

NOTICE

Subject:- Petition of Gold Corporation for grant of Intra-State Trading Licence, to undertake trading of electricity, for 50 MU for the first year and gradually increase to 100 MU over a period of next five years, in the State of Maharashtra.

Case No. 174 of 2017

With reference to the above, I am directed to bring to the notice of the Petitioner the following facts:-

1. The revised Petition was scrutinized and the observations are as follows:

A] Shortfalls in the replies:

- i. CV submitted for Shri. Sachin Sonavane (Manager IT) and Amar Lad (Accounts Manager) do not provide the details of works and projects executed. Also, the documents to substantiate the experience and qualification are not submitted.
- ii. Latest ICICI bank account statement has not been submitted.
- iii. The Petitioner was asked to calculate net worth based on the definition provided in the MERC (Trading Licence Conditions) Regulations, 2004. Also, the Petitioner was asked to provide the backup calculations for net worth separately vis-a-vis reconciliation with the corresponding figures in the audited accounts. Although the Petitioner has submitted the net worth certificate, it has not calculated the net worth as per the definition in Regulations and also backup calculation and reconciliation have not been submitted.
- iv. As per definition of net worth stated in the regulation, amount of investment in listed securities is to be considered at market value. Petitioner was asked to submit the current market value of investments in listed securities. But same has not been submitted.

B] Eligibility criteria not fulfilled as per the Regulations:

- i. The net worth requirement as the Regulations is Rs. 1.5 Cr. for Category 'A' Trading Licence. The Petitioner has submitted net worth certificate certified from (CA) Mahendra Parte and Associate. The net worth of Shri Abhinav Kamlakar Desai are as follows:

Sr. No.	Period	Networth
1	As on 31 March, 2016	Rs. 2.69 Cr.
2	As on 31 March, 2017	Rs. 2.76 Cr.
3	As on 28 Feb. 2018	Rs. 2.87Cr.

ii. The Definition of networth in accordance with the Regulations is as follows:

“Net worth” means, in the case of an individual or body of individuals, the sum total of cash, bank balances and market value of investments in listed securities as reduced by the amount of any loans and liabilities owing to any person and, in case of any other person, the sum total of paid up share capital, share premium and such of the reserves as are eligible for distribution as dividend;

iii. The applicant being a proprietary firm is covered under “Individual” as mentioned in the definition of net worth. The components mentioned for “any other person” such as “paid up share capital, share premium and such of the reserves as are eligible for distribution as dividend” are not applicable to the applicant. Also, the net worth certificate submitted by the applicant is the networth of Shri. Abhinav Kamlakar Desai who is an individual.

iv. As per the above definition of Net Worth for an individual in accordance with the Regulations, the Net Worth (as per the Balance Sheet provided by the Petitioner) as on 31.3.2016 comes out to be negative (-) 8.69 Crs. The calculation done is as under:

	Particulars	Amount (in Rs)
	Cash in Hand	3,370
Add:	Bank Balances	10,47,292
Add:	Investments in Securities	2,56,41,017
Less:	Loan to KPF Engineers Pvt Ltd.	2,17,15,000
Less:	Gold Ornaments	2,32,000
Less:	Current Liabilities & Provisions	8,35,78,123
Less:	Overdraft with ICICI Bank Ltd.	81,38,037
		(-)8,69,71,481 i.e. Rs. (-8.69 Cr.)
	Net Worth	

Also, the net worth (as per the Balance Sheet provided by the petitioner) as on 31.3.2017 comes out to be negative (-) 7.54 Crs. The working of the same is as under:-

Particulars	Rs.
Cash and Bank Balance	94,64,140
Add: Investment	85,07,711
Less : Other than Listed Securities	-22,39,822
Cash/Bank + Investment (Listed securities)	1,57,32,029
<u>Less:</u>	
Current Liabilities	9,11,43,277
	-7,54,11,248 i.e. Rs. (-7.54 Cr.)
Net Worth	

2. Thus, there are shortfalls in the replies received from the Petitioner. Also, the net worth calculated as per the Regulations works out to be negative. The applicant does not fulfill the eligibility criteria of minimum net worth of Rs. 1.5 Cr. for Category 'A' Trading Licence when the net worth is recalculated as per the definition given in the Regulations.
3. In view of above, I am directed to communicate that the Commission will hear the Petitioner on 'why the licence application in Case No 174 of 2017, which is incomplete and not fulfilling the requirements under MERC (Trading Licence Conditions Regulations) 2004 (including amendments from time to time) should not be dismissed as not admissible'.

The above said hearing will be held on **Friday, 28 September, 2018 at 10.00 hrs** in the office of the Commission at 13th floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai - 400 005.

Sd/-

(R. S. Sonawane)
Dy. Director (Legal)

Gold Corporation

R.S No. 221, Pleasant Homes,

Tarabai Park, Kolhapur- 416003

E-mail: goldcorporation@ymail.com / rohidasgs@yahoo.com
sonwane54rohidas@gmail.com