

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 14/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 the 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 license and other related matters) Regulations, 2020 for Up-Gradation of Inter-State trading license in electricity from Category 'V' to Category 'IV'.

And

In the matter of

Elsa Consultancy,
No. 2461, 4th Main, 2nd 'A' Cross,
HAL, 3rd Stage, BDA Layout,
Bangalore – 560017

...Petitioner

Parties Present:

Shri Tabrez Malawat, Advocate for the Petitioner
Shri Syed Hamza, Advocate for the Petitioner
Shri Sourajit Sarkar, Advocate for the Petitioner

ORDER

The Petitioner, Elsa Consultancy, has filed the present Petition for the upgradation of its inter-State trading licence in electricity from Category 'V' to Category 'IV' from 1.4.2025.

2. By order dated 23.10.2023 in Petition No. 257/TD/2023, Elsa Consultancy, was granted a Category 'V' 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 of Trading licence and other related matters) Regulations, 2020 (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, Elsa Consultancy 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 2,000 MUs annually. The Petitioner has further submitted that its trading volumes have shown a consistent increase over the current financial year, which warrants an upgradation of the licence category, particularly to enable the Petitioner to comply with the provisions of the Trading Licence Regulations, 2020 and the conditions of the trading licence.

Hearing dated 21.1.2026

4. The matter was called out for the first hearing on 21.1.2026. During the hearing, the learned counsel of the Petitioner reiterated the submissions made in the Petition and submitted that the Petitioner fulfils all the requirements of Category IV inter-State trading licence as stipulated in the Trading Licence Regulations, 2020, and amendments thereof. After hearing the parties, the matter was reserved for order.

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 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 ‘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 and should have maintained minimum current ratio and liquidity ratio of 1:1 on the date of Audited Special Balance Sheet accompanying the Petition.

8. The Petitioner has submitted the audited special balance sheet dated 19.12.2025. Based on the audited special balance sheet, its net worth has been worked out as under:

(Rs. in lakh)	
Net Worth Computation	As per Special Audited Balance Sheet as on 19.12.2025
Particulars	
A) Paid up equity capital (1) – Share Capital	2015.19
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)	163.67
D) Deferred expenditure (including Misc. Expenses) not written off (4)	0.00
Net Worth (1+2-3-4)	1851.52

9. 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 Special Audited Balance Sheet as on 19.12.2025
A) Non-current Assets	
A.1 Net block of Tangible Asset	1988.97
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	1206.68
A.6 Deferred Tax Assets	0.00
A.7 Long-term loans and advances	425.15
A.7.1 Less: Loans & Advances given to Associates included in above	163.67
A.7.2 Net Long Term Loans & Advances (A.7 - A.7.1)	261.48
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	3457.13
Total Non-Current Assets considered for net worth (1)	3457.13
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	1815.36
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)	1815.36
C. Current Assets	
C.1. Current Investments	290.41
C.2. Inventories	0.00
C.3. Trade Receivables	2010.62
C.4. Cash and cash equivalents	326.85
C.5 Short Term Loans & Advances	1.50
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)	1.50
C.6 Other current assets	131.20
C.7 Deferred Expenditure	0.00
Total Current Assets	2760.60
Total Current Asset considered for Net worth (3)	2760.60
D. Current Liabilities	
D.1. Short-term Borrowings	0.00
D.2. Trade payables	1231.41
D.3. Other Current liabilities	96.16
D.4. Short-term provisions	1223.26
Total Current Liabilities considered for Net worth (4)	2550.83
Net worth ((1-2)+(3-4))	1851.54

10. 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 19.12.2025
1	Net worth (Rs. in lakh)	1851.54
2	Current ratio	1.08
3	Liquidity ratio	1.08

11. In terms of the above, the Petitioner 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 Petitioner 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 23.10.2023 in Petition No. 257/TD/2023, whereby it was issued with Category 'V' trading licence under Trading Licence Regulations, 2020.

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. 14/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