

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:4722
ANSWERED ON:04.05.2012
POWER TRADING
Singh Shri Bhola

Will the Minister of POWER be pleased to state:

- (a) whether the profit of companies engaged in the power trading in the country has increased from the years 2004-05 to 2010-11;
- (b) if so, the details thereof; and
- (c) the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF POWER (SHRI K.C. VENUGOPAL)

(a) & (b): The year-wise profit and increase/decrease in profit of the inter- state trading licensees during the period 2004-05 to 2010-11 based on the information available in their Annual Reports is at Annex-I.

(c): Section 79 (1) (j) of the Electricity Act, 2003, empowers the Central Electricity Regulatory Commission (CERC) to fix the trading margin in the inter-state trading of electricity, if considered necessary. CERC has specified regulations on trading margin. As per the CERC (Fixation of Trading Margin) Regulations 2006, the licensees are allowed to charge trading margin upto a maximum of 4 paise/kWh. Further, the CERC (Fixation of Trading Margin) Regulations 2010 provide for trading margin not exceeding 7 paise/kWh in case of the sale price exceeding Rs. 3.00/kwh and trading margin not exceeding 4 paise/kWh where the sale price is less than or equal to Rs. 3.00/kwh. A statement indicating the volume, price and trading margin of electricity transacted by the trading licensees during the period 2004-2005 to 2010-11 is at Annex-II