

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No. 161/2005**

**In the matter of**

Grant of licence for inter-state trading in electricity to JSW Power Trading Company Limited, Mumbai.

**And in the matter of**

JSW Power Trading Company Limited , Mumbai .. **Applicant**

**The following were present:**

1. Shri Krishna Deshika, JSWPTC
2. Shri Deepak Roy, JSWPTC
3. Shri L. Viswanathan, JSWPTC

**ORDER**

**(DATE OF HEARING: 28.2.2006)**

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 a volume 1000 Million Units or more of electricity 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 Central Electricity Regulatory Commission (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 notices.

2. The applicant is promoted by JSW Energy Limited (JSWEL) (formerly known as Jindal Thermal Power Company Limited).

3. As per Regulation 6, the net worth of the electricity trader at the time of filing of application should not be less than Rs.20.00 crore in case an applicant proposing to trade 1000 Million Units of electricity in a year.

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

Sr. No.	Name of the Shareholder	No. of shares	Share Capital (Rs.) @ Rs.10/- each share	% Shareholding
1	JSWEL	19975000	199750000	99.875%
2	Sun Investments Pvt Ltd	10000	100000	0.050%
3	Vrindavan Services Pvt. Ltd	10000	100000	0.050%
4	Reynolds Traders Pvt. Ltd.	4700	47000	0.024%
5	Mr.N.K.Jain	100	1000	0.001%
6	Mr.Raj Kumar	100	1000	0.001%
7	Mr.K.T.Krishna Deshika	100	1000	0.001%
	<b>Total</b>	<b>20000000</b>	<b>200000000</b>	<b>100.00%</b>

5. The applicant company has been incorporated on 8.7.2005. Therefore, in support of the net worth, the applicant has filed copies of the balance sheets of the parent company, that is, Jindal Thermal Power Company Ltd. for the last five years. The applicant has also placed on record a certificate dated 23.12.2005 from M/s I. Qureshi & Associates, Chartered Accountants certifying net worth of Rs. 2005.15 lakh. In the public notices also, the applicant had declared its net worth as Rs. 20.05 crore as on 22nd December 2005, to which no objections have been received

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 trading of 1000 MUs or more during a year. Therefore, *prima facie*, based on its net worth, the applicant qualifies for grant of licence for inter-state trading as category `F` electricity trader, that is, for trading a volume of 1000 Million Units or more of electricity during a year.

7. Therefore, the Commission proposes to grant the licence to the applicant for category `F`. 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.

8. As per the Memorandum of Association of the applicant company, it can also undertake transmission of electricity. The applicant has filed an affidavit to the effect that it will make an application before the Central Commission or any of the State Commission to act as a transmission licensee only after surrendering the trading licence granted to it. The applicant shall remain bound by the undertaking given in the affidavit.

9. After making of the application for grant of licence, the applicant filed an affidavit to amend the original application. This affidavit has been treated as an interlocutory application. The prayers for amendment are granted. The applicant is directed to file the comprehensive amended application within one week. The applicant shall pay the fee of Rs. 20,000/- as specified for an interlocutory application.

10. List this petition for further directions on 13.4.2006.

sd-/  
**(A.H.JUNG)**  
**MEMBER**

sd-/  
**(BHANU BHUSHAN)**  
**MEMBER**

sd-/  
**(K.N.SINHA)**  
**MEMBER**

sd-/  
**(ASHOK BASU)**  
**CHAIRPERSON**

New Delhi, dated the 6th March 2006