Petition No. 30/2003

In the matter of

Approval for grant of permission to undertake trading in power.

And in the matter of

Amalgamated Transpower (I) Ltd.

.. **Petitioner**

The following were present:

- 1. Shri S.R. Das, Managing Director, ATIL**

**ORDER
(DATE OF HEARING: 17.7.2003)**

This petition has been filed by Amalgamated Transpower (I) Ltd. under Section 15 of the Electricity Act, 2003, (the Act) for grant of licence to trade in power. It is further prayed to grant such interim permission to trade in power till the Commission notifies such modalities and parameters for issue of license for trading in power under the Act.

2. The petitioner is stated to be a public limited company, incorporated under the Companies Act, and purchase and sale of power is reportedly featuring among the main objects to be pursued by the company as contained in its Memorandum and Articles of Association. It has been stated that the petitioner is putting up three hydro electric power projects in Sikkim, the implementation of which is in progress. The petitioner has submitted that in response to a notice

inviting tender by Power Department, Government of Sikkim, the petitioner has submitted its bid for purchase of power from the Government of Sikkim, and has also initiated the process of identifying buyers to formalise sale and purchase agreements. The petitioner is stated to be exploring purchase of power from other surplus states also and its sale to deficient states. The negotiations in this directions are stated to be in advanced stage.

3. The Act has come into force with effect from 10.6.2003. Section 15 of the Act inter-alia lays down that the application for grant of licence is to be made in such form and in such manner as may be specified by the Central Commission and application is to be accompanied by such fee as may be prescribed by the Central Government. Section 52 of the Act further empowers the Central Commission to specify the technical requirements, capital adequacy requirement and credit worthiness for being an electricity trader. Sec 79 of the Act, inter alia, requires the Commission to fix the trading margin for inter-state trading of electricity, if considered necessary.

4. The Commission however, does not want any delay to come in the way of enterprising initiatives in trading in the electricity. Accordingly, an interim procedure is being evolved as an urgent temporary measure, in line with the Act, pending issue of detailed regulations by the Commission covering various aspects mentioned in the previous paragraph.

5. Therefore, before we consider the prayers made by the petitioner, we direct that the following information shall be placed on record by the petitioner through an affidavit, within two weeks of this order:

- (i) Details of offers made by the petitioner to Government of Sikkim or other state utilities for sale and purchase of power which have materialised.
- (ii) Annual report of the petitioner company for the last 5 years,
- (iii) Shareholding pattern, strength and management profile of the petitioner company,
- (iv) Authorised/paid up capital of the petitioner company and other evidence in support of its credit worthiness,
- (v) Volume of power, with proper explanation, that can be traded within the existing resources of the petitioner company.
- (vi) Steps taken/being taken for mobilisation of resources by the petitioner, and
- (vii) Details of past experience of the petitioner company or of the persons on its management, in similar activity.

6. List this petition on 28th August 2003.

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 22nd July 2003