

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 11/TD/2026

Coram:

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

Date of Order: 28th January, 2026

In the matter of

Application under Section 14 and Section 15 (1) of Electricity Act, 2003 read with Regulation 15 (1) and Regulation 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 'IV' to Category 'III'.

And

In the matter of

Adarsh Stainless Private Limited,
21-23, Mangal Arcade, 2nd Floor, TELCO Road,
Opp. Hotel Panchshil, Chinchwad,
Pune – 411019.

...Petitioner

Parties Present:

Shri Abdul Vasit, ASPL
Shri Fahad Sherwani, ASPL

ORDER

The Petitioner, Adarsh Stainless Private Limited (ASPL), has filed the present Petition for the upgradation of its inter-State trading licence in electricity from Category 'IV' to Category 'III'.

2. By order dated 15.8.2023 in Petition No. 72/TD/2023, Adarsh Stainless Private Limited, was granted a Category 'IV' trading licence to trade in electricity as an



electricity trader in the whole of India, in accordance with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters), Regulations, 2020 (hereinafter referred to as 'Trading Licence Regulations, 2020').

3. 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, Adarsh Stainless Private Limited seeks an up-gradation of its existing trading licence from Category 'IV' to Category 'III'. The Petitioner has submitted that it intends to engage in trading activities up to a quantum of 4,000 MUs annually. The Petitioner has further stated that its trading volumes have shown a consistent increase over the last financial year, which warrants an upgradation of the category of the licence.

Hearing dated 2.1.2026

4. The matter was called out for the first hearing on 2.1.2026. The representative of the Petitioner reiterated the submissions made in the instant Petition and submitted that the Petitioner fulfils all the requirements for a Category-III Inter-State trading licence as stipulated in the Trading Licence Regulations, 2020, and amendments thereof.

5. *Vide* Record of Proceedings for the hearing dated 2.1.2026 the Petitioner was directed to submit an Auditor's Report and Notes to Accounts, as prescribed under the Companies Act, 2013, in respect of the special balance sheet submitted as on 15.11.2025, including details of loans and advances to, and investments made in, associate entities, if any, pertaining to the same, on an affidavit, within a week i.e., by 9.1.2026.

6. The Petitioner, vide affidavit dated 8.1.2026 and 22.1.2026, has submitted the information called for.

Analysis and Decision

7. 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.”

8. 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.”

9. The Petitioner has filed the instant Petition for the upgradation of its inter-State trading licence in accordance with the Trading Licence Regulations, 2020. On perusal of the Petition, the Petitioner, being an existing trading licensee, fulfils all technical requirements for the grant of a Category ‘III’ inter-State trading licence. As regards the net worth requirements for Category ‘III’, Regulation 3 (3) (a) of the Trading Licence Regulations, 2020 provides that a person applying for a Category ‘III’ trading licence

should have a net worth of Rs. 20 crore and should have maintained minimum current ratio and liquidity ratio of 1:1 on the date of Audited Special Balance Sheet accompanying the Petition.

10. The Petitioner has submitted the audited special balance sheet as on 15.11.2025. Based on the audited special balance sheet, its net worth has been worked out as under:

Net Worth Computation	As per the Balance Sheet as of 15.11.2025
	(Rs in lakh)
Particulars	
A) Paid up equity capital (1) -	702.08
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)	201.13
B.8. Other Free Reserves (i.e. general reserve and cash flow reserve)	1617.32
Free Reserves & Surplus considered for net worth (2) (B6+B7+B8)	1818.45
C) Loans and Advances given to associates (3)	479.41
D) Deferred expenditure (including Misc. Expenses) not written off (4)	0.00
Net Worth (1+2-3-4)	2041.12

11. 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 of 15.11.2025
	(Rs in lakh)
A) Non-current Assets	
A.1 Net block of Tangible Asset	255.64
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	114.91

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	370.55
Total Non-Current Assets considered for net worth (1)	370.55
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	1498.71
B.4 Deferred tax Liabilities	0.00
B.5 Other Long Term Liabilities- Bank Overdraft	1785.70
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)	3284.41
C. Current Assets	
C.1. Current Investments	0.00
C.2. Inventories	749.53
C.3. Trade Receivables	4500.99
C.4. Cash and cash equivalents	225.59
C.5 Short Term Loans & Advances-	2230.57
C.5.1 Less: Loans and Advances given to associates	479.41
C.5.2 Net Short Term Loan and Advances (C.5 - C.5.1)	1751.16
C.6 Other current assets	7.83
C.7 Deferred Expenditure	0.00
Total Current Assets	7235.10
Total Current Asset considered for Net worth (3)	7235.10
D. Current Liabilities	
D.1. Short-term Borrowings (Including other Financial liabilities)	0.00
D.2. Trade payables	2171.61
D.3. Other Current liabilities	38.62
D.4. Short-term provisions	69.89
Total Current Liabilities considered for Net worth (4)	2280.12
Net worth ((1-2)+(3-4))	2041.12

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

Sr. No.	Particulars	As per Special Audited Balance Sheet as on 15.11.2025
1	Net worth (Rs. in lakh)	2041.12
2	Current ratio	3.17
3	Liquidity ratio	2.07

13. 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 'IV' to Category 'III' 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 15.8.2023 in Petition No. 72/TD/2023, whereby it was issued with Category 'IV' trading licence.

14. 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.

15. 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.

16. Petition No. 11/TD/2026 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