

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 257/MP/2017**

**Shri P.K.Pujari, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K.Iyer, Member**

**Date of Order : 27<sup>th</sup> of February, 2018**

**In the matter of**

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

**And**

**In the matter of**

Solar Energy Corporation of India  
D-3, 1<sup>st</sup> Floor, Wing-A, Religare Building,  
District Centre, Saket, New Delhi-110 017

**Applicant**

**Following were present:**

Shri Atulya Kumar Naik, SECI  
Shri Shibasishdas, SECI  
Shri Saurabh Maheshwari, SECI

**ORDER**

This petition has been made by the Solar Energy Corporation of India for upgradation of its inter-State trading licence in electricity from Category II to Category I.

2. By order dated 1.4.2014, Solar Energy Corporation of India was granted trading licence for Category III 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"), subject to the terms and conditions contained in the licence. Based on the request of the Solar Energy Corporation of India, vide order dated 30.12.2015 in Petition No. 298/MP/2015, the licence was upgraded from Category-III to II.

3. The Applicant was directed to file the following information:

(a) Audited accounts along with the Director`s Report, Auditor`s Report, the Schedules and notes on accounts for the preceding two years i.e. for 2015-16 and 2016-17.

(b) Resume of professionals by indicating their educational/professional qualifications, present and past experience details with name of organization, position held in chronological order by clearly mentioning whether they are full time professionals or not in terms of Regulation 3 (2) of the Trading Licence Regulations.

(c) Organization chart of its group companies clearly mentioning the relationship of the applicant company with its other companies of the group, along with the details of location, percentage of share holding in each other company.

4. The Applicant vide its affidavit dated 19.1.2017 has filed the information called for.

5. The third and fourth provisos 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."

6. 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 II licensee fulfills all technical requirements for grant of Category I inter-State trading licence. As regards the net worth requirements for Category I, Regulation 3 (3) of the Trading Licence Regulations provides that a person applying for Category I trading licence should have net worth ₹ 50 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.

7. The applicant has submitted the audited special balance sheet as on 30.9.2017. Based on the Special Audited Balance Sheet submitted by the Applicant, its net worth has been worked out as given below:

| <b>Net Worth Computation</b>         | <b>As per audited Balance Sheet as on 30.9.2017</b> |
|--------------------------------------|---|
| Particulars                          | (Rs. in lakh)                                       |
| <b>A) Paid up equity capital (1)</b> | <b>30400.00</b>                                     |
| <b>B) Reserves and 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 & L Account)  | 9020.73         |
| B.8. Other Free Reserves (i.e. General Reserve)                               | 0.00            |
| <b>Free Reserves and Surplus Considered for Net worth (2) (B6+B7+B8)</b>      | <b>9020.73</b>  |
| <b>C) Loans and Advances given to associates (3)</b>                          | <b>0.00</b>     |
| <b>D) Deferred Expenditure (including Misc. Expenses) not written off (4)</b> | 0.000           |
| <b>Net Worth (1+2-3-4)</b>  | <b>39420.73</b> |

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

| Particulars  | As per audited Balance Sheet as on 30.9.2017 |
|--|--|
| <b>A) Non-current Assets</b>   | (Rs. in lakh)                                |
| A.1. Net block of Tangible Asset   | 6544.25                                      |
| A.2 Net Block of Intangible Asset  | 40.71  |
| A.3 Capital work in progress   | 1.18   |
| A.4 Intangible Assets under development  | 0.00   |
| A.5 Non-Current Investments  | 280.00                                       |
| A.6 Deferred Tax Assets  | 0.00   |
| A.7 Long-term loans and advances   | 17066.26                                     |
| A.7.1 Less: Loans & Advances given to Associates included in above   | 0.00   |
| <b>A.7.2 Net Long Term Loans and Advances (A.7 - A.7.1)</b>  | <b>17066.26</b>                              |
| 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>23932.40</b>                              |
| <b>Total Non-Current Assets considered for net worth (1)</b>   | <b>23932.40</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   | 5000.00           |
| B.2 Preference Share Capital  | 0.00              |
| B.3 Long term Borrowings  | 0.00              |
| B.4 Deferred tax Liabilities  | 369.53            |
| B.5 Other Long Term Liabilities   | 983.42            |
| B.6 Long Term provisions  | 217.45            |
| 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>6570.41</b>    |
| <b>C. Current Assets</b>  |                   |
| C.1. Current Investments  | 0.00              |
| C.2. Inventories  | 0.00              |
| C.3. Trade Receivables  | 9498.07           |
| C.4. Cash and cash equivalents  | 124897.83         |
| C.5 Short Term Loans & Advances   | 4331.07           |
| C.5.1 Less: Loans & Advances given to associates  | 0.00              |
| <b>C.5.2 <i>Net Short Term Loan and Advances(C.5 - C.5.1)</i></b>   | <b>4331.07</b>    |
| C.6 Other current assets (deposits, Receivables, prepaid insurance, prepaid expenses interest accrued but not received) | 13576.42          |
| C.7 Deferred Expenditure (including Misc. Expenses) not written off (not considered for net worth & Liquidity purpose)  | 0.00              |
| Total Current Assets  | <b>152303.40</b>  |
| <b>Total Current Asset considered for Net worth (3)</b>   | <b>152303.40</b>  |
| <b>D. Current Liabilities</b>   | <b>30.09.2017</b> |
| D.1. Short-term Borrowings  | 0.00              |
| D.2. Trade payables   | 11284.03          |
| D.3. Other Current liabilities creditors for supplies, creditors for expenses advances from customers)                  | 115600.88         |
| D.4. Short-term provisions  | 3359.75           |
| <b>Total Current Liabilities considered for Net worth (4)</b>   | <b>130244.66</b>  |
| <b>Net worth ((1-2)+(3-4))</b>  | <b>39420.73</b>   |

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

| <b>Particulars</b>      | <b>30.9. 2017</b> |
|-------------------------|-------------------|
| Net Worth (Rs. in lakh) | 39420.73          |
| Current Ratio           | 1.17              |
| Liquidity ratio         | 1.17              |

10. 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 I licence. Accordingly, we approve the upgradation of the licence of the applicant from Category II to Category I. The licensee shall remain bound by the terms and conditions contained in the order dated 1.4.2014.

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 accordingly.

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

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

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

sd/-  
**(P.K.Pujari)**  
Chairperson