

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 138/TDL/2011**

**Coram: Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**DATE OF HEARING: 15.9.2011**

**DATE OF ORDER: 27.9.2011**

Application for grant of inter-State trading licence to World Solar Power Private Limited, Mumbai.

**And  
In the matter of**

World Solar Power Private Limited, Mumbai                      **... Applicant**

**The following were present:**

Shri Devendra Jain, World Solar Power Private Ltd.  
Shri J.Kumar, World Solar Power Private Ltd

**ORDER**

The applicant, World Solar Power Private Limited, a company registered under the Companies Act, 1956 (1 of 1956) has made the present application under sub-section (1) of Section 15 of the Electricity Act, 2003 (36 of 2003) (hereinafter referred to as "the Act") read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2009 (hereinafter referred to as "the trading licence regulations"), for grant of Category-III licence for inter-State trading in electricity in whole of India.



2. Regulation 6 of the trading licence regulations provides for the procedure for grant of trading licence as under:

***“6. Procedure for grant of licence***

*(1) Any person desirous of undertaking inter-State trading in electricity shall make an applicant to the Commission for grant of licence in the manner specified in Form-I appended to these regulations and such applicant shall be accompanied by , -*

*(a) Such fee as may be prescribed by the Central Government from time to time payable through Bank Draft or pay order drawn in favour of Assistant Secretary, Central Electricity Regulatory Commission, New Delhi.*

*(b) Copies of the annual reports in case of the persons incorporated under the Companies Act, 1956 (1 of 1956) and audited accounts along with the Director's Report, Auditors' Report, the Schedules and notices on accounts for three years immediately preceding the year in which the application has been made and the special balance sheet as on any date falling within 30 days immediately preceding the date of making the application:*

*Provided that where the applicant has not been incorporated, registered or formed during the period of three years immediately preceding the year in which the application is made, the application shall be accompanied by the copies of the annual reports and audited accounts for such lesser period for which the applicant has been in existence.*

*(2) The application for grant of licence, along with annexures and enclosures shall also be submitted to the Commission on compact disc (CD).*

*(3) The applicant shall post complete application along with annexures and enclosures on his own website so as to facilitate access to the application by any person through internet and shall keep them on the website till the disposal of his application.*

*(4) The applicant shall within 7 days after making such application, publish a notice of his application, in two daily newspapers having circulation in each of the five regions in addition to those published from Delhi, including one economic daily newspaper in Form II, with the following particulars, namely:-  
xxxxxx*

*(5) The applicant shall within 7 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published and shall also file the original complete page of the newspaper in which the notice has been published.*

*(6) The applicant may file his reply to the objections or suggestions received in response to the notice within 45 days of its publication in the newspapers.*

*(7) The Commission after consideration of the objections or suggestions*



*received in response to the notice published by the applicant and his reply may propose to grant licence.*

*(8) When the Commission proposes to grant licence, it shall publish a notice of its proposal in two daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the licence, with such other details as the Commission considers appropriate, to invite further objections or suggestions to its proposal."*

3. The Applicant has made the application as per Form-I and paid the fee of ₹ one lakh as prescribed by the Government of India.

4. The applicant has posted the application for grant of trading licence on its website [www.worldsolar.in](http://www.worldsolar.in) in terms of Regulation 6(3) of the 2009 trading licence regulations. The Applicant has placed on record the relevant copies of the newspapers in original in which notice of its application has been issued. The notices under sub-section (2) of Section 15 of the Act read with clause (4) of Regulation 6 of the trading licence regulations have been published by the applicant on 4/8.6.2011 in all editions of 'The Business Standard' and 'The Financial Express'. No objection has been received in response to the public notices.

5. The applicant company was incorporated under the Companies Act, 1956 on 28.3.2011. Para 54 of the objects of the company reads as under:

*"3. To carry on the business of generation/production, storage, transmission/distribution/supply and sale of electricity by way of conventional or non-conventional sources of energy such as hydel, fuel cells, thermal, atomic, gas, wind, tidal, solar of energy for own use/consumption or to person/s or to firms/entities//undertaking whether incorporated or un incorporated, whether government (*



*Central or State or local) or semi Government of Government undertaking; or private/autonomous entity."*

6. Trading in electricity is covered under the objects of the applicant-company. It is however, noted that 'transmission of electricity' is one of the objects of the applicant company. Applicant vide its affidavit dated 27.5.2011 has undertaken that during subsistence of the trading licence if granted by the Commission, he shall not apply for transmission licence without surrendering the trading licence.

7. In accordance with Regulation 3 (3) of the trading licence regulations, a person applying for Category-III trading licence should have net worth of ₹ 5 crore, and should have maintained minimum current ratio and liquidity ratio of 1:1, consistently for three years immediately preceding the year in which the application is made.

8. Based on the financial details submitted by the applicant, its net worth has been worked out as given below:

**(₹ in crore)**

	Particulars	Special Balance sheet as on 3.6.2011
1	<b>Share Capital</b>	
	Paid up equity capital	10.50
	Share Applications/warrants	0.00
2	<b>Reserves and Surplus</b>	
	Reserves & Surplus	0.00
	<b>Sub- Total 1</b>	<b>10.50</b>
3	<b>Loans and Advances to associates</b>	0.00
4	Misc. Expenses to the extent not written off or adjusted	0.02
5	Profit and Loss A/c (Dr. balance)	0.16
	<b>Sub- Total 2</b>	<b>0.18</b>
	<b>Net Worth (1 + 2 - 3-4-5)</b>	<b>10.32</b>

9. The net worth of the applicant is further represented by the following:

**(₹ in crore)**

Particulars	Special Balance sheet as on 30-6-2011
<b>Fixed Assets</b>	
Gross Block	0.01
Less: Depreciation	0
Net Block	0.01
Capital work in progress	0
<b>Sub-Total 1</b>	<b>0.01</b>
<b>Investments (Sub -Total 2)</b>	<b>-</b>
<b>Current Assets, Loans and Advances</b>	
Cash and Bank Balance	11.33
Loans and Advances	0
Less: Loans and Advances to Associates as per Regulations 2 (1) (o) of the 2009 trading licence regulations	0
Net Loans and Advances	-
Inventories	0
Sn Debtors	0.02
Other current assets	0
<b>Sub-Total 3</b>	<b>11.35</b>
<b>Current Liabilities and Provisions</b>	
Current Liabilities and Provisions	0.01
<b>Sub-Total 4</b>	<b>0.01</b>
<b>Loans</b>	
Secured loans	0
Unsecured loans	1.03
Deferred tax Liabilities	0
<b>Sub-Total 5</b>	<b>1.03</b>
<b>Net Worth (1+2+3-4-5)</b>	<b>10.32</b>

10. Based on the above, the net worth, current ratio and liquidity ratio work out as under:

S. No.	Particulars	2010-11
1.	Net worth (₹ in crore)	10.32
2.	Current ratio	1135
3.	Liquidity ratio	1135

11. Based on the information furnished by the applicant in its application, its case does not fall under any of the disqualification conditions specified in Regulation 4 of the trading licence regulations. In

response to the public notice, nothing has been brought to the notice of the Commission which renders the applicant disqualified under the said regulation.

12. The applicant has complied with the provisions of the Act, the trading licence regulations and directions issued by the Commission.

13. On consideration of the above facts, we are *prima facie* satisfied that the applicant meets the net worth, current ratio and liquidity ratio requirements specified by the Commission for grant of Category-III licence. The Commission proposes to grant Category-III licence to the applicant. 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 proposal of the Commission.

14. List this petition for further directions on 20.10.2011.

SD/	SD/	SD/	SD/
<b>(M.Deena Dayalan)</b> <b>Member</b>	<b>(V.S.Verma)</b> <b>Member</b>	<b>(S.Jayaraman)</b> <b>Member</b>	<b>(Dr. Pramod Deo)</b> <b>Chairperson</b>

