

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 89 of 2015

Dated: 9 February, 2016

CORAM: Shri Azeez M. Khan, Member
Shri Deepak Lad, Member

In the matter of
Suo-motu Review of compliance of Trading Licence Conditions for various Trading Licensees

1. M/s. Indiabulls Power Generation Ltd., New Delhi
2. M/s. NTS Power, Pune
3. M/s. Knowledge Infrastructure Systems Pvt. Ltd., New Delhi
4. M/s. 21st Century Infrastructure (India) Private Ltd., Nagpur
5. M/s. D. M. Corporation Pvt. Ltd., Kolhapur

Appearance

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| 1. For Indiabulls Power Generation Ltd. | : Shri Ajay Thakur (Rep.) |
| 2. For NTS Power | : Smt Deepali Sheth (Adv.) |
| 3. For Knowledge Infrastructure Systems Pvt. Ltd. | : Shri K. Raman (Rep.) |
| 4. For 21st Century Infrastructure (India) Private Ltd. | : Shri Sharad Agarwal (Rep.) |

Authorized Consumer Representative : Smt Ann Josey (Prayas)

Daily Order

Heard the Advocate and representatives of the Trading Licensees and the Consumer Representative.

Representative of M/s. Indiabulls Power Generation Ltd. submitted that since its Counsel is not available, four weeks time may be granted to file its submissions. On a query raised by the Commission, it was admitted by M/s. Indiabulls that, subsequent to grant of Trading Licence for Intra-State Trading in year 2008, it has not undertaken any transaction under the said Licence. However, in future it is expecting the business to commence.

Advocate appearing on behalf of M/s. NTS Power contended that the Open Access Regulations prevailing in year 2011 had many issues which resulted in uncertainty on the

feasibility of Trading business. With new draft Regulations, it is anticipating its Trading Business to commence. It suggested that time bound performance conditions may be stipulated by the Commission which will be adhered to by it. M/s. NTS Power sought two weeks time to file its reply.

Representative of M/s. Knowledge Infrastructure Systems Pvt. Ltd. stated that it also holds an Inter-State Trading Licence granted by CERC and that a substantial Trading activity has been undertaken by it in other States. It has strengthened its organizational setup for intra-State Trading within the State of Maharashtra and was looking forward to commence its business under Intra-State Trading Licence from FY 2016-17.

Representative of M/s. 21st Century Infrastructure (India) Pvt. Ltd. sought time to commence the Trading Business under the Intra-State Trading Licence, stating that it has tied up with sellers of electricity and is trying to identify prospective buyers. On a query raised by the Commission, it was stated that the quarterly reports were submitted to the Commission till FY 2012-13. However, no such submission was made for further period.

None appeared on behalf of M/s. D. M. Corporation.

Authorized Consumer Representative, Smt. Ann Josey on behalf of Prayas Energy Group welcomed the steps taken by the Commission for monitoring the performance of Trading Licensees and suggested that similar exercise may be undertaken for other issues such as market monitoring, open access monitoring, etc. She requested that copies of the submissions of the Trading Licensees, their Accounting Statements and data submitted by the Trading Licensees as per format in Schedule III and Schedule IV of MERC (Trading Licence Conditions) Regulations, 2004 provided to Prayas.

The Commission observed that Trading Licence explicitly states that the Electricity Trader shall not omit or neglect to undertake the Licensed Business for four consecutive quarters. Admittedly, the said Licence conditions have not been complied with by the Licensees. The Trading Licensees have also not complied with the requirement of submission of quarterly data of Trading transactions on a regular basis. This raises questions on the approach of the Trading Licensees towards duties and obligations imposed on them by the respective Trading Licences. The purpose of granting the Licences has not been served.

The Commission directs the parties to serve copies of their respective submissions to the Authorized Consumer Representatives. Also, the quarterly report submissions specified in the MERC (Trading Licence Conditions) Regulations, 2004 shall be complied with.

The Commission would decide the way forward in the matter thereafter.

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

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