

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri Bhanu Bhushan, Member**
2. **Shri R. Krishnamoorthy, Member**

Petition No. 58/2007

In the matter of

Application for grant of an Inter-State Trading Licence to Maharashtra Industrial Development Corporation (MIDC)

And in the matter of

Maharashtra Industrial Development Corporation ... **Applicant**

The following were present:

1. Ms Sampada Narang, Advocate, MIDC
2. Shri Ajay Agrawal, MIDC
3. Shri Verulkar, MIDC

**ORDER
(DATE OF HEARING: 23.8.2007)**

Heard Ms Sampada Narang, Advocate with Shri Verulkar for the applicant.

2. The applicant Corporation established under Section 3 of the Maharashtra Industrial Development Act, 1961 (hereinafter referred as "the Maharashtra Act") has made this application for grant of licence for inter-state trading in electricity. The functions and powers of the applicant Corporation are defined under Sections 14 and 15 of the Maharashtra Act, as extracted below:

"14. (i) generally to promote and assist in the rapid and orderly establishment, growth and development of industries in the State of Maharashtra, and

(ii) in particular, and without prejudice to the generality of clause (i), to –

- (a) establish and manage industrial estates at places selected by the State Government;

- (b) develop industrial areas selected by the State Government for the purpose and make them available for undertakings to establish themselves;
 - (c) * * * * * (omitted)
 - (d) undertake schemes or works, either jointly with other corporate bodies or institutions, or with Government or local authorities, or on an agency basis, in furtherance of the purposes for which the Corporation is established and all matters connected therewith.
15. Subject to the provisions of this Act, the Corporation shall have power-
- (a) to acquire and hold such property, both movable and immovable as the Corporation may deem necessary for the performance of any of its activities, and to lease, sell, exchange or otherwise transfer any property held by it on such conditions as may be deemed proper by the Corporation;
 - (b) to purchase by agreement or to take on lease or under any form of tenancy any land, to erect such buildings and to execute such other works as may be necessary for the purpose of carrying out its duties and functions;
 - (c) to provide or cause to be provided amenities and common facilities in industrial estates and industrial areas and construct and maintain or cause to be maintained works and buildings therefor;
 - (d) to make available buildings on hire or sale to industrialists or persons intending to start industrial undertakings;
 - (e) to construct buildings for the housing of the employees of such industries;
 - (f) (i) to allot factory sheds or such buildings or parts of buildings, including residential tenements to suitable persons in the industrial estates established or developed by the Corporation;
 - (ii) to modify or rescind such allotments, including the right and power to evict the allottees concerned on breach of any of the terms and conditions of their allotment;
 - (g) to constitute advisory committee to advise the Corporation;
 - (h) to engage suitable consultants or persons having special knowledge or skill to assist the Corporation in the performance of its functions;
 - (i) subject to the previous permission of the State Government to delegate any of its powers generally or specially to any of its committees or officers and to permit them to re-delegate specific powers to their subordinates;

- (j) to enter into and perform all such contracts as it may consider necessary or expedient for carrying out any of its functions and
- (k) to do such other things and perform such acts as it may think necessary or expedient for the proper conduct of its function and the carrying into effect the purpose of this Act.

3. On perusal of the relevant provisions of the Maharashtra Act, it appears to us that trading in electricity is not specifically covered under the functions and powers of the applicant Corporation. When it was put to the learned counsel for the applicant Corporation, she sought to clarify the matter through the written submissions.

4. During the hearing, in answer to a question from the bench, the applicant explained that it intended to purchase power from outside the State of Maharashtra and supply it to the industries located in its industrial estates (some 200 in number), to supplement the supply from MSEDCL and thereby ensure load-shedding - free power supply to the industrial units. It also intended to purchase surplus power from captive generation in SEZ, etc. and sell it elsewhere. It appears to us that its intent would be served better by becoming a distribution licensee/franchisee. On the other hand, as a trader, under the present regulations, it would only be able to serve as an intermediary between a buyer and a seller. This may be kept in view by the applicant while pursuing its case.

5. The applicant Corporation has submitted that its net worth during 2005-06 and as on 13.4.2007 was Rs.6718.65 lakh. The necessary calculations in support of the net worth claimed in the application need to be placed on record.

6. Under Section 27 of the Maharashtra Act, the accounts of the applicant Corporation, after being audited are to be laid before the State Legislature, through

the State Government. The applicant Corporation is to place on record the necessary evidence that its annual accounts relied upon in the application were sent to the State Government which in turn caused these accounts to be laid before the State Legislature.

7. The applicant Corporation by its affidavit verified on 24.5.2007 has stated that the notice of its application was published in the Financial Express, Indian Express and Lok Satta and has filed the photocopies of the cuttings of the newspaper along with the affidavit. The applicant Corporation through the said affidavit had undertaken to submit all editions of the newspapers wherein the notices were published, as it was stated to be in the process of collecting them. The applicant Corporation is required to file the newspapers, in original, wherein the notice was published.

8. The learned counsel has undertaken to furnish the necessary details within 4 weeks. Let these details be filed as prayed for, duly supported by affidavit.

9. List this petition for further directions on 9th October 2007.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 28th August, 2007