

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

- 1. Dr. Pramod Deo, Chairperon**
- 2. Shri R. Krishnamoorthy, Member**
- 3. Shri V.S.Verma, Member**

Petition No. 38/2009

In the matter of

Application for grant of inter-State Trading Licence to Tyal & Co., Mohali

And in the matter of

Tyal & Co., Mohali

.... Applicant

The following was present:

Shri Aman Deep Goel

ORDER

(Date of Hearing: 12.3.2009)

The application has been made for grant of licence for inter-State trading in Electricity as Category 'A' electricity trader, that is, for trading of electricity up to 100 MUs in a year in terms of Section 15 of the Electricity Act, 2003, read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading Licence and other related matters) Regulations 2004 (the trading regulations).

2. In accordance with Regulation 6 of the trading regulations, the net worth of Category 'A' electricity trader should not be less than Rs.1.50 crore at the time of making the application. As per the Chartered Accountant's certificate dated 19.12.2008, the applicant was having the net worth of Rs. 397.19 lakh as on 31.3.2008 and Rs. 423.52 lakh as on 19.12.2008. The amount includes market value of land and buildings of Rs. 350 lakh against their book value of Rs. 3.63

lakh as on 31.3.2008. The term net worth is defined in sub-section (29A) of Section 2 of the Companies Act, 1956 (1 of 1956) as “the sum total of the paid-up capital and free reserves after deducting the provisions or expenses as may be prescribed”. For the purpose of computation of net worth, the assets have to be considered at the book value. The applicant has submitted the balance sheets for the years 2005-06, 2006-07 and 2007-08 based on which the net worth of the applicant had been worked out as Rs. 63.30 lakh, Rs. 61.00 lakh and Rs.50.81 lakh respectively as given below:

(Rs. in lakh)

Year	2005-06	2006-07	2007-08
Partners capital A/C	63.30	61.00	50.81
Reserves and Surplus	0.00	0.00	0.00
Misc. Expenses to the extent not written off or adjusted	0.00	0.00	0.00
Net Worth (1 + 2 - 3)	63.30	61.00	50.81

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

(Rs. in lakh)

	Year	2005-06	2006-07	2007-08
1	Fixed Assets			
	Other fixed assets	92.41	81.07	76.49
	Sub-Total 1	92.41	81.07	76.49
2	Current Assets			
	Inventories	49.08	80.02	94.25
	Sundry Debtors	93.53	52.51	99.08
	Cash & Bank Balance	4.57	3.24	5.55
	Other receivables	31.16	29.19	148.75
	Sub-Total 2	178.32	164.97	347.63
3	Liabilities			
	Sundry creditors	45.39	27.31	91.89
	Other payables	2.97	3.38	18.23
	Sub-Total 3	48.35	30.69	110.12
4	Loans			
	Secured loans	147.09	152.34	243.19
	Unsecured loans	12.00	2.00	20.00
	Sub-Total 4	159.09	154.34	263.19
	Net Worth(1+2-3-4)	63.30	61.00	50.81

4. From the preceding para it is noticed that the applicant does not meet the net worth requirement of Rs.1.50 crore to be entitled to grant of licence for Category 'A'. In view of this, the present application stands dismissed. The applicant has the liberty to make a fresh application, if so advised, in accordance with law.

Sd/-
(V.S.VERMA)
MEMBER

sd/-
(R.KRISHNAMOORTHY)
MEMBER

sd/-
(DR. PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 16th March 2009