

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 287/MP/2018

Coram:
Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member

Date of Order: 11th February, 2021

In the matter of

Petition under Regulation 16 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 as amended, for grant of registration to establish and operate a Power Exchange in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And

In the matter of

Pranurja Solutions Limited (PSL)
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai – 400001

...Petitioner

Versus

1. Indian Energy Exchange Limited (IEX)
Fourth Floor, TDI Centre,
Plot No - 7, Jasola,
New Delhi – 110025

2. Power Exchange India Limited (PXIL)
9th Floor, 901, Sumer Plaza,
Marol Maroshi Road, Marol Andheri (East),
Mumbai 400059, India

...Respondents

ORDER

The Petitioner, Pranurja Solutions Limited, has filed the present Petition seeking grant of registration to the Petitioner's Company to establish and operate as a Power Exchange; and in the interim, during the pendency of the present Petition,

grant provisional registration to the Petitioner's Company to align its structure, management, activities, etc. in accordance with the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 (hereinafter referred to as "the Power Market Regulations").

2. The Petitioner Company was incorporated by a consortium of PTC India Limited, BSE Investments Limited and ICICI Bank Limited with fully paid-up share capital of Rs.1,00,000/- and with the shareholding pattern of 49.00%, 41.10% and 9.90%, respectively.

3. The matter has heard on 8.1.2019. After hearing the learned senior counsel for Petitioner, the Commission admitted the Petition and directed the Petitioner to submit its net worth and shareholding pattern in a sealed cover.

4. On 26.4.2019, the Petitioner Company executed Share Holder Agreement (SHA) and Share Subscription Agreement (SSA) with its consortium members. Through SSA, the members infused equity share capital in the Petitioner Company aggregating Rs. 25.50 crore. Copy of SHA and SSA were submitted to the Commission on 30.4.2019. After examining SHA and SSA, the Commission observed that the shareholding pattern of the consortium members was 49.02%, 41.08% and 9.90% respectively for PTC India Limited, BSE Investments Limited and ICICI Bank.

5. The matter was further heard on 28.5.2019. Vide Record of Proceedings for the said hearing, the Commission observed that the Petitioner was yet to comply with the requirement of shareholding pattern and accordingly directed the Petitioner to comply with the requirement of shareholding pattern specified in Regulation 19 of

the Power Market Regulations within three months and only thereafter, approach the Commission for grant of registration. In compliance with said direction, the Petitioner submitted a list of proposed investor and shareholding pattern, namely, PTC India Limited (25%), BSE Investments Limited (25%), ICICI Bank (9.90%), Greenko Energies (5%), Kirti Telnet (5%), Subrashi Vinimay (5%), Jindal Power (2%), Chamaria (3.1%), Tollman International (5%), Varanium Capital (5%), Lord Dholakia (5%) and Meenakshi Power (5%) along with their binding letters of commitments. The Petitioner also submitted that paid up capital of Pranurja Solutions Limited is expected to increase to Rs. 50 crore. The Petitioner further submitted that since as an 'Applicant', it has fulfilled all the requirements as per Regulations 16(i), 16(ii), 16(iii) and 16(iv) of the Power Market Regulations, the Commission may grant the registration under Regulation 16(v) of the Power Market Regulations.

6. The matter was heard on 11.6.2020 through video conferencing. The Commission after hearing the learned senior counsels and learned counsels for the Petitioner and the Respondents, namely, Indian Energy Exchange (IEX) and Power Exchange of India Limited (PXIL) directed IEX and PXIL to file their additional written submissions. Accordingly, IEX and PXIL filed their respective written submissions on 20.6.2020 and the Petitioner filed response thereof on 1.7.2020.

7. The matter was further heard on 9.7.2020 through video conferencing and after hearing the learned senior counsels and learned counsels for the parties, the matter was reserved for order. The Commission after considering the submissions of the Petitioner and the Respondents and examining the documents available on record, in its order dated 31.7.2020 observed that, *prima facie*, the Petitioner Company meets the requirements of the Power Market Regulations for grant of

registration, subject to fulfillment of the shareholding pattern specified in Regulation 19 of the Power Market Regulations. The Commission also observed that further action under Regulation 16(v) and 16(vi) of the Power Market Regulations would be taken by the Commission only after the Petitioner meets the requirements of Regulation 19 of the Power Market Regulations. Accordingly, the Petitioner was directed to comply with the requirements of Regulation 19 of the Power Market Regulations. Relevant portion of the said order dated 31.7.2020 is extracted as under:

“15. The Commission notes that the Petitioner has complied with the requirements as per Regulation 16 (i), 16(ii) and 16(iii) of the Power Market Regulations 2010. As required under Regulation 16 (iv) of the Power Market Regulations 2010, the Petitioner has filed its reply to the objections or suggestions received in response to its public notice. The Petitioner has also met the net worth requirement of Rs.25 Crore as per Regulation 18(i) of the Power Market Regulations 2010.

16. However, the Commission notes that the Petitioner is yet to comply with the shareholding pattern as required under Regulation 19 of the Power Market Regulations 2010. The Petitioner, in its affidavit, has submitted that it will comply with Regulation 19 of the Power Market Regulations 2010 within a period of 8 weeks, as and when the Commission proposes to grant registration under Regulation 16 of the Power Market Regulations 2010.

17. After considering the objections or suggestions received in response to the public notice issued by the Petitioner and the reply to the objections or suggestions filed by the Petitioner, the Commission is prima facie satisfied that the Petitioner Pranurja Solutions Limited meets the requirements of the Power Market Regulations 2010 for grant of registration, subject to fulfilment of the share holding pattern under Regulation 19 of the Power Market Regulations 2010. The Commission notes that the Petitioner, in its affidavit, has submitted that it will comply with Regulation 19 of the Power Market Regulations 2010 within a period of 8 weeks, as and when the Commission proposes to grant registration under Regulation 16 of the Power Market Regulations 2010. The Commission further notes that under Regulation 16(v) of the Power Market Regulations 2010, the Commission may propose to grant registration and under Regulation 16(vi) of the Power Market Regulations 2010, if the Commission so proposes to grant registration, it shall publish a notice of its proposal to invite further objections or suggestions to its proposal. The Commission is of the view that without the details required under Regulation 19 of the Power Market Regulations 2010, such a proposal of the Commission would be incomplete and inviting further objections or suggestions to such an incomplete proposal would not be fair to the stakeholders. Considering the above facts, the Commission, exercising its inherent power under Regulation 63 of the Power Market Regulations 2010, decides that further action under Regulation 16(v) and Regulation 16(vi) of the Power Market Regulations 2010 can be taken by the Commission only after the Petitioner meets the requirements of Regulation 19 of the Power Market Regulations 2010. Accordingly, the Petitioner is directed to comply with the requirements of Regulation 19 of the Power Market

Regulations 2010 within a period of 8 weeks from the date of issue of this order, as per the undertaking given by the Petitioner vide its affidavit dated 25.11.2019. Only on compliance of the requirements of Regulation 19 of the Power Market Regulations 2010 by the Petitioner, the Commission will take further necessary action for grant of registration or otherwise in accordance with the Power Market Regulations 2010.”

8. In compliance with the above order, the Petitioner vide its affidavit dated 24.9.2020, has submitted that as a first step, it approached the entities, who had already given binding offers and whose names were declared in the affidavit dated 25.11.2019. However, on account of the passage of time and owing to the present pandemic situation, some of the entities informed the Petitioner Company about their inability to invest or their intention to invest a lesser amount. Consequently, the Petitioner approached certain new entities to invest in the Petitioner Company. Accordingly, the Petitioner offered fresh shares to these new investors. Simultaneously, the ‘Original Shareholders’ also agreed to invest in further equity to the extent permissible under Regulation 19 of the Power Market Regulations. The Petitioner Company received the share subscription amount from ‘New Investors’ and ‘Original Shareholders’ along with the requisite information/ documents. Subsequently, the Petitioner Company, in its board meeting held on 21.9.2020, approved the allotment of further equity shares to ‘New Investors’ as well as to the ‘Original Shareholders’. The new shareholding pattern has also been verified by independent practicing company secretary and certificate to this effect has also been placed on record by the Petitioner. The Petitioner has submitted details of present shareholding pattern of the Petitioner Company in compliance of the Power Market Regulations as under:

S No	Entity	Number of Equity Shares	Amount Invested (Rs.)	Shares Held %
Category A : Original Investors				
1.	PTC India Limited	12,50,00,000	12,50,00,000	25.00
2.	BSE Investments Limited (including Nominees)	12,50,00,000	12,50,00,000	25.00

3.	ICICI Bank Limited	4,99,50,000	4,99,50,000	9.99
	Sub- total (Category A)	29,99,50,000	29,99,50,000	59.99
Category B : Investors, who submitted Binding Letters prior to 31.07.2020				
4.	Greenko Energies Private Limited	2,50,00,000	2,50,00,000	5.00
5.	Lebnitze Real Estates Private Ltd (RPG Group)	2,50,00,000	2,50,00,000	5.00
6.	Varanium Dynamic Trust	2,50,00,000	2,50,00,000	5.00
7.	Jindal Power Limited	2,00,00,000	2,00,00,000	4.00
8.	Chamaria Enterprises Private Limited	1,30,50,000	1,30,50,000	2.61
9.	Lord Navnit Dholakia	50,00,000	50,00,000	1.00
	Sub-total (Category B)	11,30,50,000	11,30,50,000	22.61
Category C : New Investors				
10.	Manikaran Power Limited	1,75,00,000	1,75,00,000	3.50
11.	HV impex Private Limited	2,50,00,000	2,50,00,000	5.00
12.	Mercados Energy Markets India Private Ltd	1,75,00,000	1,75,00,000	3.50
13.	Rachana Raj Transport Associates Private Ltd	2,00,00,000	2,00,00,000	4.00
14.	PSL Infratech Private Limited	70,00,000	70,00,000	1.40
	Sub-total (Category C)	8,70,00,000	8,70,00,000	17.40
	Total (Categories A+B+C)	50,00,00,000	50,00,00,000	100

9. The Petitioner has submitted that in compliance of the Commission's order dated 31.7.2020, the current shareholding pattern of the Petitioner Company has confined each investor's holdings to 25% or less in line with the Regulation 19 of the Power Market Regulations. The Petitioner has also undertaken that it will comply with any further orders, including any conditions/ requirements pertaining to the shareholding pattern, which may be passed by the Commission in terms of the Power Market Regulations.

10. We have considered the submissions of the Petitioner and perused documents available on record. Vide order dated 31.7.2020, we have already held that the Petitioner fulfills the net worth requirements of Rs. 25 crore in terms of Regulation 18(i) of the Power Market Regulations. Presently, the total net worth of the Petitioner Company is Rs. 50 crore. In addition, we have also observed therein that the Petitioner has complied with the requirements specified in Regulation 16(i),

16(ii), 16(iii) and 16(iv) of the Power Market Regulations. However, since the Petitioner was yet to comply with the shareholding pattern as required under Regulation 19 of the Power Market Regulations, the Petitioner was directed to fulfill the requirement of shareholding pattern specified therein. We have also observed that only on the compliance of the said requirements, the Commission will take the further necessary action for grant of registration or otherwise in accordance with the Power Market Regulations.

11. In terms of the aforesaid direction, the Petitioner has filed the compliance affidavit dated 24.9.2020, details of which are already extracted in the foregoing paragraphs of this order. We observe that the promoter companies i.e. PTC India Limited, BSE Investments Limited (including Nominees) and ICICI Bank Limited are now having the shareholding of 25%, 25% and 9.99% respectively. In addition, there are 11 other investors/ shareholders (6 from originally proposed shareholders and rest 5 being new) each of whom is having shareholding of 5% or less. In support, the Petitioner has placed on record, the extract of the Board Resolution dated 21.9.2020 along with the brief profile of investors and certificate by an independent practicing company secretary certifying the shareholding pattern as on 21.9.2020.

12. After considering the present shareholding pattern and documentary evidences submitted by the Petitioner, the Commission is *prima facie* satisfied that the Petitioner Company, as an applicant for registration of Power Exchange, is complying with the shareholding pattern under Regulation 19 of the Power Market Regulations.

13. In view of the above and in terms of the order dated 31.7.2020, we are satisfied that the Petitioner as an applicant, fulfills the requirements specified in

Regulations 16 (i), 16(ii), 16(iii), 16(iv), 18(i) and 19 of the Power Market Regulations. Thus, the Commission proposes to grant registration to the Petitioner Company to establish and operate a Power Exchange under clause (v) of Regulation 16 of the Power Market Regulations. The Commission directs that a notice under Clause (vi) of Regulation 16 of the Power Market Regulations be issued inviting further suggestions or objections to the proposal of the Commission.

14. List this Petition for further directions in due course.

Sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(P.K. Pujari)
Chairperson