

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 294/TDL/2013

Coram:

Shri Gireesh B.Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A.K.Singhal, Member

Ms.Neerja Mathur, Member

Date of Hearing: 25.2.2014

Date of order: 03.2.2014

In the matter of

Application for grant of inter-State trading licence to Solar Energy Corporation of India (SECI).

**And
In the matter of**

Solar Energy Corporation of India
NBCC Plaza, Tower-1, 4th Floor,
Sector-V, Pushp Vihar, Saket,
New Delhi-110 017

....Applicant

The following were present:

Shri Ravi Prakesh, Advocate, SECI
Shri Varun Pathak, SECI
Shri Rakesh Kumar, SECI
Shri Atulya Kumar, SECI
Shri Sanjay Mathur, SECI

ORDER

The applicant, Solar Energy Corporation of India, a Government of India Enterprise and 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 `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 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 3rd, 4th and 5th November, 2013 in all editions of 'The Times of India', 'The Economic Times' and 'Sentinel' (Guwahati edition), 'Nav Bharat Times' (New Delhi Edition) and 'Dainik Navjoyti' (Ajmer, Kota and Jodhpur editions). No objection has been received in response to the public notices.

5. Trading in electricity is covered under the objects of the applicant-company which includes 'exchange and sell' power. It is however, noted that 'transmission infrastructure' is one of the objects of the applicant company. The applicant vide its affidavit dated 24.10.2013 has undertaken that during subsistence of the trading licence if granted by the Commission, the applicant shall not apply for transmission licence without surrendering the trading licence. The affidavit has been taken on record and it is directed that the applicant shall comply with the undertaking given in the affidavit during the substance of 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, as on date of audited balance sheet accompanying the application. The applicant has submitted the special audited balance sheet as on 30.9.2013. Based on the special balance sheet as on 30.9.2013, net worth and liquidity ratios has been worked out as under:

		(₹ in crore)
	Particulars	30.9.2013
1	Share Capital	
	Paid up equity Capital	42.000
2	Reserve and Surplus	
	Reserve and Surplus	-9.446
	Total capital and reserve	32.554
3	Loans and Advances to associates	0.000
4	Misc. Expenses to the extent not written off or adjusted	0.000
	Net worth (1+2-3-4)	32.554

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

		(₹ in crore)
	Particulars	30.9.2013
	Fixed /Non-current Assets	
	Net Block	0.9572
	Capital work in progress	0

Long-term loans and advances	0.5702
Less: Loans and Advances to associates as per Regulation 2 (1) (o) of Trading Licence Regulations	0
Total Fixed/Non-current Assets	1.5274
Sub-total 1	1.5274
Total Investment	0
Sub-total 2	0
Other long term liabilities and provisions	0.3007
Preference Share Capital	0
Long term Borrowings	0
Deferred tax liabilities	0
Total Non-current liabilities	0.3007
Sub-total-3	0.3007
Current Assets	
Cash and Bank balance	67.261
Short term loans and advances	11.783
Less: Loans and advances to associates	0.000
Net loans and advances	11.783
Inventories	0.000
Sundry Debtors	0.031
Other current assets	2.701
Total current asset	81.776
Sub- total 4	81.776
Sundry Creditors	0.000
Provisions	0.000
Other liabilities to be discharged within a period of one year	50.449
Total current liabilities	50.449
Sub- total 5	50.449
Net Worth (1+2-3+4-5)	32.554

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

S. No.	Particulars	30.9.2013
1.	Net worth (₹ in crore)	32.554
2.	Current ratio	1:621
3.	Liquidity ratio	1:621

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 `III` licence and has fulfilled other conditions for grant of

trading 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.

11. List this petition for further directions on 27.3.2014.

Sd/-	sd/-	sd/-	sd/-
(Neerja Mathur)	(A.K.Singhal)	(M Deena Dayalan)	(Gireesh B.Pradhan)
Member	Member	Member	Chairperson