

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri R.Krishnamoorthy, Member**

Petition No. 85/2008

In the matter of

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

And in the matter of

RPG Power Trading Company Ltd., Kolkata .. **Applicant**

The following were present:

- 1.Shri M.G.Ramachandran, Advocate
- 2.Shri Anand K.Ganesan, Advocate
- 3.Shri S.K.Dube, RPG
- 3.Shri B.P.Ray, RPG
- 4.Shri R.K.Das, RPG
- 5.Shri P.Neogi, RPG
- 6.Shri A.Sati, RPG

**ORDER
(DATE OF HEARING: 7.8.2008)**

The applicant, a company registered under the Companies Act, 1956 made the present application on 18.5.2008, under sub-section (1) of section 15 of the Electricity Act, 2003 (the Act) for grant of Category `E` licence for inter-State trading in electricity in whole of India. The Memorandum of Association of the applicant covers trading in electricity as one of its main objects. The notices 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, 2004 have been published by the applicant. No objections have been received on the public notices.

2. The applicant has submitted its shareholding pattern as under:

Name of the Shareholder	No. of shares	% Shareholding
Integrated Coal Mining Limited	25999994	99.99998%
Total	26000000	

3. As per Regulation 6, the net worth of the applicant at the making of application should not be less than Rs. 15 crore in case of application for Category `E` licence .

4. From the annual reports of the applicant company, its net worth values have been worked out as detailed below:

(Rs. in lakh)

		As on 16.6.2008
1	Share capital	
	Paid up equity capital	2,600.00
	Share application pending allotment	
	Sub-total 1	2,600.00
2	Reserves and Surplus	
	Securities premium	-
	Sub-total 2	-
3	Mis. Expenses to the extent not written off or adjusted	
	Preliminary expenses	11.21
	Other expenses	15.57
	Sub-total 3	26.78
	Net worth (1+2-3)	2,573.22

5. It is noted that the above net worth is represented by the following assets and liabilities:

(Rs. in lakh)

	Year	As on 16.6.2008
1	Fixed Assets	
	Gross Block	9.47
	Less: Depreciation	0.06
	Net Block	9.41
	Capital Work-in-Progress	
	Sub-Total 1	9.41
2	Investments	
3	Current Assets, Loans & Advances	
	Inventories	
	Cash and Bank Balance	2,566.23
	Sundry Debtors	
	Loans & Advances	
	Other Current Assets	
	Sub-Total 3	2,566.23
4	Current Liabilities & Provisions	
	Sundry Creditors	
	Other Liabilities	2.41
	Provisions	0.02
	Sub-Total 4	2.43
5	Loans	
	Secured Loans	
	Unsecured Loans	
	Sub-Total 5	-
6	Items not considered for Net worth	
	Share application Money	
	Deferred Tax Liability	
	Sub-Total 6	-
	Net Worth(1+2+3-4-5-6)	2,573.22

6. On consideration of the above facts, we are satisfied that the applicant meets the net worth requirements specified by the Commission for grant of licence for Category `E`. Therefore, *prima facie*, based on its net worth, the applicant qualifies for grant of licence for inter-state trading as category `E` electricity trader.

7. As per the details submitted by the applicant, there are certain pending cases relating to M/s Integrated Coal Mining Ltd., which is the associate of the applicant. During the hearing, the applicant was directed to file the copies of impugned order giving rise to the appeals in commercial tax and income tax cases latest by 14.8.2008. The applicant by its affidavit dated 7.8.2008 has submitted the information called for, which have been taken on record. On examination of the details submitted by the applicant, it is found that these cases should not normally come in the way of the applicant getting licence for trading.

8. In view of the above, the Commission proposes to grant the licence to the applicant for category `E`. We direct that a notice under clause (a) of sub-section (5) of section 15 of the Act be issued inviting further suggestions or objections to the above proposal of the Commission to grant a licence for trading to the applicant.

9. List this application for further directions on 25.9.2008.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER

sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated the 21st August 2008