

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 151/RC/2013

**Coram:
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

Date of Hearing: 24.9.2013

Date of Order : 30.9.2013

In the matter of

Regulatory Compliance Application for up-gradation of inter-State trading licence in electricity from Category IV to Category III.

**And
In the matter of**

HMM INFRA LIMITED, Chandigarh

Applicant

Following were present:

Shri Surinder Pal Singh, HMM
Shri B.S.Saini, HMM
Shri S.C.Parrija, HMM

ORDER

This Regulatory Compliance application has been made by the HMM INFRA LIMITED for upgradation of its inter-State trading licence in electricity from Category IV to Category III.

2. By order dated 11.3.2013, HMM INFRA LIMITED was granted trading licence for Category IV to trade in electricity as an electricity trader in the whole of India, except the State of Jammu and Kashmir in accordance with



Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2009 (hereinafter referred to as the "trading licence regulations 2009"), subject to the terms and conditions contained in the licence.

3. The third and fourth provisos to Regulation 7 (b) of the trading licence regulations, 2009 provides as under:

" Provided also that a licensee may make an appropriate Application accompanied by prescribed fees for upgradation of its licence to a higher category or down gradation of its licence to a lower category if it fulfills the conditions of these regulations for grant of such licence but it shall not be required to follow the procedure specified in Regulation 6 of these regulations.

Provided further that the licensee shall be heard by the Commission before taking a decision on the application."

4. The licensee has filed an application for up-gradation of its licence in accordance with trading licence regulations, 2009. On perusal of the application, we find that the applicant being a Category IV licensee fulfills all technical requirement for grant of Category III inter-State trading licence. As regards the net worth requirements for Category III, Regulation 3 (3) of the trading licence regulations, 2009 provides that a person applying for Category III trading licence should have net worth ₹ 5 crore and should have maintained minimum current ratio and liquidity ratio of 1:1 on the date of audited special balance sheet accompanying the application.

5. The applicant has submitted the audited special balance sheet as on 30.6.2013. Based on the Special Audited Balance Sheet submitted by the applicant, its net worth has been worked out as given below:

(₹ in lakh)

Particulars	30.6.2013
Share Capital	
Paid-up Capital	904.25
Reserve and Surplus	714.99
Sub- Total 1	1619.24
Loans and Advances to associates	0.00
Misc. Expenses to the extent not written off or adjusted	0.00
Liability towards retirement benefits not provided for	0.00
Sub- Total 2	0.00
Net worth (1-2)	1619.24

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

(₹ in lakh)

Particulars	30.6.2013
Fixed /Non-current Assets	
Net block	4415.68
Less Revaluation reserve	1554.58
Sub- Total 1	2861.10
Capital work in progress	286.57
Long-term loans and advances	0.00
Other Non-current assets	23.82
Deferred tax Assets	0.00
Sub-Total 2	3171.49
Investments (Sub-Total 3)	1.00
Current Assets	
Cash and Bank Balance	219.62
Loans and Advances	772.13
Less: and Advances to associates	0.00
Net Loans and Advances	772.13
Inventories	1186.56
Sundry Debtors	1007.82
Short term investments	0.00
Other current assets	276.91

Sub-Total 4	3463.04
Current Liabilities & Provisions	
Current Liabilities and Provisions	2197.53
Liability towards retirement benefits not provided for	0
Sub-Total 5	2197.53
Non-Current Liabilities	
Secured loans	0.00
Long term Borrowings	2647.90
Deferred tax Liabilities	101.53
Share application	37.80
Long term provision	31.53
Sub-Total 6	2818.76
Net Worth (1+2+3+4-5-6)	1619.24

7. Based on the above, the net worth, current ratio and liquidity ratio workout as under:

Particulars	30.6.2013
Net Worth (₹ in lakh)	1619.24
Current Ratio	1.58
Liquidity ratio	1.04

8. On consideration of the above facts, we are satisfied that the applicant meets the net worth, current ratio and liquidity ratio requirements specified by the Commission for grant of Category III licence. Accordingly, we approve the upgradation of the licence of the applicant from Category IV to Category III.

9. A copy of this order be sent to the Central Government in Ministry of Power and CEA in terms of sub-section (7) of Section 15 of the Electricity Act, 2003 for their information and record.

10. We direct that necessary endorsement be made on the licence issued to the applicant with regard to change of Category of the licensee.

11. The petition stands disposed of accordingly.

Sd/-
(M. Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

