

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri S.Jayaraman, Member**
- 3. Shri M.Deena Dayalan, Member**

Petition No. 12/2010

DATE OF HEARING: 22.7.2010

DATE OF ORDER: 11.8.2010

Application for grant of inter-State trading licence to Abellon Clean Energy Limited, Ahmedabad

And in the matter of

Abellon Clean Energy Limited, Ahmedabad

Applicant

The following was present:

Shri Sanjay Shah, Abellon
Shri Manoj Vyas, Abellon
Shri Tejas Shah, Abellon
Shri Gagan Sharma, Abellon

ORDER

The applicant, Abellon Clean Energy 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 `III` licence for inter-State trading in

electricity in whole of India, except in the State of Jammu and Kashmir. 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 12.1.2010. No objections have been received in response to the public notices.

3. Initially, the application was filed for grant of Category-III licence for inter-State trading in electricity. During the hearing on 22.6.2010, the representative of the petitioner had requested to permit to revise its application for seeking category IV licence as per Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading licence and other related matters) (First Amendment) Regulations, 2010. On the request of applicant, the Commission directed the applicant to submit revised application for Category IV licence. In compliance, the applicant has submitted the revised application for grant of category IV licence. During the hearing on 20.7.2010, the applicant was directed to submit the audited balance sheet as on 31.3.2010.

4. The applicant has complied with the directions and has furnished its affidavit dated 24.7.2010.

5. In accordance with Regulation 3 (3) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of inter-State trading Licence and other related matters) Regulations, 2009 (the 2009 regulation), a person applying for Category `IV` trading licence should have net worth of ₹ 1 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.

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

(₹ in crore)

	Particulars	2008-09	As on 20.12.2009	As on 31.3.2010
1	Share Capital			
	Paid up equity capital	3.00	5.50	5.50
2	Reserves and Surplus			
	Reserves & Surplus	0.00	0.35	0.38
	Sub Total 2	3.00	5.85	5.88
3	Misc. Expenses to the extent not written off or adjusted	0.03	0.03	0.02
	Net Worth (1 + 2 - 3)	2.97	5.82	5.86

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

(₹. in crore)

	Particulars	2008-09	As on 20.12.2009	As on 31.3.2010
1	Fixed Assets			
	Gross Block	0	6.18	9.58
	Less: Depreciation	0	0.38	0.6
	Net Block	0	5.80	8.98
	Capital work in progress	5.04	15.84	0.37
	Preoperative expenses to be capitalized	4.80	9.13	7.78
	Sub-Total 1	9.84	30.77	17.13
2	Current Assets , Loans & Advances			
	Cash & Bank Balance	0.00	0.48	2.73
	Sn Debtors	0.00	0.13	0.86
	Loans & Advances	0.37	3.87	5.31
	Closing stock	0.00	0.25	0.77
	Sub-Total 2	0.37	4.73	9.67
3	Current Liabilities & Provisions			
	Current Liabilities	1.34	4.43	5.28
	Sub-Total 3	1.34	4.43	5.28
4	Deferred tax liability	-	-	0.41
	Sub-Total-4	-	-	0.41
5	Loans			0.41
	Secured loans	2.28	2.54	2.52
	Unsecured loans	0.70	2.98	6.21
	Sub-Total 5	2.98	5.52	8.73
6	Share application money	2.92	19.73	6.52
	Net Worth (1+2+3-4-5-6)	2.97	5.82	5.86

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

S. No.	Particulars	As on 31.12.2009	As on 31.3.2010	As on 8.7.2010
1.	Net worth (₹. in crore)	2.97	5.82	5.86
2.	Current ratio	0.28	1.07	1.83
3.	Liquidity ratio	0.28	1.01	1.69

9. 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 'IV' licence. Therefore, *prima facie*, based on above, the applicant qualifies for grant of Category-'IV' licence for inter-State trading in Electricity in whole of India, except the State of Jammu and Kashmir

10. Therefore, the Commission proposes to grant Category `IV` 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.

11. List this petition for further directions on 9.9.2010.

sd/-

(M.DEENA DAYALAN)
MEMBER

sd/-

(S.JAYARAMAN)
MEMBER

sd/-

(Dr. PRAMOD DEO)
CHAIRPERSON