

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 871/TD/2025

Coram:

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

Date of Order: 15th January, 2026

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 licence.

And

In the matter of

**KPI Green Energy Limited,
KP House, Near KP Circle, Opp.,
Ishwar Farm Junction BRTS,
Canal Road, Bhatar,
Surat**

-

395017,

Gujarat.

.....Petitioner

Parties present:

Shri Aditya K Singh, Advocate, KPIGEL
Shri Vineet Gupta, Advocate, KPIGEL
Shri Divyansh Singh, Advocate, KPIGEL

ORDER

The Petitioner, KPI Green Energy Limited (hereinafter referred to as 'the Petitioner'), incorporated under the Companies Act, 2013, read with Regulation 6(1) 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, has filed the present Petition for the grant of a Category ‘IV’ trading licence for inter-State trading in electricity in the whole of India.

Hearing Dated 20.11.2025

2. During the course of the hearing, the learned counsel for the Petitioner reiterated the submissions made in the Petition and submitted that the Petitioner company has complied with the provisions of the Trading Licence Regulations. The Petitioner, vide Record of Proceedings (hereinafter referred to as “RoP”) for the hearing dated 20.11.2025, was directed to submit the following information on an affidavit:

(i) Audited special balance sheet in place of provisional or unaudited statement (within 30 days preceding the date of filing of the Petition), along with Auditor’s certificate/report, Profit & Loss Statement and Schedules and notes to accounts, etc.

(ii) Revised Net Worth Certificate based on the audited special balance sheet, not on a provisional or unaudited statement.

(iii) Demonstrate compliance with the net worth and current & liquidity ratio requirements as per the Trading Licence Regulations, by submitting the necessary audited special balance sheet.

(iv) Compliance affidavit in terms of Regulation 6(4) of the Trading Licence Regulations.

(v) Declaration stating that the Petitioner does not hold any transmission licence and that it shall not carry out the business of transmission of electricity during the subsistence of the inter-State trading licence, if granted by the

Commission. (vi) Clarify whether the profile of professionals submitted in the Petition is full-time in the Petitioner company as per the requirement of Technical Qualifications under Regulation 3 of the Trading Licence Regulations, 2020.

(vii) Under which provisions, two applications have been made for the grant of the inter-State trading licences by the two companies of the same group company, where the shareholders of the companies are the same.

3. In compliance with the RoP dated 20.11.2025, the Petitioner vide its affidavit dated 16.12.2025 has furnished the information regarding (i) to (v) above, which have been taken on record. With regard to (vi) and (vii) above, the Petitioner has submitted as under:

(a) The professionals furnished in the instant Application are in compliance with Regulation 3 of the Trading Regulations, and the personnel engaged are full-time employees of the Applicant company. The details of the technical qualifications of the key personnel, namely, Mr. Alok Das (Group CEO), Mr. Surinder Kumar Negi (Chief Operating Officer), Mr. Venu Birappa (Non-Executive Independent Director), Mr. Salim Suleman Yahoo (Chief Financial Officer), and Mr. Akshit Pacchigar (Chartered Accountant and Head of Finance & Accounts), have been placed on record which have been discussed in the later part of the order.

(b) In response to the provisions under which two applications have been made for the grant of inter-State trading licences by two companies of the same group having common shareholders, each application has been filed under Section 14 of the Act, read with the Trading Licence Regulations. Both Applicant Companies are separate legal entities and have applied under

different licence categories (Category IV and Category V). Each Applicant independently meets the prescribed net worth, creditworthiness, past performance, and other eligibility criteria, and has an independent corporate identity, governance structure, and financial statements. Accordingly, the filing of separate licence applications by two distinct companies of the same group is stated to be in compliance with Regulations 3 and 4 of the Trading Licence Regulations, and there is no statutory or regulatory restriction on group companies or companies with common shareholding from applying for or holding trading licences, provided each satisfies the regulatory requirements individually.

Hearing dated 23.12.2025

4. During the hearing, the learned counsel for the Petitioner submitted that the Petitioner has filed its compliance affidavit dated 16.12.2025 in terms of Record of Proceedings for the hearing dated 20.11.2025, furnishing all the requisite information/clarification ought by the Commission therein for the grant of a Category 'IV' trading licence.

5. Vide RoP dated 23.12.2025, the Commission observed that, in terms of Regulation 6(3) of the Trading Licence Regulations, the Petitioner was required to publish notices of its application within 7 days of filing, in two daily newspapers having circulation in each of the five regions, in addition to publications from Delhi, including one economic daily. However, while the present Petition was filed on 26.9.2025, the notices were published only on 6.12.2025. Accordingly, the Petitioner was directed to file an affidavit explaining the reasons for non-compliance with the

provisions of the Trading Licence Regulations. Accordingly, the matter was reserved for the order.

6. In compliance with the RoP dated 23.12.2025, the Petitioner, vide affidavit dated 31.12.2025, has clarified that the Applicant waited until the first hearing was concluded before publishing the notice in newspapers, to ensure compliance with the regulations. The notice was published in good faith, and the Applicant submits that the delay has not caused any harm to the Commission or to the public.

7. 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:

(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.”

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

9. 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. As per Regulation 6(3) of the Trading Licence Regulations, the Petitioner was required to publish notices of its application within 7 days of filing, in two daily newspapers having circulation in each of the five regions, in addition to publications from Delhi, including one economic daily. However, although the present Petition was filed on 26.9.2025, the notices were published only on 6.12.2025 with a delay of approximately two months.

In this regard, the Petitioner has submitted that notices were published in good faith, and the delay has not caused any harm to the Commission or to the general public. The Petitioner, vide its affidavit dated 16.12.2025, 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 6.12.2025 in the 'Business Standard' (Chandigarh, Ahmedabad, Jaipur, Mumbai, Pune, Bangalore, Bhubaneswar, Chennai, Kochi, Kolkata, Delhi, Lucknow, Guwahati and Bhopal editions) and in "The Financial Express (Hyderabad, Bengaluru, Chennai, Chandigarh, Kolkata, Mumbai, Pune, Ahmedabad, Delhi and Lucknow editions). It has been submitted by the Petitioner that no objection has been received in response to the public notices. It is noted that the notices were required to be published within seven days after making the application. In our view, the Petitioner has published the notices with a delay of two months. However, no prejudice has been caused to the general public for such a delay. Accordingly, considering the submissions of the Petitioner, we condone such a delay with direction to the Petitioner to comply with the provisions of the Trading Licence Regulation in a letter and spirit in future.

10. The Petitioner Company was incorporated under the Companies Act, 1956, on 1.2.2008. Clause 3 of the Memorandum of Association provides that the Petitioner is authorised to undertake trading in electricity. We note that trading in electricity is covered under the Memorandum of Association of the Petitioner. Clause 3 of the Memorandum of Association of the Petitioner company reads as under:

"3. To carry on in India or abroad the business of establishing, generating, storing, accumulating, supplying, transmitting, distributing, transferring, purchasing, manufacturing, trading, selling, managing, supervising, bidding,

acquiring, getting, into JV/Partnership, controlling and dealing in all form and types of electricity or power generated, including, but not limited to, thermal, hydro, nuclear, solar, wind, hybrid, geo-thermal, tidal, biomass or by any other source whether conventional, non-conventional, and renewable energy sources.”

11. 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.

12. In accordance with Clause (3) of Regulation 3 of the Trading Licence Regulations, a person applying for a Category 'IV' trading licence should have a net worth of Rs. Ten 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 31.8.2025.

13. Based on the audited special balance sheet as on 31.8.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

Net Worth Computation	As per the Balance Sheet as of 31.8.2025
	(Rs in Lakh)
Particulars	
A) Paid up equity capital (1) -	9867.05
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	204035.75
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)	204035.75

(B6+B7+B8)	
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)	213902.80

14. The net worth of the Applicant is further represented by the following:

Net worth (Asset approach), Current Ratio & Liquidity Ratio computation	As per the Balance Sheet as of 31.08.2025
(in Rs Lakh)	
A) Non-current Assets	
A.1 Net block of Tangible Asset	191504.54
A.2 Net Block of Intangible Asset	171.92
A.3 Capital work in progress	47252.49
A.4 Intangible Assets under development	0.00
A.5 Non-Current investments	33442.43
A.6 Deferred Tax Assets	0.00
A.7 Long-term loans and advances	266.97
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)	266.97
A.8 Other non-current asset (Right of use assets, capital advances and prepaid expenses, etc.)	3478.60
A.9 Deferred expenditure (including Misc. Expenses) not written off (Not considered for net worth computation)	0.00
Total Non-Current Assets	276116.95
Total Non-Current Assets considered for net worth (1)	276116.95
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	117363.54
B.4 Deferred tax Liabilities	15778.70
B.5 Other Long Term Liabilities	34833.59
B.6 Long Term provisions	91.35
B.7 Reserves other than free reserves	0.00
Total Non-Current Liabilities, Reserves other than free reserves considered for Net worth (2)	168067.18
C. Current Assets	
C.1. Current Investments	45899.21
C.2. Inventories	42322.87
C.3. Trade Receivables	45476.05
C.4. Cash and cash equivalents	1355.83
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	51978.79
C.7 Deferred Expenditure	0.00

Total Current Assets	187032.77
Total Current Asset considered for Net worth (3)	187032.77
D. Current Liabilities	
D.1. Short-term Borrowings (Including other Financial liabilities)	41983.23
D.2. Trade payables	33872.85
D.3. Other Current liabilities	5317.80
D.4. Short-term provisions	5.56
Total Current Liabilities considered for Net worth (4)	81179.44
Net worth ((1-2) + (3-4))	213903.10

15. Based on the Audited Balance Sheet as on 31.8.2025, net worth, current ratio, and liquidity ratio have been worked out as under:

Sr. No.	Particulars	As per the Special Audited Balance Sheet as on 31.8.2025
1	Net worth (Rs. in lakh)	213902.80
2	Current ratio	2.30
3	Liquidity ratio	1.78

16. In accordance with Clause (2) of Regulation 3 of the Trading Licence Regulations, the Petitioner should have at least one full-time professional, possessing qualifications and experience in power system operation and the commercial aspects of power transfer, including finance, commerce and accounts. With regard to full-time professionals, the Petitioner vide its affidavit dated 16.12.2025 has submitted that Mr. Alok Das, Group CEO has 30 years extensive experience in the Renewable Energy industry, specialising in wind, solar, hybrid energy systems, green hydrogen and ammonia including offshore technologies coupled with other allied RE services in the sector, Mr. Surinder Kumar Negi, Chief Operating Officer has four decades experience in transmission, engineering, and project management, Mr. Venu Birappa, Non-Executive Independent Director has four decades experience in the Power Sector to the present Board, Mr. Salim Suleman Yahoo, Chief Financial Officer has 27 years experience in the field of

finance, credit analysis, financial modelling, Client relationship management & business development, and Mr. Akshit Pacchigar, Chartered Accountant and Head of Finance & Accounts has 6 years' experience in finance, accounting, auditing, taxation, investor relations, and financial compliance within listed renewable energy companies. All the above professionals are full-time employees of the Company. Accordingly, as per the information submitted by the Petitioner, it fulfils the requirements of Clause (2) of Regulation 3 of the Trading Licence Regulations.

17. The Memorandum of Association authorises the Petitioner company to engage in the transmission of electricity. The Petitioner, vide its affidavit dated 16.12.2025, has submitted that it will not carry out the transmission business without surrendering the trading licence, if granted by the Commission.

18. 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 'IV' trading licence. In view thereof, the Commission proposes to grant a Category 'IV' 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.

19. The Petition shall be listed for a final hearing on **5.2.2026**.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member

sd/-
(Jishnu Barua)
Chairperson

