

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION NO. 5/2008

Subject: Application for grant of licence for inter-State trading in electricity to Basis Point Commodities Private Ltd., Mumbai.

Date of hearing : 7.8.2008

Applicant : Basis Point Commodities Private Ltd., Mumbai

Coram : Dr. Pramod Deo, Chairperson
Shri Bhanu Bhushan, Member, and
Shri R.Krishnamoorthy, Member

Party present: Shri V. Balasubramaniam, BPCPL
Shri Bhavesh Kundalla, BPCPL
Shri Amit Agarwal, BPCPL

The applicant, 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) for grant of Category 'A' licence for inter-state trading in electricity in whole of India.

2. The Commission by its order dated 25.6.2008 had directed the applicant to furnish the details of its investments on loans and advances latest by 5.7.2008. The applicant was further directed to indicate the manner in which it would meet the requirement of funds to undertake its trading activities.

3. The representative of the applicant submitted that it had furnished the details of its investments on loans and advances under affidavit dated 3.7.2008, received in the Commission's office on 4.7.2008. The representative of the applicant further

stated that it had also furnished balance sheet as on 26.7.2008 under letter dated 28.7.2008, according to which its net worth has increased from Rs.184.76 lakh as on 28.4.2008 to Rs.309.20 lakh as on 26.7.2008 and meets the net worth requirement specified by the Commission for grant of licence for trading up to 100 MU of electricity during a year. When it was pointed out that the documents furnished under letter dated 28.7.2008 were not supported with affidavit, the representative of the applicant undertook to file affidavit in support of documents filed under letter dated 28.7.2008.

4. It appeared that the increase in net worth is due to increase in preference share capital of Rs.10 lakh and share premium account of the said preference share capital of Rs.115 lakh. The amount of Rs.125 lakh has been invested in liquid mutual funds. The applicant was directed to furnish the following clarification//information on affidavit latest by 14.8.2008:

- (a) Explain whether the utilization of “share premium account” is as per sub-section (2) of Section 78 of the companies Act, 1956;
- (b) Bank statement in support of the amount received against issuing preference share capital including share premium and its utilization for investment in the liquid mutual funds; and
- (c) Cash balance available for undertaking trading transaction after excluding the share premium amounting to Rs. 1.64 crore.

5. Subject to above, order of the Commission has been reserved.

Sd/-
(K.S.Dhingra)
Chief (Legal)