

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 238/MP/2016**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A.K.Singhal, Member**

**Shri A.S.Bakshi, Member**

**Dr. M.K.Iyer, Member**

**Date of Order : 2<sup>nd</sup> of January, 2017**

**In the matter of**

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

**And**

**In the matter of**

My Home Power Private Limited  
5<sup>TH</sup> Floor, Block 3, My Home Hub,  
Madhapur, Hyderabad, Telangana-500 081

**Petitioner**

**The following was present:**

Shri Suresh, MHPPL

**ORDER**

The petitioner, My Home Power Private Limited, has filed the present petition for upgradation of its inter-State trading licence in electricity from Category III to Category II.

2. By order dated 26.4.2011, My Home Power Limited (licensee) was granted trading licence for Category III to trade in electricity as an electricity trader in the whole of India in accordance with Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2009 as amended from time to time (hereinafter

referred to as the "Trading Licence Regulations"), subject to the terms and conditions contained in the licence. Subsequently, vide order dated 29.5.2013 in Petition No. 103/RC/2013, name of the licensee was changed from 'My Home Power Limited' to 'My Home Power Private Limited'.

3. The third proviso to Regulation 7 (b) of the Trading Licence Regulations 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. On perusal of the application, we find that the applicant being a Category III licensee fulfills all technical requirements for grant of Category II inter-State trading licence. As regards the net worth requirements for Category II, Regulation 3 (3) of the Trading Licence Regulations provides that a person applying for Category II trading licence should have net worth ₹ 15 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. As per Regulation 6 (1) (b) of the Trading Licence Regulations, the applicant is required to submit the special balance sheet as on any date falling within 30 days immediately preceding the date of making the application. The licensee filed its application

under affidavit dated 16.11.2016 and submitted audited provisional special balance sheet as on 2.11.2016.

5. The petitioner, vide Record of Proceedings for the hearing dated 8.12.2016, was directed to submit Auditor's report with its comments on the provisional balance sheet as on 2.11.2016 and P & L Account for the period from 1.4.2016 to 2.11.2016.

6. The petitioner vide its affidavit dated 17.12.2016 has submitted the Auditor's report with its comments on the provisional balance sheet as on 2.11.2016 and P & L Account for the period from 1.4.2016 to 2.11.2016. Based on the Audited provisional Balance Sheet as on 2.11.2016 submitted by the petitioner, its net worth has been worked out as given below:

<b>Net Worth Computation</b>	<b>As per audited provisional balance sheet as on 2.11.2016</b>
Particulars	(Rs in lakh)
<b>A) Paid up equity capital (1)</b>	<b>550.02</b>
<b>B) Reserves &amp; Surplus.</b>	
B.1. Capital Reserves	0.00
B.2. Capital Redemption Reserve	0.00
B.3. Debenture Redemption Reserve	0.00
B.4. Revaluation Reserve	0.00
B.5. Share Options Outstanding Account and Reserves other than free reserves	0.00
B.6. Securities Premium Reserve	0.00
B.7. Surplus (P and L Account)	444.07
B.8. Other Free Reserves (i.e. General Reserve)	1742.39
<b>Free Reserves &amp; Surplus Considered for Net worth (2)</b> (B6+B7+B8)	<b>2186.46</b>

<b>C) Loans &amp; Advances given to associates (3)</b>	<b>1145.00</b>
<b>D) Deferred Expenditure (including Misc. Expenses) not written off (4)</b>	0.000
<b>Net Worth (1+2-3-4)</b>	<b>1591.48</b>

7. The net worth of the petitioner is further represented by the following:

<b>Net worth (Asset approach), Current Ratio &amp; Liquidity Ratio Computation</b>	<b>As on 2.11.2016 (Rs. in lakh)</b>
<b>A) Non-current Assets</b>	
A.1. Net block of Tangible Asset	4.31
A.2 Net Block of Intangible Asset	0.00
A.3 Capital work in progress	0.00
A.4 Intangible Assets under development	0.00
A.5 Non-Current Investments	0.00
A.6 Deferred Tax Assets	223.68
A.7 Long-term loans and advances	1145.00
A.7.1 Less: Loans & Advances given to Associates included in above	1145.00
<b>A.7.2 <i>Net Long Term Loans and Advances (A.7 - A.7.1)</i></b>	0.00
A.8 Other Non Current Asset	0.00
A.9 Deferred Expenditure (including Misc. Expenses) not written off (Not considered for net worth computation)	0.00
<b>Total Non-Current Assets</b>	<b>1372.99</b>
<b>Total Non-Current Assets considered for net worth (1)</b>	<b>227.99</b>
<b>B. Non-Current Liabilities, Pref. Share &amp; Share Application money and Reserves other than free reserves</b>	
B.1 Share application money pending allotment	0.00
B.2 Preference Share Capital	0.00
B.3 Long term Borrowings	0.00
B.4 Deferred tax Liabilities	0.00
B.5 Other Long Term Liabilities	0.00
B.6 Long Term provisions	0.00
B.7 Reserves other than free reserves	0.00
<b>Total Non-Current Liabilities, Reserves other than free reserves considered for Net worth (2)</b>	<b>0.00</b>

<b>C. Current Assets</b>	
C.1. Current Investments	0.00
C.2. Inventories	15.92
C.3. Trade Receivables	12271.73
C.4. Cash and cash equivalents	3732.57
C.5 Short Term Loans & Advances	0.13
C.5.1 Less: Loans and Advances given to associates	0.00
<b>C.5.2 <i>Net Short Term Loan and Advances(C.5 - C.5.1)</i></b>	0.13
C.6 Other current assets (deposits, Receivables, prepaid insurance, prepaid expenses interest accrued but not received)	170.91
C.7 Deferred Expenditure (including Misc. Expenses) not written off (not considered for net worth and Liquidity purpose)	0.00
Total Current Assets	<b>16191.27</b>
<b>Total Current Asset considered for Net worth (3)</b>	<b>16191.27</b>
<b>D. Current Liabilities</b>	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	0.00
D.3. Other Current liabilities creditors for supplies, creditors for expenses advances from customers)	14806.16
D.4. Short-term provisions	21.61
<b>Total Current Liabilities considered for Net worth (4)</b>	<b>14827.77</b>
<b>Net worth ((1-2)+(3-4))</b>	<b>1591.48</b>

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

<b>Particulars</b>	<b>As on 2.11.2016</b>
Net Worth (₹ in lakh)	<b>1591.48</b>
Current Ratio	<b>1:09</b>
Liquidity ratio	<b>1:09</b>

9. In accordance with Regulation 3 (2) of the Trading Licence Regulations, the petitioner should have at least one full time professional having,

qualifications and experience in power system operation and commercial aspects of power transfer and finance, commerce and accounts. The petitioner has submitted that the professionals mentioned in the application are full time professionals in terms of Regulation 3 (2) of the Trading Licence Regulations.

10. On consideration of the above facts, we are satisfied that the petitioner meets the net worth, current ratio and liquidity ratio requirements specified by the Commission for grant of Category-II licence and satisfy the requirement stipulated in the Regulation 3 (2) of the Trading Licence Regulations. Accordingly, we approve the up-gradation of the licence of the petitioner from Category III to Category-II.

11. 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.

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

13. The petition stands disposed of with the above direction.

Sd/-  
**(Dr. M.K. Iyer)**  
Member

sd/-  
**(A.S. Bakshi)**  
Member

sd/-  
**(A.K. Singhal)**  
Member

sd/-  
**(Gireesh B. Pradhan)**  
Chairperson