

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 313/TD/2025

Coram:

Shri Jishnu Barua, Chairperson

Shri Ramesh Babu V., Member

Shri Harish Dudani, Member

Shri Ravinder Singh Dhillon, Member

Date of Order: 9th April, 2025

In the matter of

Petition for the grant of Category 'V' license for inter-State trading in electricity in all the States and Union Territories of India under Regulation 6(1) of Central Electricity Regulatory Commission (Procedure, Terms & Conditions for grant of trading licence and other related matters) Regulations, 2020 and the Electricity Act, 2003.

And

In the matter of

Clean Max Fusion Power LLP (CMFPL)

13A, Floor -13, Plot 400,
The Peregrine Apartment,
Kismat Cinema, Prabhadevi,
Mumbai- 400025, Maharashtra.

....Petitioner

The following was present:

Ms. Mandakini Ghosh, Advocate, CIL

ORDER

The Petitioner, Clean Max Fusion Power LLP (hereinafter referred to as 'the Petitioner'), a Special Purpose Vehicle (SPV) of Clean Max Enviro Energy Solutions Private Limited (a company registered under the Companies Act, 1956) has made the present application under Section 15(1) of the Electricity Act, 2003 (hereinafter referred



to as “the Act”) read with Regulation 6 (1) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for the grant of Trading Licence and other related matters) Regulations, 2020 (hereinafter referred to as “the Trading Licence Regulations”), amended from time to time, for the grant of a Category 'V' trading licence for inter-State trading in electricity across India.

Hearing dated 25.3.2025

2. The matter was listed for the hearing on 25.3.2025. During the course of the hearing, learned counsel for the Petitioner, reiterated the submissions made in the pleadings and submitted that the Petitioner inadvertently did not include the details regarding the years of experience of the Petitioner’s Full-Time Professionals and by an affidavit dated 25.3.2025, the Petitioner has placed on record such details, which may be taken into record. After hearing the learned counsel for the Petitioner, the matter was reserved for order.

3. We have perused the documents available on record. Regulation 6 of the Trading Licence Regulations provides for the procedure for the grant of a trading licence as under:

“6. Procedure for grant of licence

(1) Any person desirous of undertaking inter-State trading in electricity shall make an application to the Commission for grant of licence in the manner specified in Form-I appended to these regulations and such application shall be accompanied by-

(a) Such application fee as prescribed by the Central Government from time to time and shall be paid as per the procedure specified in Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any statutory re-enactment thereof.



(b) Copies of the annual reports in case of the persons incorporated under the Companies Act, 1956 or Companies Act, 2013 including audited accounts along with the Directors' Report, Auditors' Report, the Schedules and notes to accounts for one Year immediately preceding the Year in which the application has been made and the audited special balance sheet as on any date falling within 30 days immediately preceding the date of filing the application.

(2) The Applicant shall post complete application along with annexures and enclosures on its website so as to facilitate access to the application by any person through internet and shall keep them on the website till the disposal of the application.

(3) The Applicant shall within 7 days after making such application, publish a notice of its application, in two daily newspapers in Form II, with the following particulars, namely:

(4) The Applicant shall within 7 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published and shall also file the original complete page of the newspaper in which the notice has been published.

(5) The Applicant shall allow a period of 30 days to the public to file objections or suggestions to the notice of application published in the newspapers.

(6) The Applicant shall file its reply before the Commission within 30 days from the last date of receipt of objections or suggestions from the public.

(7) The Commission after consideration of the objections or suggestions received in response to the notice published by the Applicant and its reply may reject the application or may propose to grant licence.

(8) When the Commission proposes to grant licence, it shall publish a notice of its proposal in two daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the licence and with such other details as the Commission considers appropriate, to invite further objections or suggestions to its proposal."

4. The Petitioner has submitted the application as per Form-I, along with the requisite fees.

5. The Petitioner has uploaded the application for the grant of a trading licence on its website in terms of Clause (3) of Regulation 6 of the Trading Licence Regulations and further placed on record the relevant copies of the newspapers in original in which notice of its application has been published. The Petitioner, vide its affidavit dated 27.2.2025, has submitted that notices under sub-section (2) of Section 15 of the Act read with Clause (4) of Regulation 6 of the Trading Licence Regulations have been published by the Petitioner company on 20.2.2025 in the 'Financial Express (Mumbai, Pune, Ahmedabad, Delhi, Chandigarh, Lucknow, Kolkata, Hyderabad, Bangalore, and Chennai editions), and the 'Business Standard' (Mumbai, Delhi, Bangalore, Kolkata, Chennai, and Bhopal editions). It has been submitted by the Petitioner that no objection has been received in response to the public notices.

6. The Petitioner Company (a Limited Liability Partnership 'LLP') formed on 1.4.2019 is a subsidiary company of 'Clean Max Enviro Energy Solutions Private Limited' incorporated under the Companies Act, 1956, on 29.9.2010. The proviso to Clause (1) of Regulation 3 of the Trading Licence Regulations provides that the Petitioner should have been authorized to undertake the trading in electricity by its Memorandum of Association. We note that the LLP Agreement dated 20.4.2019, read with Supplementary Agreement dated 19.8.2019 of the Petitioner, authorizes the Petitioner to undertake the trading of electricity. The relevant excerpt from the Objects in the LLP Agreement is presented below:

"Clean Max Fusion Power LLP has been created to act as a Special Purpose Vehicle (SPV) created by Clean Max Enviro Energy Solutions Private Limited to develop, execute, manage and operate necessary power station and to generate,

purchase, sale, accumulate, bank, trade and deal with electricity sale to consumers and/or distribution companies.”

7. In view of the above, it has been submitted by the Petitioner that it fulfils the requirements specified in Clause (1) of Regulation 3 of the Trading Licence Regulations.

8. In accordance with Clause (3) of Regulation 3 of the Trading Licence Regulations, a person applying for a Category 'V' trading licence should have a net worth of Rs. two crores and should have maintained a minimum current ratio and liquidity ratio of 1:1 as on the date of the Audited Special Balance Sheet accompanying the application. The Petitioner has submitted the Audited Balance Sheet as on 17.1.2025.

9. Based on the Audited Special Balance Sheet as on 17.1.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

(Rs. in lakh)	
Net Worth Computation	As per Audited Special Balance Sheet as on 17.01.2025
Particulars	
A) Paid up equity capital (1)	380.00
B) Reserves and Surplus	
B.1. Capital Reserves	0.00
B.2. Capital Redemption Reserve	0.00
B.3. Debenture Redemption Reserve	0.00
B.4. Revaluation Reserve	0.00
B.5. Share Options Outstanding Account & Reserves other than free reserves	0.00
B.6. Securities Premium Reserve	0.00
B.7. Surplus (P and L Account)	(123.10)

B.8. Other Free Reserves (i.e. general reserve and cash flow reserve)	0.00
Free Reserves & Surplus considered for net worth (2) (B6+B7+B8)	(123.10)
C) Loans and Advances given to associates (3)	0.00
D) Deferred expenditure (including Misc. Expenses) not written off (4)	0.00
Net Worth (1+2-3-4)	256.90

10. The net worth of the Petitioner is further represented by the following:

	(Rs. in lakh)
Net worth (Asset approach), Current Ratio & Liquidity Ratio computation	As per the Audited Special Balance Sheet as on 17.01.2025
A) Non-current Assets	
A.1 Net block of Tangible Asset	0.00
A.2 Net Block of Intangible Asset	0.00
A.3 Capital work in progress	0.00
A.4 Intangible Assets under development	0.00
A.5 Non-Current investments	0.00
A.6 Deferred Tax Assets	0.00
A.7 Long-term loans and advances	0.00
A.7.1 Less: Loans & Advances given to Associates included in above	0.00
A.7.2 Net Long Term Loans & Advances (A.7 - A.7.1)	0.00
A.8 Other non-current asset (Right of use assets, capital advances and prepaid expenses, etc.)	0.00
A.9 Deferred expenditure (including Misc. Expenses) not written off (Not considered for net worth computation)	0.00
Total Non-Current Assets	0.00
Total Non-Current Assets considered for net worth (1)	0.00
B. Non-Current Liabilities, Preferential Share & Share Application money and Reserves other than free reserves	
B.1 Share application money pending allotment	0.00
B.2 Preference Share Capital	0.00
B.3 Long term Borrowings	0.00



B.4 Deferred tax Liabilities	0.00
B.5 Other Long Term Liabilities	0.00
B.6 Long Term provisions	0.00
B.7 Reserves other than free reserves	0.00
Total Non-Current Liabilities, Reserves other than free reserves considered for Net worth (2)	0.00
C. Current Assets	
C.1. Current Investments	0.00
C.2. Inventories	0.00
C.3. Trade Receivables	0.00
C.4. Cash and cash equivalents	275.10
C.5 Short Term Loans & Advances	0.00
C.5.1 Less: Loans and Advances given to associates	0.00
C.5.2 Net Short Term Loan and Advances (C.5 - C.5.1)	0.00
C.6 Other current assets	0.70
C.7 Deferred Expenditure	0.00
Total Current Assets	275.80
Total Current Asset considered for Net worth (3)	275.80
D. Current Liabilities	
D.1. Short-term Borrowings	15.00
D.2. Trade payables	0.10
D.3. Other Current liabilities	3.80
D.4. Short-term provisions	0.00
Total Current Liabilities considered for Net worth (4)	18.90
Net worth ((1-2)+(3-4))	256.90

11. Based on the Audited Balance Sheet as on 17.1.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

Sr. No.	Particulars	As per Audited Special Balance Sheet as on 17.01.2025
1	Net worth (Rs. in lakh)	256.90
2	Current ratio	14.59
3	Liquidity ratio	14.57

12. In accordance with Clause (2) of Regulation 3 of the Trading Licence

Regulations, the Petitioner should have at least one full-time professional with qualifications and experience in power system operation and commercial aspects of power transfer, finance, commerce, and accounts. With regard to full-time professionals, the Petitioner has submitted that Shri Sritam Patro, Deputy General Manager is a B. Tech, Electrical Electronics and Engineering, MBA - Power Management having 9 years of experience, and Shri Irfan Khan, Deputy General Manager is a Chartered Accountant, B. Com. having 16 years of experience. Accordingly, as per the information submitted by the Petitioner, it fulfils the requirements of Clause (2) of Regulation 3 of the Trading Licence Regulations.

13. The Petitioner has submitted that the Petitioner company shall not engage in the transmission of electricity without surrendering the trading licence, if granted by this Commission.

14. On consideration of the above facts, after a preliminary examination, we find that the Petitioner meets the requirements as specified in the Trading Licence Regulations for the grant of a Category 'V' trading licence. In view thereof, the Commission proposes to grant a Category 'V' trading licence to the Petitioner. 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.

15. The Petition shall be listed for the hearing on **22.4.2025**.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson

