

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 66/TD/2026

Coram:

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

Date of Order: 10th March, 2026

In the matter of

Application under Section 14 and Section 15(1) of the 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

**Ideal Energy Solutions Private Limited,
Plot No. XI-2 & 3,
Block - EP, Sector- V,
Salt Lake City-700091, Kolkata.**

.....Petitioner

Parties present:

Shri Tabrez Malawat, Advocate, IESPL
Shri Syed Hamza, Advocate, IESPL
Shri Sourajit Sarkar, Advocate, IESPL
Ms. Rupali Jain, Advocate, IESPL

ORDER

The Petitioner Company, Ideal Energy Solutions 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 22.3.2022 in Petition No. 262/TD/2021, Ideal Energy Solutions 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 Trading Licence Regulations, 2020 and will comply with the directions passed by the Commission.

Hearing Dated 26.2.2026

4. The matter was called out for the hearing on 26.2.2026. 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, amended from time to time.

5. The Petitioner, vide Record of Proceedings for the hearing dated 26.2.2026 (hereinafter referred to as "RoP"), was directed to furnish the details of loans and advances granted to, and investments made in, associate entities or relatives, as defined under sub-sections (6) and (76) of Section 2 of the Companies Act, 2013, respectively, if any, as on the date of the audited special balance sheet, i.e., 31.12.2025. In compliance with, the Petitioner, vide affidavit dated 3.3.2026, has submitted that no loans or advances have been extended, and no investments have been made in, any associate entities or relatives, as defined under sub-sections (6) and (76) of Section 2 of the Companies Act, 2013.

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 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 the 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.

10. The Petitioner has submitted the special audited balance sheet as on 31.12.2025. 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 of 31.12.2025
	(in Rs. lakh)
Particulars	
A) Paid up equity capital (1) -	200.00
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	0.00
B.7. Surplus (P and L Account)	855.35
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)	855.35
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)	1055.35

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 31.12.2025
(in Rs. Lakh)	
A) Non-current Assets	
A.1 Net block of Tangible Asset	56.94
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	362.78
A.6 Deferred Tax Assets	0.00
A.7 Long-term loans and advances	111.94
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)	111.94
A.8 Other non-current asset (Right of use assets, capital advances and prepaid expenses, etc.)	101.66

A.9 Deferred expenditure (including Misc. Expenses) not written off (Not considered for net worth computation)	0.00
Total Non-Current Assets	633.32
Total Non-Current Assets considered for net worth (1)	633.32
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	43.38
B.4 Deferred tax Liabilities	0.15
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)	43.54
C. Current Assets	
C.1. Current Investments	0.00
C.2. Inventories	10.15
C.3. Trade Receivables	542.82
C.4. Cash and cash equivalents	437.83
C.5 Short Term Loans & Advances-	8.91
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)	8.91
C.6 Other current assets	90.22
C.7 Deferred Expenditure	0.00
Total Current Assets	1089.93
Total Current Asset considered for Net worth (3)	1089.93
D. Current Liabilities	
D.1. Short-term Borrowings (Including other Financial liabilities)	7.05
D.2. Trade payables	65.21

D.3. Other Current liabilities	355.78
D.4. Short-term provisions	196.32
Total Current Liabilities considered for Net worth (4)	624.37
Net worth ((1-2)+(3-4))	1055.35

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

Sr. No.	Particulars	As per the Balance Sheet as of 31.12.2025
1	Net worth (Rs. in lakh)	1055.35
2	Current ratio	1.75
3	Liquidity ratio	1.57

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 '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 22.3.2022 in Petition No. 262/TD/2021, whereby it was issued with a Category 'V' trading licence.

14. As per Regulation 3(3) (a) of the Trading Licence Regulations, a Category 'V' licensee cannot trade more than 500 MUs in a finance year. However, the Petitioner company has exceeded the permissible limit of trading volume in the month of September, 2025. Therefore, the Petitioner company is liable to make the payment for Category 'IV' trading licensee for the financial year 2025-26. Accordingly, the Petitioner

is directed to pay the licence fee for Category IV for the financial year 2025-26 along with 1% surcharge as per the provision of the Payment of Fees Regulations, up to filing of the present Petition, within 15 days from the issuance of the order.

15. 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.

16. 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.

17. Petition No. 66/TD/2026 is allowed in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

sd/-
(Harish Dudani)
Member

sd/-
(Ramesh Babu V.)
Member