

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
AT GANDHINAGAR**

LICENSE APPLICATION NO. 2 OF 2021

In the matter of:

Application under Sections 14, 15, 16, 18, 52 and 86-1(d) of the Electricity Act, 2003 read with GERC (Licensing of Electricity Trading) Regulations 3 of 2005 for Intra-State Trading of Electricity license within the State of Gujarat.

Applicant / Petitioner : KPI Global Infrastructure Limited,
'KP House', Opp. Ishwar Farm BRTS Junction,
Near Bliss IVF Circle, Canal Road,
Bhatar, Surat – 395017.

Represented by : Shri Irfan S. Mombasawala

Objector : Shri Rajeshkumar R. Maniyar

Represented by : Nobody was present.

CORAM:

Mehul M Gandhi, Member

S. R. Pandey, Member

Date: 26/10/2021

DAILY ORDER

1. The present Application has been filed by the Applicant, KPI Global Infrastructure Limited, for grant of Intra-State Trading Licence to the Applicant.
2. The Commission, vide letter no. GERC/LEGAL/2021/986 dated 30.07.2021 has directed the Applicant to issue Public Notice. In response to the aforesaid directive, the Applicant has issued Public Notice on 04.09.2021 in Daily Newspapers, viz; Sandesh, Gujarat Guardian, Loksatta, Gujarat Today and Weekend Business Standard, stating that the Applicant has filed an Application before the Commission for grant of Intra-State Trading Licence and if any party has an objection on the Application, they may file their

objection before the Commission within 30 days from the date of Public Notice. It was also stated that the Application for Trading Licence is available on the website of the Applicant, www.kpgroup.co. It was also stated that copy of the Application along with all relevant documents would be provided to the persons on payment of Rs. 350/- either in cash or through DD in favour of KPI Global Infrastructure Ltd.

3. In response to the aforesaid Public Notice, the Commission has received one objection from Shri Rajeshkumar Rasiklal Maniyar, Bhavnagar, wherein the Objector has raised certain objections alleging that M/s K. P. Energy company has illegally set up more wind mills in Mahuva taluka of Bhavnagar district than approval granted by the Government and some of which are at locations other than approved and also within forest boundary and selling wind energy generated from such wind mills to Government. It is stated that the copy of the said objection dated 06.09.2021 has been forwarded to the Applicant by the objector.
4. Thereafter, the matter was kept for hearing on 20.10.2021.
5. During the hearing, Shri Irfan S. Mombasawala, on behalf of the Applicant, KPI Global Infrastructure Limited, submitted that the present Application has been filed by the Applicant for grant of Intra-State Trading of Electricity license as per the provisions of the Electricity Act, 2003 and the GERC (Licensing of Electricity Trading) Regulations, 2005.
6. The Applicant submitted that it desires to carry out trading activity of electricity in the State of Gujarat for the small generators / investors who set up their own IPPs and desire to sell the energy generated from such projects to third party but find it difficult in selling the same. So in order to facilitate them, the Applicant is seeking intra-state trading license from the Commission. It is also submitted that the Applicant is also carrying out EPC work for project developers setting up Solar Projects and after commissioning the project is handed over to its owner. It has carried out EPC work for 60 MW Solar Projects in the State and has recently carried out EPC work for 12.5 MW Solar PV project for one captive generating plant. In certain cases, the Applicant has also taken up O&M work of Solar Projects by entering into contract with such solar generators.

- 6.1. On a query of the Commission as to whether the Applicant has received copy of the above objection filed by Shri Rajeshkumar Rasiklal Maniyar, Shri Irfan S. Mombasawala, on behalf of the Applicant, submitted that the same is not received and hence, no response is filed. He requested that a copy of the objection be provided to the Applicant to enable filing reply on same.
- 6.2. On a query of the Commission as to whether the Applicant has carried out any activities pertaining to trading of electricity earlier or any associated activity, the Applicant fairly admitted that no such activity has been performed by it in the past.
- 6.3. On a further query of the Commission that the Applicant has stated in the Application regarding having an operating account with SBI only and submitting the certificate issued by SBI dated 18.01.2021 stating that the Applicant is maintaining the loan and CC account satisfactorily or is it having any account with other banks/financial institutions, Shri Irfan S. Mombasawala, fairly admitted that the Applicant is having operating account with SBI and Power Finance Corporation (PFC). It is submitted that the Applicant has also filed letters dated 15.06.2021 and 28.06.2021 of SBI certifying that the Applicant does not classify as 'Wilful Defaulter' in RBI Defaulter's list available as on 31.12.2019 and 31.03.2021 respectively. However, the relevant certificates from PFC that operating account is maintained satisfactorily by the Applicant and is not wilful defaulter from PFC is not submitted alongwith the Application and agreed that the Applicant will file the relevant certificates of PFC which have not been submitted along with the Application.
- 6.4. On a query of the Commission as to how they will carry out the Trading Activity without any experience etc., it is submitted that the Applicant has filed with the Application 'Approach & Methodology for Establishment of Power Trading Arrangement', wherein; schematic diagram is given with regard to the approach and methodology for trading provided.
- 6.5. In response to any ongoing proceedings or pendency of court matters against the Applicant company or its Directors' etc., Shri Irfan S. Mombasawala submitted that there are no proceedings or court matters ongoing or pending before any Court against the Applicant or its Directors. However, the Applicant will file its submissions on affidavit regarding same.

- 6.6. It is submitted that the Net-worth of the Applicant as on 31.03.2020 is Rs. 98.06 crore and Annual Turnover is Rs. 59.55 crore as per audited financial statements filed.
7. Heard the Applicant. We note that the Applicant has filed the present Application for grant of Intra-State Trading Licence as per the provisions of Sections 14, 15, 16, 18, 52, 86(1)(d) of the Electricity Act read with Notification No. 3 of 2005 of GERC (Licensing of Electricity Trading) Regulations, 2005 to carry out Intra-State Trading of Electricity within the State of Gujarat by the Applicant. The Applicant has issued Public Notice in different daily newspapers as stated in para 2 above and invited comments and suggestions on the License Application. The Commission has received one objection from Shri Rajeshkumar Rasiklal Maniyar. However, there is no response by the Applicant on the said objection on the ground that copy of the objection has not been received by the Applicant. Therefore, we direct the Office of the Commission to provide copy of the aforesaid objection to the Applicant. The Applicant is at liberty to file its submission, if any, on the objection within 10 days from the receipt of the copy of the objection, with a copy to the Objector.
- 7.1. We also note that the Applicant has submitted 'Certificate of Standard Borrowal Account' and 'Certificate stating RBI has not classified the Applicant as Wilful Defaulter' of State Bank of India stating that the conduct of the account is satisfactory and that Applicant company does not classify as 'Wilful Defaulter' in RBI Defaulter's list available as on 31.03.2021. It is admitted by the Applicant that it is having borrowing account with PFC also. However, no certificates from PFC have been submitted. We, therefore, direct the Applicant to submit the certificate(s) of 'Standard Borrowal Accounts' with other Financial Institutions, in addition to PFC, if any.
- 7.2. The Applicant has submitted 'Approach & Methodology for Establishment of Power Trading Arrangement', wherein; schematic diagram is given regarding approach and methodology for establishment of power trading arrangement wherein no details have been stated with regard to trading activity and EPC work carried out by the Applicant by providing their work. The Applicant is directed to provide the details of the same.
- 7.3. We note that there is an objection filed in the present Application, which is not received by the Applicant and has requested to provide copy of same on which the Applicant has

sought time to file its reply. Let the copy of objection be provided to the Applicant and time for filing reply on same is granted. We therefore, adjourn the matter. We direct the Applicant to file its reply, if any, against the objection within 10 days from the receipt of copy of the objection, with a copy to the Objector. We also direct the Applicant to provide the 'Certificate of Standard Borrowal' of PFC and other Financial Institutions, if any. We also direct the Applicant to provide complete details on affidavit with regard to approach and methodology for Intra-State Trading activities that it desires to carry out as a Licensee.

8. We order accordingly.

9. The next date of hearing will be intimated separately.

Sd/-

(S. R. PANDEY)

MEMBER

Sd/-

(MEHUL M. GANDHI)

MEMBER

Place: Gandhinagar

Date: 26/10/2021