

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 456/TD/2025**

**Coram:**

**Shri Jishnu Barua, Chairperson**

**Shri Ramesh Babu V., Member**

**Shri Harish Dudani, Member**

**Shri Ravinder Singh Dhillon, Member**

**Date of Order: 19<sup>th</sup> July, 2025**

**In the matter of**

Application under Section 15 (1) of the Electricity Act, 2003 read with Regulation 6 (1) of the CERC (Procedure, Terms and Conditions for Grant of Trading Licence and other related matters) Regulations, 2020 for grant of Category V licence for inter-State trading of Electricity in all States and Union Territories of India.

**And**

**In the matter of**

**Aayuda Energy Ventures LLP,**  
A-1/74 Ground Floor,  
Panchsheel Enclave, South Delhi,  
New Delhi -110017

**....Petitioner**

**The following were present:**

Ms. Shikha Ohri, Advocate, AEVLLP

Shri Kartik Sharma, Advocate, AEVLLP

**ORDER**

The Petitioner, Aayuda Energy Ventures LLP (a Limited Liability Partnership 'LLP') (hereinafter referred to as 'the Petitioner'), incorporated under the Limited Liability Partnership Act, 2008 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 in whole of India.

**Hearing Dated 5.6.2025**

2. During the course of the hearing, the learned counsel submitted that the Petitioner company fulfils all the requirements for the grant of a Category 'V' trading licence as prescribed under the Trading Licence Regulations, 2020. The Petitioner, vide Record of Proceedings for the hearing dated 5.6.2025, was directed to submit an undertaking to the effect that it will not carry out the transmission business without surrendering the trading licence, if granted by the Commission, and details of the full-time professionals in the company, along with their qualification, experience and designation in terms of Regulation 3(2) of the Trading Licence Regulations, 2020. In response, the Petitioner, vide its affidavit dated 19.6.2025, has filed the information called for.

**Hearing dated 24.6.2025**

3. The matter was heard on 24.6.2025. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner has already filed its compliance affidavit in terms of the Record of Proceedings for the hearing dated 5.6.2025, furnishing all the requisite information/clarification as sought by the Commission therein. Learned counsel requested to grant the inter-State trading licence.

4. 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.”*

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

6. The Petitioner has uploaded the application for the grant of 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 18.4.2025, 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 17.4.2025 in the ‘Business Standard’ (Ahmedabad, Bhopal, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Delhi, Hyderabad, Kolkata, Kochi, Lucknow, Pune and Mumbai editions) and in “The Financial Express (Chandigarh, Lucknow, Kolkata, Bengaluru, Chennai, Hyderabad, Kochi, Ahmedabad, Mumbai, Pune and Delhi editions). It has been submitted by the Petitioner that no objection has been received in response to the public notices.

7. The Petitioner Company was incorporated as a Limited Liability Partnership Act, 2008 on 15.1.2025. The proviso to Clause (4) of the Limited Liability Partnership Agreement dated 26.2.2025 provides that the Petitioner should have been authorized to undertake trading in electricity by its Memorandum of Association. We note that trading in electricity is covered under its Memorandum of Association of the Petitioner

Company. Clause 4 of the Limited Liability Partnership Agreement of the Petitioner company reads as under:

*“4. BUSINESS OF THE LLP:*

*a. To Apply for Electricity Trading Licenses:*

*To apply for, obtain, and maintain electricity trading licenses from the Central Electricity Regulatory Commission (CERC) and various State Electricity Regulatory Commissions (SERCs), and to comply with the conditions, rules, and regulations laid down by such authorities as may be required for electricity trading in India.*

*b. To Carry on Electricity Trading and Related Activities*

*To buy, sell, trade, procure, or otherwise deal in electrical power and energy in accordance with the Electricity Act, 2003, and relevant CERC/SERC regulations; to enter into power purchase or sale agreements with generating companies, traders, distribution licensees, open access consumers, or any other eligible entities; and to undertake any ancillary or incidental activities necessary for the conduct of electricity trading.”*

8. 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.

9. 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 18.03.2025.

10. Based on the audited special balance sheet as on 18.3.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

(In Rs.)	
Net Worth Computation	As per Special Audited Balance Sheet as on 18.03.2025
<b>Particulars</b>	
<b>A) Paid up equity capital (1)</b>	<b>20198386.80</b>
<b>B) Reserves and Surplus</b>	
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)	0.00
B.8. Other Free Reserves (i.e. general reserve and cash flow reserve)	0.00
<b>Free Reserves &amp; Surplus considered for net worth (2) (B6+B7+B8)</b>	<b>0.00</b>
<b>C) Loans and Advances given to associates (3)</b>	<b>0.00</b>
<b>D) Deferred expenditure (including Misc. Expenses) not written off (4)</b>	<b>0.00</b>
<b>Net Worth (1+2-3-4)</b>	<b>20198386.80</b>

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

(In Rs. )	
Net worth (Asset approach), Current Ratio & Liquidity Ratio computation	As per the Special Audited Balance Sheet as on 18.03.2025
<b>A) Non-current Assets</b>	
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	5484988.00
A.6 Deferred Tax Assets	47450.00
A.7 Long-term loans and advances	17979.00

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	5550417.00
<b>Total Non-Current Assets considered for net worth (1)</b>	<b>5550417.00</b>
<b>B. Non-Current Liabilities, Preferential Share &amp; Share Application money and Reserves other than free reserves</b>	
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
<b>Total Non-Current Liabilities, Reserves other than free reserves considered for Net worth (2)</b>	<b>0.00</b>
<b>C. Current Assets</b>	0.00
C.1. Current Investments	0.00
C.2. Inventories	0.00
C.3. Trade Receivables	0.00
C.4. Cash and cash equivalents	15584310.00
C.5 Short Term Loans & Advances	674933.68
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)	674933.68
C.6 Other current assets *	0.00
C.7 Deferred Expenditure	0.00
Total Current Assets	16259243.68
<b>Total Current Asset considered for Net worth (3)</b>	<b>16259243.68</b>
<b>D. Current Liabilities</b>	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	0.00
D.3. Other Current liabilities	969038.19
D.4. Short-term provisions	642235.69
<b>Total Current Liabilities considered for Net worth (4)</b>	<b>1611273.88</b>
<b>Net worth ((1-2)+(3-4))</b>	<b>20198386.80</b>

12. Based on the Audited Balance Sheet as on 18.03.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>As per the Special Audited Balance Sheet as on 18.03.2025</b>
1	Net worth ( In Rs.)	20198386.80
2	Current ratio	10.09
3	Liquidity ratio	10.09

13. 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 vide its affidavit dated 19.6.2025 has submitted that Mr. Rachit Kumar Agarwal, B. Tech in Electronics and Communication and MBA (Finance) is a CTO/Designated Partner of the Petitioner company and has 15 years of experience, including 12 years in Power Sector and experience of AI/tech driven energy portfolio management solutions, power trading, price forecasting, policies and regulations, Mr. Suresh Kumar Agarwal, B. Com, LLB, FCA, ACS, CA, and CS, is the Chairman of the Petitioner company and has 40 years of work experience in legal and regulatory risk assessment for trading transactions, policy advisory, distribution reforms, renewable integration, ARR filing, tariff orders, inter-state trading, and PXs operation, and Ms. Ishani Agarwal, BBA & MBA (HR), Chief Human Resources Officer/Partner of the Petitioner company has more than 15 years of work experience of organizational development, training, compliance for regulatory reporting, and performance initiatives



in trading. Accordingly, as per the information submitted by the Petitioner, it fulfils the requirements of Clause (2) of Regulation 3 of the Trading Licence Regulations.

14. The Memorandum of Association authorizes the Petitioner company to engage in the transmission of electricity. The Petitioner, vide its affidavit dated 15.6.2025, has submitted that it will not carry out the transmission business without surrendering the trading licence, if granted by the Commission.

15. 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.

16. The Petition shall be listed for a final hearing on **7.8.2025**.

**Sd/-**  
**(Ravinder Singh Dhillon)**  
**Member**

**sd/-**  
**(Harish Dudani)**  
**Member**

**sd/-**  
**(Ramesh Babu V.)**  
**Member**

**sd/-**  
**(Jishnu Barua)**  
**Chairperson**