

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 223/TDL/2012

Coram:

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

Date of Hearing: 20.12.2012

Date of order: 26.12.2012

In the matter of

Application for grant of inter-State trading licence to Green Field Power Service Pvt. Ltd., Hyderabad.

And

In the matter of

Green Field Power Service Pvt. Ltd., Hyderabad **....Applicant**

The following was present:

Shri S.Venkat Raman, GFPSPL

ORDER

The applicant, Green Field Power Service Pvt. Ltd., 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") amended from time to time, for grant of Category `IV` licence for inter-State trading in electricity in whole of India,



except the State of Jammu and Kashmir. Meanwhile, the Trading Licence Regulations have been amended on 11.10.2012 requiring the applicants for trading licence to file the application accompanied by the audited special balance sheet as on the date of application. Accordingly, the applicant has filed revised application for grant of inter-State trading licence.

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 and payable through NEFT/RTGS only as per the procedure specified in Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012 or any subsequent enactment thereof.

(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 notes on accounts for one year 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 29.9.2012 in all editions of ‘The Financial Express` and ‘Indian Express’. No objection has been received in response to the public notices.

5. The applicant company was incorporated under the Companies Act, 1956 on 27.6.2008. Para 6 of the objects of the company reads as under:

“6. To acquire concessions, facilities or licenses from Electricity Boards, all statutory authorities of Central/State Government, semi Government or local authorities for generation, distribution, production, transmission, trading or



use of electric power and to take over all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of the foregoing objects."

6. Trading in electricity is covered under the objects of the applicant-company.

7. The applicant company was incorporated under the Companies Act, 1956 on 27.6.2008. In accordance with Regulation 3 (3) of the trading licence regulations, a person applying for Category `IV` trading licence should have net worth of ₹ 1 crore, and should have maintained minimum current ratio and liquidity ratio of 1:1, as on date of audited balance sheet accompanying the application. The applicant has submitted the balance sheet as on 31.10.2012 for the year 2011-12 and special audited balance sheet as on 31.10.2012. Based on the balance sheet for the year 2011-12 and special balance sheet as on 31.10.2012, net worth and liquidity ratios has been worked out as under:

(₹ in lakh)		
	Particulars	As on 31.10.2012
1	Share Capital	
	Paid up equity capital	350
	Share Applications/warrants	0.43
2	Reserves and Surplus	12.72
	Sub Total 1	363.15
3	Loans and Advances to associates	0.00
4	Misc. Expenses to the extent not written off or adjusted	0.25
	Sub Total 2	0.25
	Net worth (1-2)	362.90

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

		(₹ in lakh)
Particulars	As on 31.10.2012	
Fixed/Non-current assets		
Net Block		14.24
Capital work in progress		0.00
Long-term loans and advances		0.98
Deferred tax assets		0.00
Sub-Total 1		15.22
Investments	Sub-Total 2	0.00
Current Assets		
Cash and Bank Balance		51.94
Loans and Advances		176.13
Associates		0.00
Net Loans and Advances		176.13
Inventories		74.59
Sundry Debtors		370.82
Other current assets		0.25
Sub-Total 3		673.73
Current Liabilities and Provisions		
Current Liabilities and Provisions		316.38
Sub-Total 4		316.38
Non-current liabilities		
Secured loans		0.00
Long term Borrowings		9.04
Deferred tax liabilities		0.39
Sub-Total-5		9.43
Not written off or adjusted		0.25
Sub-Total-6		0.25
Advance Income Tax and TDS		0.00
Net Worth(1+2+3-4-5-6)		362.90

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

S. No.	Particulars	31.10.2012
1.	Net worth (₹ in lakh)	362.90
2.	Current ratio	2.13
3.	Liquidity ratio	1.89

10. 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 `IV` licence and has fulfilled other conditions for grant of



trading licence. The Commission proposes to grant Category `IV` 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.

11. List this petition for further directions on 29.1.2013.

Sd/-	sd/-	sd/-	sd/-	sd/-
(A.S.Bakshi)	(M.Deena Dayalan)	(V.S.Verma)	(S.Jayaraman)	(Dr. Pramod Deo)
Member (EO)	Member	Member	Member	Chairperson

