

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 849/TD/2025

Coram:

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

Date of Order: 8th November, 2025

In the matter of

Application under Sections 14 and 15 (1) of Electricity Act, 2003 read with Regulations 15 (1) and 9 (4) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters), Regulations, 2020 for upgradation of inter-State trading licence in electricity from Category 'V' to Category 'IV'.

And

In the matter of

Energysedge Power Trading Private Limited,
S-505, 5th Floor, Manipal Centre, South Block,
47 Dickenson Road, Sivan Chetty Gardens,
Bangalore North-560042, Karnataka,

...Petitioner

Parties Present:

Shri Kulamani Biswal, Advocate for the Petitioner
Shri Tabrez Malawat, Advocate for the Petitioner
Shri Syed Hamza, Advocate for the Petitioner
Shri Sourajit Sarkar, Advocate for the Petitioner
Ms. Rupali Jain, Advocate for the Petitioner

ORDER

The Petitioner, Energysedge Power Trading Private Limited, has filed the present Petition for the upgradation of its inter-State trading licence in electricity from Category 'V' to Category 'IV'.

2. By order dated 18.9.2023 in Petition No. 195/TD/2023, Energysedge Power Trading Private Limited, was granted a Category 'V' trading licence to trade in electricity as an electricity trader in the whole of India in accordance with the Central



Electricity Regulatory Commission (Procedure, Terms and Conditions of Trading licence and other related matters) Regulations, 2020 (in short 'Trading Licence Regulations, 2020').

3. The Petitioner has submitted that, in view of the improved market conditions, growth expected in the power market, and looking at future business potential in power trading, the Petitioner seeks an up-gradation of its existing trading licence from Category 'V' to Category 'IV'. The Petitioner has submitted that it intends to engage in trading activities up to a quantum of 2000 MUs annually in terms of the Trading Licence Regulations. The Petitioner has further stated that it will make the payment of the applicable licence fee or differential fee for Category IV trading licence for the financial year 2025-26 in terms of the provisions of Regulation 15 (1) of the Transmission Licence Regulations and will comply with the directions passed by the Commission.

Hearing dated 30.10.2025

4. The matter was called out for the hearing on 30.10.2025. The learned counsel for the Petitioner reiterated the submissions made in the instant Petition and further submitted that the Petitioner fulfils all the requirements of Category-IV Inter-State trading licence as stipulated in the Trading Licence Regulations, 2020, as amended from time to time.

Analysis and Decision

5. 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.”.

6. 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.”

7. 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 ‘IV’ inter-State trading licence. As regards the net worth requirements for Category ‘IV’, Regulation 3 (3) (a) of the Trading Licence Regulations, 2020 provides that a person applying for a Category ‘IV’ trading licence should have a net worth of Rs. 10 crore on the date of the Special Audited Balance Sheet accompanying the Petition.

8. The Petitioner has submitted the special audited balance sheet as on 31.8.2025. Based on the special audited balance sheet, its net worth has been worked out as under:

Net Worth Computation	As per the Balance Sheet as on 31.08.2025 (Rs in lakh)
Particulars	
A) Paid up equity capital (1) -	250.00
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	60.00
B.7. Surplus (P and L Account)	937.62
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)	997.62
C) Loans and Advances given to associates (3)	0.00
D) Deferred expenditure (including Misc. Expenses) not written off (4)	0.92
Net Worth (1+2-3-4)	1246.70

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

Net worth (Asset approach), Current Ratio & Liquidity Ratio computation	As per the Balance Sheet as on 31.08.2025 (Rs in lakh)
A) Non-current Assets	
A.1 Net block of Tangible Asset	358.02
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	0.92
A.7 Long-term loans and advances	233.72
A.7.1 Less: Loans & Advances given to Associates included in the above	0.00
A.7.2 Net Long Term Loans & Advances (A.7 - A.7.1)	233.72
A.8 Other non-current assets (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)	0.92
Total Non-Current Assets	592.66
Total Non-Current Assets considered for net worth (1)	591.74

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	464.50
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)	464.50
C. Current Assets	
C.1. Current Investments	0.00
C.2. Inventories	0.00
C.3. Trade Receivables	3311.43
C.4. Cash and cash equivalents	1220.88
C.5 Short Term Loans & Advances-	1831.92
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)	1831.92
C.6 Other current assets	263.01
C.7 Deferred Expenditure	0.00
Total Current Assets	6627.26
Total Current Asset considered for Net worth (3)	6627.26
D. Current Liabilities	
D.1. Short-term Borrowings (Including other Financial liabilities)	0.00
D.2. Trade payables	4061.87
D.3. Other Current Liabilities	1075.79
D.4. Short-term provisions	370.14
Total Current Liabilities considered for Net worth (4)	5507.80
Net worth ((1-2)+(3-4))	1246.70

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

Sr. No.	Particulars	As per the Special Audited Balance Sheet as on 31.8.2025
1	Net worth (Rs. in lakh)	1247.70
2	Current ratio	1.20
3	Liquidity ratio	1.16

11. 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 'V' to Category 'IV' 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



18.9.2023 in Petition No. 195/TD/2023, whereby it was issued with a Category 'V' trading licence. The Petitioner is directed to pay the licence fee for Category 'IV' within a month from the issuance of the order.

12. 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.

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

14. Petition No. 849/TD/2025 is allowed in terms of the above.

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson