

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 668/TD/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V., Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 31st August, 2025

In the matter of

Application for up-Gradation of Inter-State trading licence in electricity from Category 'III' to Category 'II' under Regulation 15 (1) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading license and other related matters) Regulations, 2020 and amendments thereof.

And

In the matter of

**JSW Power Trading Company Limited,
JSW Centre, Bandra Kurla Complex,
Bandra-East, Mumbai 400051**

...Petitioner

Parties Present:

Shri Aman Anand, Advocate, JSWPTCL
Shri Aman Dixit, Advocate, JSWPTCL
Ms. Natasha Debroy, Advocate, JSWPTCL
Ms. Srishti Gupta, Advocate, JSWPTCL

ORDER

The Petitioner, JSW Power Trading Company Limited, has filed the present Petition for the upgradation of its inter-State trading licence in electricity from Category 'III' to Category 'II' from 1.4.2025.

2. By order dated 25.4.2006 in Petition No. 161/2005, JSW Power Trading Company Limited, was granted a Category 'F' trading licence to trade in electricity as an electricity trader in the whole of India, except the State of Jammu and Kashmir in

accordance with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2004. Consequent to the notification of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009 (hereinafter referred to as the "2009 Trading Licence Regulations") as amended vide notification dated 7.6.2010, the licence was re-categorized as Category 'I', subject to the terms and conditions contained in the licence.

3. Subsequently, the Petitioner filed Petition No. 75/MP/2017 for transfer of the trading licence from JSW Power Trading Company Limited to JSW Green Energy Limited and to record the name of the transferee company from "JSW Green Energy Limited" to "JSW Power Trading Company Limited" in terms of the Scheme of Arrangement approved by the National Company Law Tribunal vide order dated 9.3.2017. The Commission, vide its order dated 1.2.2018, accorded in-principle approval for the transfer of the trading licence of JSW Power Trading Company Limited to JSW Green Energy Limited and granted liberty to the Petitioner to approach the Commission for the change of name of the Petitioner's company after approval from the Registrar of Companies for the same.

4. Thereafter, the Petitioner filed Petition No. 386/TD/2018 seeking to change the name of the licensee from "JSW Green Energy Limited" to "JSW Power Trading Company Limited". Based on the documents available on record, the Commission vide order dated 2.4.2019 approved the change of name of the licensee.

5. Subsequently, on the request of the Petitioner, the Commission, vide order dated 4.3.2020 in Petition No. 20/TD/2020, down-graded the trading licence of the

Petitioner from the Category 'I' to Category 'IV' in terms of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Trading license and other related matters) Regulations, 2020 (hereinafter referred to as 2020 Trading Licence Regulations) with effect from 1.4.2020.

6. Further, the Petitioner approached the Commission for the upgradation of the trading licence from Category 'IV' to Category 'III'. After examination of the documents available on the record, the Commission, vide order dated 16.2.2024 in Petition No. 371/TD/2023, upgraded the trading licence of the Petitioner from the Category 'IV' to Category 'III' as per the 2020 Trading Licence Regulations with effect from 1.4.2023.

7. The Petitioner has submitted that, in view of the improvement in power demand, the competitive dynamics of Power Exchanges, the anticipated growth in the power market, and the prospective business potential in power trading, the Petitioner seeks an up-gradation of its existing trading licence from Category 'III' to Category 'II'. The Petitioner has submitted that it intends to engage in trading activities up to a quantum of 7,000 MUs annually. The Petitioner has further stated that its trading volumes have shown a consistent increase over the past five years, and that, in the course of the Financial Year 2024–25, the total trading quantum surpassed the stipulated threshold of 110% as prescribed under Regulation 9(3) of the Trading Licence Regulations, 2020, due to inadvertence and oversight. It has also been submitted that, prior to the filing of the present Petition, the Petitioner remitted an amount of Rs. 9,00,000/- representing the differential licence fee payable between Category 'II' and Category 'III' for the financial year 2024–25.

Hearing dated 29.7.2025

8. The matter was called out for the hearing on 29.7.2025. The representative of the Petitioner reiterated the submissions made in the instant Petition and further submitted that the Petitioner fulfils all the requirements of Category-II Inter-State trading licence as stipulated in the Trading Licence Regulations, 2020, as amended from time to time.

9. Vide Record of Proceedings for the hearing dated 29.7.2025, the Petitioner was directed to file an Audited Special Balance Sheet as on any date falling within 30 days immediately preceding the date of filing of the Petition, i.e., 03.06.2025, on an affidavit, within a week, i.e., by 06.08.2025.

10. The Petitioner, vide Affidavit dated 12.8.2025, has submitted the information called for, which has been dealt with in the succeeding paragraphs.

Analysis and Decision

11. We have considered the submissions of the Petitioner. Regulation 9(4) of the Trading Licence Regulations 2020 provides as under:

“(4) The Trading Licensee shall make an appropriate application accompanied by prescribed fees for up-gradation of its licence to a higher category or down-gradation of its licence to a lower category in order to fulfil the conditions of these regulations in accordance with the procedure specified in Regulation 15 of these regulations.”.

12. Regulation 15(1) of the Trading Licence Regulations 2020 provides as under:

“15(1) Upgradation of licence:

(a) The Trading Licensee may at any time during a particular year apply for a higher category licence on the basis of the volume proposed to be traded in a particular Year.

(b) The Trading Licensee shall file an application before the Commission for upgradation of its licence to a higher category as soon as he expects the trading volume to exceed the trading volume limit specified for the Trading Licensee's existing category.

(c) The Trading Licensee shall be granted an opportunity of being heard by the Commission before taking a decision on the application.

*(d) The Trading Licensee shall be required to submit the audited special balance sheet to support the compliance of **Net Worth requirement** for higher category licence.*

(e) The Trading Licensee shall pay licence fee applicable to the higher category licence if in a particular Year the licence has been upgraded:

Provided that in case a Trading Licensee has already paid licence fee applicable for its existing lower category licence in a particular year, then the Trading Licensee shall have to make payment equivalent to difference of fee applicable for higher category licence and fee already paid for existing licence category."

13. The Petitioner has filed an application for the upgradation of its licence in accordance with the Trading Licence Regulations, 2020. On perusal of the application, the Petitioner, being an existing trading licensee, fulfils all technical requirements for the grant of a Category 'II' inter-State trading licence. As regards the net worth requirements for Category 'II', Regulation 3 (3) (a) of the Trading Licence Regulations, 2020 provides that a person applying for a Category 'II' trading licence should have a net worth of Rs. 35 crore on the date of the Special Audited Balance Sheet accompanying the Petition.

14. The Petitioner has submitted the special audited balance sheet as on 31.3.2025. Based on the special audited balance sheet, its net worth has been worked out as under:

(Rs. in lakh)	
Net Worth Computation	As per the Special Audited Balance Sheet as on 31.03.2025
Particulars	

A) Paid up equity capital (1)	17813.25
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)	0.00
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)	0.00
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)	17813.25

15. 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 Special Audited Balance Sheet as on 31.03.2025
A) Non-current Assets	
A.1 Net block of Tangible Asset	1.39
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	4522.58
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)	4523.97

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	452.59
B.4 Deferred tax Liabilities	210.76
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)	663.35
C. Current Assets	0.00
C.1. Current Investments	0.00
C.2. Inventories	1778.96
C.3. Trade Receivables	10288.09
C.4. Cash and cash equivalents	5852.63
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	22234.25
C.7 Deferred Expenditure	0.00
Total Current Assets	40153.93
Total Current Asset considered for Net worth (3)	40153.93
D. Current Liabilities	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	26055.88
D.3. Other Current liabilities	145.42
D.4. Short-term provisions	0.00
Total Current Liabilities considered for Net worth (4)	26201.30
Net worth ((1-2)+(3-4))	17813.25

16. Based on the above, the net worth, current ratio and liquidity ratio of the Petitioner are as under:

(Rs. in lakh)		
Sr. No.	Particulars	As per the Special Audited Balance Sheet as on 31.03.2025
1	Net worth (Rs. in lakh)	17813.25
2	Current ratio	2.01
3	Liquidity ratio	2.00

17. In terms of the above, the Applicant meets the net worth, current ratio and liquidity requirements specified in the Trading Licence Regulations, 2020. Accordingly, we approve the upgradation of the inter-State trading licence of the Applicant from Category 'III' to Category 'II' with effect from the date of issuance of the order. The licensee shall remain bound by the terms and conditions contained in the order dated 16.2.2024 in Petition No. 371/TD/2023, whereby it was issued with a Category 'III' trading licence.

18. Let an extract copy of this order be sent to the Central Government (Ministry of Power) and the Central Electricity Authority in terms of sub-section (7) of Section 15 of the Electricity Act, 2003, for their information and record.

19. We direct that necessary endorsement be made on the licence issued to the applicant with regard to the change of Category of the licensee.

20. Petition No. 668/TD/2025 is allowed in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson