

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri A.H. Jung, Member**

Petition No. 126/2005

In the matter of

Grant of licence for inter-state trading in electricity to Energy Development Company Ltd.

And in the matter of

Energy Development Company Ltd. ... **Applicant**

Following were present:

1. Shri S.Saraf, EDCL
2. Shri Arun Raut, EDCL
3. Shri Vijay Bhatt, EDCL

**ORDER
(DATE OF HEARING: 23.5.2006)**

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 for trading of more than 1000 Million Units in a year. 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 CERC (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2004 have been published. No objections had been received on the public notice.

2. In the meantime, the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) (Amendment) Regulations, 2006 has been enacted and published in the official Gazette on 13th April 2006. The applicant is directed to file the following information as per the amended regulations:

(a) Whether the applicant or any of his partners, or promoters, or Directors or Associates is declared insolvent and has not been discharged; and

(b) Whether the applicant, or any of his partners, or promoters, or Directors or Associates is involved in any legal proceedings; and

(c) Whether the applicant, or any of his partners, or promoters, or Directors or Associates has at any time in the past been convicted of an offence involving moral turpitude or any economic offence.

3. 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. When it was pointed out to the representative of the applicant, he undertook to amend the Memorandum of Association and for this purpose he sought three months time. The applicant shall file the amended Memorandum of Association along with the

information as per para 2 above duly supported by affidavit latest by 20.8.2006.

4. List the application for further directions on 29.8. 2006.

Sd-/
(A.H.JUNG)
MEMBER

sd-/
(BHANU BHUSHAN)
MEMBER

sd-/
(ASHOK BASU)
CHAIRPERSON

New Delhi, dated the 23rd May 2006