

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 130/TD/2024**

**Coram:  
Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member**

**Date of Order: 15<sup>th</sup> July, 2024**

**In the matter of**

Application under Section 14 of the Electricity Act, 2003 read with Regulation 6 of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading license and other related matters) Regulations, 2020 for grant of an inter-state trading license.

**And  
In the matter of**

**Fusionx Asia Pacific Private Limited,**  
410 Yusuf Building, Veer Nariman Road,  
Fort, Mumbai-400001, Maharashtra

**.....Petitioner**

**The following were present:**

Ms. Abiha Zaidi, FAPPL  
Shri Anuj Bhawe, Advocate, FAPPL  
Shri Deepak Rathi, FAPPL

**ORDER**

The Petitioner, Fusionx Asia Pacific Private Limited, has made the present application under Section 14 of the Electricity Act, 2003 (hereinafter referred to as “the Act”) 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 the whole of India.

**Hearing dated 8.5.2024**

2. During the course of the hearing, the learned counsel for the Petitioner submitted

that the Petitioner has fulfilled all the requirements under Trading Licence Regulations and in compliance with Regulation 6(3) of the said Regulation, the Petitioner had also published the public notice of its application. However, no objection/response has been received. Vide Record of Proceedings for the hearing dated 8.5.2024 The Petitioner was directed to submit the following details/clarification:

(a) Audited special balance sheet as on any date falling within 30 days immediately preceding the date of filing of the present application.

(b) Confirmation to the effect that the professional(s) are full-time professionals of the Petitioner company, in terms of Regulation 3(2) of the Trading Licence Regulations, 2020;

(c) An undertaking to the effect that it will not carry out the transmission business without surrendering the trading licence, if granted by the Commission.

3. The Petitioner, vide its affidavit dated 6.5.2024, has filed the information called for.

#### **Hearing dated 11.7.2024**

4. The matter was listed for the hearing on 11.7.2024. During the course of the hearing, the learned counsel for the Petitioner submitted that the Petitioner has already submitted the information called for vide Record of Proceedings dated 8.5.2024 and the Petitioner Company satisfies all the criteria for the grant of a Category 'V' trading licence as stipulated in the Trading Licence Regulations and prayed to grant a trading licence to the Petitioner Company.

5. 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:

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(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.”*

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

7. 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 18.3.2024, 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 14.3.2024 in 'The Indian Express and 'Business Standard'. It has been submitted by the Petitioner that no objection has been received in response to the public notices.

8. The Petitioner Company was incorporated under the Companies Act, 2013 on 16.1.2023. Proviso to Clause (1) of Regulation 3 of the Trading Licence Regulations 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 3(A)2 of the Memorandum of Association of the Petitioner company reads as under:

“3(A)1. To generate, accumulate, trading, distribute, purchase, sell and supply renewable energy, electric power or any other energy from conventional/non-conventional energy by Bio- Mass, Hydro, Thermal, Gas, Air, Diesel oil, or through renewable energy sources, Wind mill or another means/ source on a commercial basis and to construct, lay down, establish, operate and maintain power/energy generating stations, including buildings, structures, works, machineries, equipment's, cables, wires, lines, accumulators, lamps, and works and to

undertake or to carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring Power plants and Plants based on conventional or non-conventional energy source, thermal power plants, atomic power plants, solar energy plants, wind energy plants, mechanical, electrical, Hyde, civil engineering works, Boiler houses, steam Turbines, Switch Yards, Transformer Yards, Sub stations, Transmission Lines, Accumulators, Workshops.”

9. 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.

10. 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 29.2.2024.

11. Based on the Audited Balance Sheet as on 29.2.2024, net worth, current ratio, and liquidity ratio have been worked out as under:

<b>(Rs. in lakh)</b>	
<b>Net Worth Computation</b>	<b>As per Annual Audited Balance Sheet as on 29.2.2024</b>
<b>Particulars</b>	
<b>A) Paid up equity capital (1)</b>	<b>225.00</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)	(14.16)
B.8. Other Free Reserves (i.e. general reserve and cash flow reserve)	0.00
<b>Free Reserves &amp; Surplus considered for net worth</b>	<b>-14.16</b>

<b>(2) (B6+B7+B8)</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>210.84</b>

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

	<b>(Rs. in lakh)</b>
<b>Net worth (Asset approach), Current Ratio &amp; Liquidity Ratio computation</b>	<b>As per Annual Audited Balance Sheet as on 29.2.2024</b>
<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	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
<b>Total Non-Current Assets</b>	<b>0.00</b>
<b>Total Non-Current Assets considered for net worth (1)</b>	<b>0.00</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>	
C.1. Current Investments	0.00
C.2. Inventories	0.00

C.3. Trade Receivables	0.00
C.4. Cash and cash equivalents	224.90
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	3.31
C.7 Deferred Expenditure	0.00
Total Current Assets	228.21
<b>Total Current Asset considered for Net worth (3)</b>	<b>228.21</b>
<b>D. Current Liabilities</b>	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	0.35
D.3. Other Current liabilities	16.69
D.4. Short-term provisions	0.34
<b>Total Current Liabilities considered for Net worth (4)</b>	<b>17.37</b>
<b>Net worth ((1-2)+(3-4))</b>	<b>210.84</b>

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>As per Annual Audited Balance Sheet as on 29.2.2024</b>
1	Net worth (Rs. in lakh)	210.84
2	Current ratio	13.14
3	Liquidity ratio	13.14

14. 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 Mr. Deepak Rathi, Assistant General Manager, B. Tech (Electrical & Electronics), has 10 years of experience in Business Development, Customer relationship management, Electricity Trading, Power exchange activities, regulatory and Mr. Saurabh Mathur, Assistant Vice President (Business Development), MBA-Finance, B.E. (Electrical) has 16 years of experience in Business Development, Renewable Energy,

Regulatory, Liasoning, Contract Management, Financial modelling. Accordingly, as per the information submitted by the Petitioner, it fulfils the requirements of Clause (2) of Regulation 3 of the Trading Licence Regulations.

15. The Memorandum of Association authorizes the Petitioner company to engage in transmission of electricity. The Petitioner has submitted an undertaking to the effect that it will not engage in the transmission business without surrendering the trading licence, if granted by the Commission.

16. 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.

17. The Petition shall be listed for a final hearing on **25.7.2024**.

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

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