

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 256/RC/2012**

**Coram:**

**Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**Date of Hearing: 8.1.2013**

**Date of Order : 11.1.2013**

**In the matter of**

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

**And**

**In the matter of**

Mittal Processors Private Limited

**..Applicant**

**Following were present:**

Shri R.D.Jain, MPPL  
Shri Yogesh Kansan, MPPL

**ORDER**

This Regulatory Compliance application has been made by the Mittal Processors Private Limited for upgradation of its inter-State trading licence in electricity from Category III to Category II.

2. By order dated 12.2.2009, Mittal Processors Private Limited was granted trading licence for Category A 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, 2004. Consequent to the notification of the 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 2009") as amended vide notification dated 7.6.2010, the licence stands re-categorized as Category III, subject to the terms and conditions contained in the licence.

3. The third and fourth provisos to Regulation 7 (b) of the trading licence regulations, 2009 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, 2009. On perusal of the application, we find that the applicant being a Category III licensee fulfills all technical requirement 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, 2009 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.

6. The applicant has submitted the audited special balance sheet as on 31.10.2012. Based on the Special Balance Sheet submitted by the applicant, its net worth has been worked out as given below:

(₹ in lakh)

<b>Particulars</b>	<b>31.10.2012</b>
<b>Share Capital</b>	
Paid-up Capital	731.43
Reserve and Surplus	3146.06
<b>Sub- Total 1</b>	<b>3877.49</b>
Loans and Advances to associates	13.96
Misc. Expenses to the extent not written off or adjusted	1.98
Liability towards retirement benefits not provided for	0.00
<b>Sub- Total 2</b>	<b>15.94</b>
<b>Net worth (1-2)</b>	<b>3861.55</b>

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

(₹ in lakh)

<b>Particulars</b>	<b>31.10.2012</b>
<b>Fixed /Non-current Assets</b>	
Net block	2971.46
Capital work in progress	0.00
Long-term loans and advances	95.12
Other Non-current assets	0.00
Deferred tax Assets	0.00
<b>Sub- Total 1</b>	<b>3066.58</b>
Investments <b>(Sub-Total 2)</b>	<b>22.91</b>
<b>Current Assets</b>	
Cash and Bank Balance	834.40
Loans and Advances	83.63
Less: and Advances to associates	13.96

Net Loans and Advances	6967
Inventories	1933.33
Sundry Debtors	10225.58
Short term investments	375.15
Other current assets	0.00
<b>Sub-Total 3</b>	13438.13
Current Liabilities & Provisions	
Current Liabilities and Provisions	11492.57
Liability towards retirement benefits not provided for	0
<b>Sub-Total 4</b>	11492.57
<b>Non-Current Liabilities</b>	
Secured loans	0.00
Long term Borrowings	1128.98
Deferred tax Liabilities	44.51
Share application	0.00
<b>Sub-Total 5</b>	1173.49
Misc. Expenses to the extent not written off or adjusted	
<b>(Sub-Total 6)</b>	0
Advance Income Tax and TDS	0
<b>Net Worth (1+2+3-4-5-6)</b>	3861.56

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

<b>Particulars</b>	<b>31.10.2012</b>
Net Worth (₹ in lakh)	3861.56
Current Ratio	1.17
Liquidity ratio	1.00

9. 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 II licence. Accordingly, we approve the upgradation of the licence of the applicant from Category III to Category II.

10. 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.

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

12. The petition stands disposed of accordingly.

Sd/-

**(M. Deena Dayalan)**  
Member

Sd/-

**(V.S.Verma)**  
Member

Sd/-

**(S.Jayaraman)**  
Member

Sd/-

**(Dr. Pramod Deo)**  
Chairperson

