

## **CONFIRMATION TO ACCEPTANCE OF POWER TRADING REGULATIONS**

Karam Chand Thapar & Bros.(Coal Sales) Limited agrees to convey its acceptance to CERC power trading regulations as under :-

1. The applicant, Karam Chand Thapar & Bros (Coal Sales) Limited (KCT), incorporated under the Companies Act, 1956 having its registered office at Thapar House, 25, Brabourne Road, Kolkata- 700001 . The main object clause of KCT includes to carry on the business trading in power and other forms of electrical energy. Copy of the memorandum and Articles of Association of KCT is enclosed as Annexure 11, Appendix – 1, 11 & 111.

2 The completed application form is being accompanied by a fee of Rs. 1,00,000/- (Rupees One Lakh only) vide Bank Draft No.072933 dated 19.10.04 drawn in favour of Assistant Secretary, Central Electricity Regulatory Commission, New Delhi.

3. KCT has posted complete application along with annexures and enclosures on its website i.e. www.kctcoalsales.com.

4. KCT shall within 7 days of making application for grant of license, publish a notice of application in atleast two national English daily newspapers, including one Economic newspaper within the area of trading, one of which shall be in vernacular with the particulars as prescribed by the Honorable Commission vide its notice no. L-7/25(6)/2004 dt. 30<sup>th</sup> January, 2004 Chapter-11, Regulation 4 ,Clause (4).

5. KCT shall within 7 days from the date of publication of the notice as aforesaid submit to the Honorable Commission on affidavit the details of the notice published and shall also file relevant copies of the newspapers in which the notice is published.

6. KCT has engaged the services of the professionals (details- Annexure 11, Appendix-X) having vast experience in each of the following disciplines namely :-

- (i) Commercial aspects of contracts.
- (ii) Finance, Commerce and Accounts.

7. KCT has a net worth of Rs. 600 Crore and enjoys Bank limit of over Rs. 200 Crore. Management of KCT has earmarked Rs 100 Crore, which is suffice to undertake about 400 MW of power trading activity.

8. KCT shall comply with the requirements of laws in force and, in particular, the Act, the Rules and the Regulations, Grid Code, orders and directions issued by the Commission and the State Electricity regulatory Commission(s) from time to time.

9. KCT shall be subject to the trading margins for inter-state trading as fixed by the Commission, from time to time.

10. KCT shall be governed by the technical requirements, capital adequacy requirements and creditworthiness specified by the Commission in these regulations.

11. KCT shall establish an independent and separate office very well equipped with the latest facilities like telephone, fax, computer, internet facilities for power trading activities.

12. KCT shall coordinate with REBs or RPCs as the case may be the RLDCs/ SLDCs and Central Transmission Utility/State Transmission Utilities with regard to all trading-related activities.

13. KCT shall render all assistance to any person authorized by the Commission for carrying out his duties relating to the license.

14. KCT shall carry out trading activity bilaterally between the parties by entering into appropriate contracts.

15. KCT shall pay the license fee specified under these regulations in accordance with the time schedule specified in the notification.

16. KCT shall not omit or neglect to undertake trading activity for four consecutive quarters.

17. KCT shall not join hands with someone, which may cause adverse effect on competition in electricity industry.

18. KCT hereby confirms to maintain up-to-date record of its customers, transactions undertaken by it with other parties & accounts of Power Division.

19. KCT shall not carry out without the prior approvals of the Commission any activity prohibited by the Honorable Commission vide its notice no. L-7/25(6)/2004 DATED 30<sup>th</sup> January 2004 as per Chapter IV, Regulation 8.

20. KCT shall pay to the Commission the annual license fee of the amount specified as soon it becomes payable.

21. KCT also confirms to submit the information called for by the Commission from time to time as specified under Honorable Commission notice No. L-7/25(6)/2004 dated 30<sup>th</sup> January, 2004, Chapter IV, regulation 11.

22. KCT shall furnish the performance details for each year to the Commission on quarterly basis in the format prescribed in Form-IV by 15<sup>th</sup> day of the first month of the following quarter.

Date: 27<sup>th</sup> October, 2004  
Place: New Delhi  
Limited

Authorised Signatory  
Karam Chand Thapar & Bros (Coal Sales)