

**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**

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**Maharashtra Electricity Regulatory Commission (Trading Licence Conditions) (Second Amendment) Regulations, 2017**

**And**

**Maharashtra Electricity Regulatory Commission (Transmission Licence Conditions) (Second Amendment) Regulations, 2017**

**STATEMENT OF REASONS**

**Date: 24 April, 2017**

The Maharashtra Electricity Regulatory Commission has notified the MERC (Trading Licence Conditions) Regulations, 2004 and the MERC (Transmission Licence Conditions) Regulations, 2004 on 10 June, 2004, which were subsequently amended on 21 December, 2006 to include Regulation 4A regarding “Eligibility Conditions/Disqualifications”.

The original Regulation 4A reads as follows:

*“4-A: ELIGIBILITY CONDITIONS/DISQUALIFICATIONS:*

*The Commission may specify eligibility conditions and disqualifications for being entitled to grant of licence under these regulations. Notwithstanding the generality of the foregoing, no applicant shall be qualified for grant of license under these regulations, if, the Commission is of the opinion that conditions or circumstances exist that cast a doubt on the ability of the applicant to perform its duties and obligations under the Act.*

*Explanation – For the purposes of these regulations, “conditions or circumstances” shall mean and include cases of conviction of the applicant or any of its partners, directors or promoters by a Court of Law or indictment / adverse order by a regulatory authority or which relates to a grave offence of such a nature that it outrages the moral sense of the community; insolvency and bankruptcy of the applicant or any of its partners, directors or promoters; pending legal proceedings; conviction of an offence involving moral turpitude, or any economic offence; fraudulent and unfair trade practices or market manipulation; financial integrity; competence; reputation and character, and any other sufficient reason...”*

It was brought to the notice of the Commission that amendment was required in the Regulations in view of the Judgment of the Supreme Court in Civil Appeal No. 3457-3458 of

2009. Accordingly, the Commission proposed to amend the provision in these Regulations regarding the eligibility conditions /disqualifications of applicants for grant of Intra-State Trading Licence and Transmission Licence in Maharashtra by deleting the phrase “pending legal proceeding” in the Explanation to Regulation 4A.

Accordingly, a Public Notice inviting suggestions and objections on the Draft MERC (Trading Licence Conditions) (Second Amendment) Regulations, 2017 and the Draft MERC (Transmission Licence Conditions) (Second Amendment) Regulations, 2017, deleting the phrase “pending legal proceeding” in the Explanation to Regulation 4A, was published in daily newspapers (Times of India and Indian Express in English, and Maharashtra Times and Loksatta in Marathi) on 3 March, 2017, and the draft Regulations were made available on the Commission’s websites. The last date for receipt of comments was 31 March, 2017.

In response to the Public Notice, no comment has been received. The Commission is of the view that no change is required in the proposed amendment, and the amendment to the Regulations has been finalized accordingly.

**Sd/-**  
**(Deepak Lad)**  
**Member**

**Sd/-**  
**(Azeez M. Khan)**  
**Member**