



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission



### TRADING LICENCE NO. 1 OF 2018

GLOBAL ENERGY PVT. LTD.

Dated: 27 April, 2018

Licence granted by the Maharashtra Electricity Regulatory Commission to M/s. Global Energy Private Limited, having its registered office at 207, Gera Imperium II, Patto Plaza, Panjim, North Goa, Goa 403001, under Section 14 of the Electricity Act, 2003 and the Regulations made thereunder, to trade electricity within the State of Maharashtra, and with the powers and upon the terms and conditions specified herein.

#### Part I: General

#### 1. SHORT TITLE

This Licence may be called the Maharashtra Electricity Regulatory Commission Trading Licence No. 1 of 2018.

#### 2. DEFINITIONS

In this Licence, unless the context otherwise requires:

(a) “**Accounting Statement**” means, for each financial year, accounting statements in respect of the Licensed Business, comprising-

- (i) a balance sheet, prepared in accordance with the form contained in Schedule III of the Companies Act, 2013;
- (ii) a profit and loss account, complying with the requirements contained in Schedule III of the Companies Act, 2013;
- (iii) a cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3), or as may be applicable from time to time, of the Institute of Chartered Accountants of India;



- (iv) a report of the statutory auditors of the Electricity Trader;
- (v) cost records prescribed under the Companies Act, 2013, as amended from time to time; together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;
- (b) “**Act**” means the Electricity Act, 2003 (36 of 2003), including amendments thereto;
- (c) “**Commission**” means the Maharashtra Electricity Regulatory Commission;
- (d) “**Licence**” means this Licence under which the Electricity Trader is authorized to conduct the Licensed Business;
- (e) “**Licensed Business**” means the business of trading of electricity pursuant to this Licence.
- (f) “**Regulations**” means the Maharashtra Electricity Regulatory Commission (Trading Licence Conditions) Regulations, 2004, including amendments thereto;
- (g) “**Electricity Trader**” means **Global Energy Pvt. Ltd.** in its capacity as operator of the Licensed Business.

Words or expressions used herein and not defined shall have the assigned to them in the Act.

## **Part II: General Terms and Conditions**

### **3. AREA OF TRADING**

The area of trading shall be the State of Maharashtra.

### **4. COMMENCEMENT AND TERM OF LICENCE**

The Licence shall come into force from the 27<sup>th</sup> day of April, 2018 and, unless revoked earlier by the Commission in accordance with the provisions of Section 19 of the Act or the Licence Conditions, shall remain in force for the period specified in sub-section (8) of Section 15 of the Act.





## 5. DUTIES

5.1. The Electricity Trader shall undertake the Licensed Business in accordance with the provisions of the Act and the rules and regulations made thereunder:

Provided that it shall be the duty of the Electricity Trader to comply with the following:

- a) The Electricity Trader shall not undertake the business of transmission of electricity;
- b) The Electricity Trader shall comply with the requirements of the applicable laws in force and, in particular, the Act, the rules and regulations made thereunder, the State Grid Code, Orders and directions issued by the Commission from time to time;
- c) This Licence having been initially granted under Category A of the Regulations envisaging annual trading of upto 100 million kWh of electricity, the Electricity Trader shall increase its net worth to the extent required if the volume of trade moves from Category A to a higher category; the change of category shall be decided based on the volume of electricity traded in the year ending 31<sup>st</sup> of March of each year; and the Electricity Trader shall keep the Commission informed of its moving from one category to the other and of subsequent changes in its net worth;
- d) The Electricity Trader shall be subject to the trading margins as may be fixed by the Commission;
- e) The Electricity Trader shall be governed by the technical requirements, capital adequacy requirements and creditworthiness as may be specified by the Commission and shall upgrade these technical and capital adequacy requirements, including staff, when the volume of trading increases;
- f) The Electricity Trader shall establish adequate communication facilities like telephone, fax, computer, internet facilities, before undertaking trading;
- g) The Electricity Trader shall coordinate with Regional Power Committees, the State Load Despatch Centre and the State Transmission Utility with regard to the Licensed Business;
- h) The Electricity Trader shall render all assistance to any person authorized by the Commission for carrying out its duties relating to the Licence;



- i) All trading arrangements shall be done through letters of credit or other commercially acceptable instrument;
- j) The Electricity Trader shall not omit or neglect to undertake the Licensed Business for four consecutive quarters;
- k) The Electricity Trader shall maintain an up-to-date record of its customers and the transactions entered into by him with other parties.

5.2. The Electricity Trader shall as soon as practicable report to the Commission-

- a) any significant change in its circumstances which may affect the Electricity Trader's ability to meet its obligations under the Act, the rules and the regulations thereunder, directions and orders issued by the Commission, agreements or the Licence;
- b) any material breach, or likelihood thereof, of the provisions of the Act, the rules and the regulations thereunder, directions and orders issued by the Commission, agreement or the Licence, which was reasonably within its knowledge, along with the reasons thereof, as soon as practicable; and
- c) any change in management control or major change in the shareholding pattern of the Electricity Trader.

Explanation I – for the purpose of this clause, “management control” shall include the right to appoint majority of the directors or to control the management or policy decisions of the Electricity Trader, including by virtue of shareholding or management rights or shareholders’ agreement or partnership agreement or trust deed or voting agreement or in any other manner;

Explanation II – for the purpose of this clause, “major change in shareholding pattern” shall mean the acquisition, of such per cent of shares or voting rights in the Electricity Trader as would entail a disclosure under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as in force from time to time.

5.3. The Electricity Trader shall seek the approval of the Commission before creating any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business.





5.4. The Electricity Trader may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the Electricity Trader in connection with the Licensed Business, subject to the following conditions:

- a) that the transaction shall be undertaken on an “arms-length basis” and at a value that is fair and reasonable in the circumstances, which for the purposes of this clause, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Electricity Trader and a third party unrelated to and unconnected with the Electricity Trader;
- b) that the Electricity Trader shall report to the Commission, for each financial year, the details of all transactions of the nature referred to in this Regulation entered into during the financial year;
- c) that the Electricity Trader shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of clause (a) above.

Explanation – for the purpose of this clause, the terms “subsidiary” and “holding company” shall have the same meaning as in Section 2 of the Companies Act, 2013.

## 6. ACCOUNTS

6.1. The financial year of the Electricity Trader shall run from the first day of April to the thirty-first day of the following March.

6.2. The Electricity Trader shall, in respect of the Licensed Business:

- a) keep such accounting records as would be required so that the revenues, costs, assets, liabilities, reserves and provisions for, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Electricity Trader; and
- b) prepare on a consistent basis from such accounting records, the Accounting Statements prepared in accordance with the provisions of the Companies Act, 2013, as may be specified from time to time, and/or the standards or guidelines of the Institute of Chartered Accountants of India.



6.3. The Electricity Trader shall, upon written request by any person, make available a copy of its Accounting Statements at a reasonable price not exceeding photocopying charges.

**7. PROVISION OF INFORMATION TO THE COMMISSION**

The Electricity Trader shall furnish to the Commission such information, documents and details relating to the Licensed Business as the Commission may require.

**8. STANDARDS OF PERFORMANCE**

The Electricity Trader shall furnish performance details to the Commission for such periods and in such form as may be specified.

**9. LICENCE FEES**

During the period that the Licence is in force, the Electricity Trader shall, by the 10<sup>th</sup> of April of every year, or such further period as the Commission may allow, pay to the Commission such Licence fees as may be specified.

**10. DECISION ON INTERPRETATION OF LICENCE**

The interpretation of the Licence and the terms and conditions thereof shall be as determined by the Commission.



*Ashwani*

**(Ashwani Kumar Sinha)**  
**Secretary, MERC**

**Maharashtra Electricity Regulatory Commission**

**Dated: 27<sup>th</sup> April, 2018**