

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 214/TDL/2011

**Coram: Dr. Pramod Deo, Chairperson
Shri M. Deena Dayalan, Member**

DATE OF HEARING: 24.1.2012

DATE OF ORDER: 2.2.2012

Application for grant of inter-State trading licence to DLF Energy Private Limited, Gurgaon

**And
In the matter of**

DLF Energy Private Limited, Gurgaon

..... **Applicant**

The following was present:

1. Shri Ajay Kumar Gupta, DLF Energy Pvt. Ltd.
2. Miss Sneha Daheiya, DLF Energy Pvt. Ltd.

ORDER

The applicant, DLF Energy 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 along with CD 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 in terms of Regulation 6(3) of the 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 16.11.2011 in all editions of 'The Business Standard', 'Rashtriya Sahara', 'Sanmarg', 'Udayavani', 'Tarun Bharat' and 'Dainik Assam'. No objection has been received in response to the public notices.



5. The applicant company was incorporated under the Companies Act, 1956 on 4.10.2011. Para 1 of the objects of the company reads as under:

"1. To carry on in India or elsewhere the business of generation, storage, accumulation, transmission, distribution, supply, purchase, sale, exchange, export, import, trading (purchase electricity and re-sale thereof) and otherwise dealing of power, electricity and other sources of energy whether conventional or non-conventional and to construct, lay-down, establish, fix and carry-out all necessary infrastructures including power stations, cables, wires, transmission lines, accumulators, lamps and works and other equipments relating to power, electricity, chilled water and other sources of energy".

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 2.11.2011 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. However, the net worth for a lesser period will be considered if the applicant is incorporated, registered or formed within three years. The applicant was incorporated on 4.10.2011. Accordingly, the special balance sheet as on 9.11.2011 has been submitted by the applicant.

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

(₹ in crore)

	Particulars	As on 9.11.2011
1	Share Capital	
	Paid up equity capital	5.50
2	Reserves and Surplus	
	Reserves & Surplus	0.00
	Sub Total 2	5.50
3	Loans and Advances to associates	0.00
4	Misc. Expenses to the extent not written off or adjusted	0.05
	Net Worth (1 + 2 - 3)	5.45

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

(₹ in crore)

Particulars	2010-11
Fixed Assets	
Gross Block	0
Less: Depreciation	0
Net Block	0
Capital work in progress	0
Sub-Total 1	0.00
Investments	
Sub -Total 2	0.00
Current Assets, Loans & Advances	
Cash & Bank Balance	5.45
Loans & Advances	0
Less: Loans & Advances given to Associates as per Regulations 2(1) (o) of the 2009 trading regulations	0
Net Loans and Advances	0.00
Inventories	0
Sn Debtors	0
Other current assets	0
Sub-Total 3	5.45
Current Liabilities & Provisions	
Current Liabilities & Provisions	0
Sub-Total 4	0.00
Loans	
Secured loans	0
Unsecured loans	0.00
Deferred tax Liabilities	0
Sub-Total 5	0.00
Net Worth (1+2+3-4-5)	5.45

10. On perusal of the Special Balance Sheet as on 9.11.2011, it is noted that no current liabilities are pending against the applicant, therefore, computation of current ratio and liquidity ratio is not required.

11. On consideration of the above facts, we are *prima facie* satisfied that the applicant meets the net worth 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.

12. List this petition for further directions on 28.2.2012.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON

