

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 281/2010

**Coram: Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

DATE OF HEARING: 16.12.2010

DATE OF ORDER: 20.12.2010

Application for grant of inter-State trading licence to Jay Polychem (India) Limited, New Delhi.

**And
In the matter of**

Jay Polychem (India) Limited, New Delhi

Applicant

The following was present:

Shri Amit Kapoor, Advocate, JPIL
Shri Veenit Melhotra, Advocate, JPIL
Shri Sandeep Trehan, JPIL
Shri Anupam Chug, JPIL
Shri Sumit Verma, JPIL

ORDER

The applicant, Jay Polychem (India) Limited, a company registered under the Companies Act, 1956 (1 of 1956) has made the present application under sub-section (1) of Section 15 of the Electricity Act, 2003 (36 of 2003) (the Act) read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) Regulations, 2009 (the 2009 regulation), for grant of Category 'I' licence for inter-State trading in



electricity in whole of India. Trading in electricity is covered under the main objects of the applicant-company.

2. The notices under sub-section (2) of Section 15 of the Act read with clause (4) of Regulation 4 of the 2009 regulation have been published by the applicant on 5.11.2010. No objections have been received in response to the public notices.

3. In accordance with Regulation 3 (3) of the 2009 regulations, a person applying for Category `I` trading licence should have net worth of ₹ 50 crore, and should have maintained minimum current ratio and liquidity ratio of 1:1, consistently for three years immediately preceding the year in which the application is made.

4. Based on the financial details submitted by the applicant, its net worth has been worked out as given below:

(₹ in crore)

	Particulars	2007-08	2008-09	2009-10	As on 30.9.2010
1	Share Capital				
	Paid up equity capital	39.50	46.39	48.28	64.31
2	Reserves and Surplus				
	Reserves & Surplus	19.06	50.81	66.92	136.70
	Sub Total 2	58.56	97.20	115.20	201.01
3	Misc. Expenses to the extent not written off or adjusted	0.00	0.00	0.00	0.00
	Net Worth (1 + 2 - 3)	58.56	97.20	115.20	201.01

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



(₹ in crore)

Particulars	2007-08	2008-09	2009-10	As on 30.9.2010
Fixed Assets				
Gross Block	18.77	28.15	41.71	45.93
Less: Depreciation	4.32	6.67	9.46	11.07
Net Block	14.45	21.48	32.25	34.86
Capital work in progress	0.00	0.00	0	0
Sub-Total 1	14.45	21.48	32.25	34.86
Investments (Sub total 2)	5.54	5.54	5.54	5.54
Current Assets, Loans & Advances				
Cash & Bank Balance	24.80	32.44	50.19	57.26
Loans & Advances	16.24	27.71	28.12	35.07
Less: Loans & Advances to Associates	0	0	0	0
Net Loans & Advances	16.24	27.71	28.12	35.07
Inventories	190.29	162.59	200.95	187.3
Sn Debtors	148.35	284.66	316.65	447.3
Other current assets	0	0	0	0
Sub-Total 3	379.68	507.40	595.91	726.93
Current Liabilities & Provisions				
Current Liabilities & Provisions	70.97	74.64	66.9	136.76
Share application money pending allotment in excess of authorized share capital (₹22.08 crore - ₹50 crore - ₹39.49 crore)	11.57	0	0	0
Sub-Total 4	82.54	74.64	66.90	136.76
Loans				
Secured loans	213.26	306.62	373.85	370.31
Unsecured loans	34.80	46.54	58.64	59.25
Sub-Total 5	248.06	353.16	432.49	429.56
Share application money pending allotment up to authorized share capital	10.51	9.42	19.11	0
Sub- Total 6	10.51	9.42	19.11	0
Net Worth(1+2+3-4-5-6)	58.56	97.20	115.20	201.01

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

(₹ in crore)

S. No.	Particulars	2007-08	2008-09	2009-10	As on 30.9.2010
1	Net worth	58.56	97.20	115.20	201.01
2	Current ratio	4.60	6.80	8.91	5.32
3	Liquidity ratio	2.29	4.62	5.90	3.95



7. On consideration of the above facts, we are *prima facie* satisfied that the applicant meets the net worth, current ratio and liquidity ratio requirements specified by the Commission for grant of Category `I` licence. Therefore, the applicant qualifies for grant of Category `I` licence for inter-State trading in Electricity in whole of India.

8. The Commission proposes to grant Category `I` 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.

9. List this petition for further directions on 6.1.2011.

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S.Verma)
Member

Sd/-
(S.Jayaraman)
Member

