

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

Petition No. 30/2003

In the matter of

Application for grant of license/permission to undertake inter-state trading in power.

And in the matter of

Amalgamated Transpower (India) Ltd. ... Applicant/Petitioner

The following were present:

1. Shri P.K. Das, CMD, ATIL,
2. Shri S.R.Nath, Director, ATIL

**ORDER
(DATE OF HEARING: 28.8.2003)**

This petition has been filed under Section 15 of the Electricity Act, 2003(hereinafter referred to as "the Act") for grant of license for trading in power. The petitioner has further prayed for interim permission to trade in power till the Commission notifies the modalities and parameters for issue of license for trading in power under the Act.

2. The petitioner, Amalgamated Transpower (India) Ltd. is a company registered under the Companies Act. At the time of hearing of the petition on 28.8.2003, in response to our query Shri P.K. Das, CMD, stated that as per the Memorandum of Association, the company is authorised to carry on the business of trading in power. He had clarified that by a special resolution of the shareholders of the company in its Extraordinary General Meeting held on 26.5.2003, a resolution for

alteration/amendment of the Memorandum of Association, so as to authorise the company to carry on the business of trading in power, was passed. He had further submitted that the alteration of the Memorandum of Association has been registered by the Registrar of Companies, Delhi in terms of the certificate dated 24.6.2003. Pursuant to our directions, the amended Articles of Association have been filed on 29.8.2003 duly certified by the Director of the petitioner company, along with a copy of the certificate dated 24.6.2003. As per the amended Articles of Association, Ser. No.5 of the main objects to be pursued by the Company reads as under:

“5. To carry on the business of trading in power, inter-state, inter region and cross border”

3. The petitioner has stated that it has been negotiating with power surplus states for purchase of power and for further sale to power deficient states. The petitioner has placed on record copies of the correspondence with Power Department, Government of Sikkim, WBSEB, GRIDCO, ASEB, MPSEB, MSEB, CSEB and NEEPCO in support of its claim. A perusal of these documents reveals that the petitioner has not yet finalised any deals for purchase/sale of power, though a number of preliminary steps in this direction seem to have been taken by it.

4. The petitioner has stated that it had invested in term deposits about Rs.14 crore during the period 1999-2003 and at the same time has not availed any credit facility. It has further stated that the paid up capital of company is Rs.3 crore as on date. The petitioner has further stated that the personnel at top and senior levels of management have vast technical experience of power sector and the company has been functioning as IPP for the last eight years. The petitioner has placed on record

certain documents in support of its claim for creditworthiness, capital adequacy and technical requirements.

5. The petitioner has stated that Government of Sikkim has transferred two hydro-electric power projects to the company on 21.12.2002. It has further stated that company has earned a profit of about Rs.34 crore on account of transfer of these projects. The petitioner has placed on record a copy of the provisional balance sheet as on 30.3.2003 in support of its claim for profit of Rs.34 crore. The petitioner also stated that the balance sheet as on 30.3.2003 is almost final and the final balance sheet as on 31.3.2003 will not be much different from the one as on 30.3.2003 submitted to the Commission, except for some minor changes.

6. The petitioner has stated that at present it is executing three hydroelectric power projects with a total installed capacity of about 130 MW in Sikkim. The petitioner in consortium with KPTCL has also been awarded Teesta Stage-IV (415 MW) and Stage-VI (360 MW) hydroelectric power projects in Sikkim. The petitioner has further stated that as an IPP, it has also been participating in Commercial Committee Meetings of EREB.

7. The petitioner stated that he had published notice in two newspapers about his intention to trade power. The petitioner is directed to file before the Commission, copies of the newspaper cutting and objections, if any, received by them from any party.

8. In view of the above, before we consider the prayer made by the petitioner, we direct that notice for next date of hearing be issued to Government of Sikkim through Secretary, Power Department, EREB, GRIDCO and NEEPCO.

9. List this petition on 9th October, 2003.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 10th September, 2003