

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 629/TD/2020**

**Coram:**  
**Shri P.K. Pujari, Chairperson**  
**Shri I.S.Jha, Member**  
**Shri Arun Goyal, Member**  
**Shri P.K.Singh, Member**

**Date of Order: 8<sup>th</sup> March, 2021**

**In the matter of**

Application under Section 15(1) of the Electricity Act, 2003 read with Regulation 6(1) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Category V licence for inter-State trading in electricity.

**And  
In the matter of**

Amp Energy Markets India Private Limited  
309, 3<sup>rd</sup> Floor,  
Rectangle One, Behind Sheraton Hotel, Sake,  
New Delhi-110 017

**..... Applicant**

**The following was present:**

Ms. Mazag Andrabi, Advocate for the Applicant  
Shri Anirban Modal for the Applicant  
Shri Aditya Malpani for the Applicant  
Shri Rakshika Kaul for the Applicant  
Ms. Yeshi Sinha for the Applicant

**ORDER**

The Applicant, Amp Energy Markets India Private Limited, a company registered under the Companies Act, 2013 (18 of 2013) has made the present application under sub-section (1) of Section 15 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and other related matters) Regulations, 2020 (hereinafter referred to as “the Trading Licence Regulations”) amended from time to

time, for grant of Category `V` licence for inter-State trading in electricity in whole of India.

2. Case was called out for virtual hearing. It is submitted that the Applicant company has complied with all requirements prescribed under the Trading Licence Regulations and further that the Applicant company would comply with the requirements specified in the Trading Licence Regulations during the subsistence of the trading licence, if granted.

3. We have examined the documents on record. 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 application to the Commission for grant of licence in the manner specified in Form-I appended to these regulations and such application shall be accompanied by-*

*(a) Such application fee as prescribed by the Central Government from time to time and shall be paid as per the procedure specified in Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any statutory re-enactment thereof.*

*(b) Copies of the annual reports in case of the persons incorporated under the Companies Act, 1956 or Companies Act, 2013 including audited accounts along with the Directors' Report, Auditors' Report, the Schedules and notes to accounts for one Year immediately preceding the Year in which the application has been made and the audited special balance sheet as on any date falling within 30 days immediately preceding the date of filing the application.*

*(2) The Applicant shall post complete application along with annexures and enclosures on its 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 the application.*

*(3) The Applicant shall within 7 days after making such application, publish a notice of its 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:-*

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(4) *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.*

(5) *The Applicant shall allow a period of 30 days to the public to file objections or suggestions to the notice of application published in the newspapers.*

(6) *The Applicant shall file its reply before the Commission within 30 days from the last date of receipt of objections or suggestions from the public.*

(7) *The Commission after consideration of the objections or suggestions received in response to the notice published by the Applicant and its reply may reject the application or 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 and with such other details as the Commission considers appropriate, to invite further objections or suggestions to its proposal.”*

4. The Applicant has submitted the application as per Form-I along with CD and paid the fee of Rupees one lakh as prescribed by the Government of India.

5. The Applicant has uploaded the application for grant of trading licence on its website in terms of Regulation 6(3) of the Trading Licence Regulations and further 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 8.9.2020 in all editions of 'Business Standard', Indian Express, Navbharat, Pioneer, Deccan Chronicle, Rajasthan Patrika and Assam Post edition. No objection has been received in response to the public notices.

6. The Applicant company has been said to be incorporated under the Companies Act, 2013 on 3.6.2020. Proviso to clause (1) of Regulation 3 of the Trading Licence Regulations provides that the Applicant should have been authorized to undertake

trading in electricity by its Memorandum of Association. We note that trading in electricity is covered under Main Objects of the Memorandum of Association of the Applicant company. Paragraph 5 of the Main Objects of the company reads as under:

*"8.....To carry on in India and elsewhere either on its own or in alliance with any other Persons, Body/Bodies Corporate incorporated in India or abroad either under strategic alliance or Joint Venture or any other arrangement the business of establishing, commissioning, setting up, operating and maintaining electric power evacuation system/network, power system, generating stations, power stations, sub-station, based on conventional/non-conventional resources for evacuation, trading or supply of power through establishing or using stations, tie line, sub-station and evacuation lines in any manner including build, own and transfer (BOT) and/or build, own and operate (BOLT)..."*

In view of the above, the Applicant fulfills the requirements specified in Regulation 3(1) of the Trading Licence Regulations.

7. It is submitted that though transmission of electricity is one of the objects under the Main Objects of the Memorandum of Association of the Applicant company, the Applicant vide its affidavit dated 5.3.2021 has submitted that the Applicant company does not hold transmission licence for transmission of electricity. The Applicant has undertaken that during the subsistence of the trading licence, if granted by the Commission, it shall not apply for any transmission licence before any authority without surrendering the trading licence granted to it.

8. In accordance with Regulation 3(3) of the Trading Licence Regulations, a person applying for Category `V` trading licence should have net worth of Rs. two crore, and should have maintained minimum current ratio and liquidity ratio of 1:1, as on date of audited balance sheet accompanying the application. As per Regulation 6(1)(b) of the Trading Licence Regulations, the Applicant is required to submit special balance sheet as on any date falling within 30 days immediately preceding the date of making the

application. The Applicant filed its application under affidavit dated 26.8.2020 and has submitted audited special balance sheet as on 25.8.2020.

9. Based on the special audited balance sheet as on 25.8.2020, net worth, current ratio and liquidity ratio have been worked out as under:

<b>Net Worth Computation</b>	<b>As per Audited Special Balance Sheet as on 25.8.2020</b>
Particulars	
<b>A) Paid up equity capital (1)</b>	<b>206.00</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 & Reserves other than free reserves	0.00
B.6. Securities Premium Reserve	0.00
B.7. Surplus (P and L Account)	-5.93
B.8. Other Free Reserves (i.e. general reserve and cash flow reserve)	0.00
<b>Free Reserves &amp; Surplus considered for net worth (2) (B6+B7+B8)</b>	<b>-5.93</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>	<b>0.00</b>
<b>Net Worth (1+2-3-4)</b>	<b>200.07</b>

10. The net worth of the Applicant is further represented by the following:

	<b>(Rs. in lakh)</b>
<b>Net worth (Asset approach), Current Ratio &amp; Liquidity Ratio computation</b>	<b>As per Special Audited Balance Sheet as on 25.8.2020</b>
<b>A) Non-current Assets</b>	
A.1 Net block of Tangible Asset	0.00
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	0.00

A.7 Long-term loans and advances	0.00
A.7.1 Less: Loans & Advances given to Associates included in above	0.00
<b>A.7.2 Net Long Term Loans &amp; Advances (A.7 - A.7.1)</b>	<b>0.00</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>0.00</b>
<b>Total Non-Current Assets considered for net worth (1)</b>	<b>0.00</b>
<b>B. Non-Current Liabilities, Preferential 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	0.00
C.3. Trade Receivables	0.00
C.4. Cash and cash equivalents	201.47
C.5 Short Term Loans & Advances	6.00
C.5.1 Less: Loans and Advances given to associates	0.00
<b>C.5.2 Net Short Term Loan and Advances (C.5 - C.5.1)</b>	<b>6.00</b>
C.6 Other current assets	0.00
C.7 Deferred Expenditure	0.00
<b>Total Current Assets</b>	<b>207.47</b>
<b>Total Current Asset considered for Net worth (3)</b>	<b>207.47</b>
<b>D. Current Liabilities</b>	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	0.14
D.3. Other Current liabilities (Payable to related party, TDS payable)	7.26
D.4. Short-term provisions	0.00
<b>Total Current Liabilities considered for Net worth (4)</b>	<b>7.40</b>
<b>Net worth ((1-2)+(3-4))</b>	<b>200.07</b>

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

<b>S. No.</b>	<b>Particulars</b>	<b>As per Special Audited Balance Sheet as on 25.8.2020</b>
1.	Net worth ( ₹ in lakh)	<b>200.07</b>
2.	Current ratio	<b>28.04</b>
3.	*Liquidity ratio	<b>27.23</b>

\*Advances have been treated as of the nature of prepaid expense as has been considered by the Applicant.

12. In accordance with Regulation 3(2) of the Trading Licence Regulations, the Applicant 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. As per information submitted by the Applicant, it fulfils the requirements of Regulation 3(2) of the Trading Licence Regulations.

13. On consideration of the above facts, after a preliminary examination, we find that the Applicant meets the net worth requirements specified by the Commission for grant of Category `V` trading licence. It also fulfills other conditions for grant of trading licence. In view thereof, the Commission proposes to grant Category `V` trading 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.

14. List the Petition in due course.

**Sd/-**  
**(P.K.Singh)**  
**Member**

**sd/-**  
**(Arun Goyal)**  
**Member**

**sd/-**  
**(I.S.Jha)**  
**Member**

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