



याचिका संख्या / Petition No 413/MP/2024

कोरम/ Coram:

श्री जिशनु बरुआ, अध्यक्ष / Shri Jishnu Barua, Chairperson

श्री रमेश बाबू व., सदस्य / Shri Ramesh Babu V., Member

श्री हरीश दुदानी, सदस्य / Shri Harish Dudani, Member

श्री रविंदर सिंह ढिल्लों, सदस्य / Shri Ravinder Singh Dhillon, Member

आदेश दिनांक/ Date of Order : 24th October, 2025

In the matter of

Petition under Regulations 54, 55 and 56 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 for seeking grant of additional time period for compliance of ownership structure of Petitioner in order to achieve the compliances set out under Regulation 15 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021.

And in the matter of

Power Exchange India Limited,
Sumer Plaza, 901,
9th Floor, Marol Maroshi Road,
Andheri (East), Mumbai – 400 059

... Petitioner

ORDER

The Petitioner, Power Exchange India Limited (PXIL), has filed the instant Petition under Regulations 54, 55 and 56 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking approval of the Commission to grant additional time for compliance with the ownership structure of the Petitioner in order to achieve the compliances set out under Regulation 15 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 ('PMR, 2021').

2. The Petitioner has made the following prayers:

“(a) Pass an Order granting time till 31.09.2026 for alignment of ownership structure of the Petitioner as per the prescribed norms under the Regulation 15 of the PMR, 2021; and

(b) Pass any such other order or grant reliefs, which this Hon’ble Commission may deem fit in the facts and circumstances of the present case in favour of the Petitioner.”

Submissions of the Petitioner

3. The Petitioner has mainly submitted as under:

(a) The Commission, vide order dated 27.5.2008 in Petition No. 21/2008, granted permission to Power Exchange India Limited (PXIL) to set up, operate and commence the Power Exchange operations and approved its draft Bye-Laws, Rules, and Business Rules. Accordingly, the Petitioner commenced its operations on 22.10.2008. Presently, the Petitioner is offering contracts in the Integrated Day Ahead Market, Real Time Market, Term Ahead Market, and Green Term Ahead Market, etc.

(b) Vide Notification dated 15.02.2021, the Commission notified the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 in supersession of the erstwhile PMR, 2010 and came into effect from 15.08.2021. PMR, 2021, prescribed new compliances with respect to the ownership structure of the Power Exchange, which are to be adhered to by the Petitioner.

(c) Regulation 15 of the PMR, 2021 stipulates the ownership structure of the Power Exchanges.

(d) The shareholding structure of the Petitioner was different prior to the introduction of PMR, 2021. The Petitioner, upon introduction of PMR, 2021, was constrained to approach the Commission vide Petition No. 285/MP/2021 seeking grant an additional time till 14.8.2025 for complying with the requirements of the shareholding structure of the Petitioner, in terms of Regulation 15 of the PMR, 2021. Vide Order dated 26.4.2022, the Commission

granted the Petitioner additional time till 31.3.2023 to meet the requirement of the shareholding pattern as per the mandate of the PMR, 2021.

(e) The Petitioner was unable to align its shareholding structure as on 31.3.2023 as per the norms prescribed under the PMR, 2021, and instituted a fresh Petition bearing Petition No. 95/MP/2023 before the Commission *inter alia* seeking additional time of two years i.e. till 31.3.2025 for alignment of the ownership structure as per the norms prescribed under Regulation 15 of the PMR, 2021, setting out the reasons for not being able to secure compliance. Vide Order dated 20.11.2023, the Commission granted the Petitioner additional time till 30.09.2024 for compliance with the prescribed shareholding norms under the PMR, 2021.

(f) Pursuant to the order dated 20.11.2023, the Petitioner shared copies of the order with the shareholders, viz. NSE Investment Ltd. (NSE), National Commodity and Derivatives Exchange Limited (NCDEX), and West Bengal State Electricity Distribution Company Limited (WBSEDCL) to enable them to take appropriate actions. NCDEX reduced its shareholding to 24.21% in compliance with the provisions of Regulation 15(1)(a) of the PMR, 2021. However, there has been a delay in compliance on the part of NSE and WBSEDCL.

(g) As on the date of filing of the instant Petition, the following shareholders have shareholdings more than the prescribed norms under the PMR, 2021:

Sl. No.	Name of the Shareholder	Member of Non-member	Percentage held	Prescribed limit
1	NSE Investments Ltd.	Non-member	29.21%	25%
2	West Bengal State Electricity Distribution Company Limited	Member	6.84%	5%

(h) NSE, vide its email dated 11.7.2024, requested the Petitioner to seek additional time to comply with the prescribed shareholding norm in terms of the PMR, 2021. Furthermore, WBSEDCL vide its email dated 15.07.2024 has

informed that it may take some more time to align the shareholding as per the required norms prescribed under the PMR, 2021. The activities related to alignment of shareholding pattern involve, among other things, the market sentiments determining the liquidity and price of shares, and development in the power market.

(i) The Board of the Petitioner, citing NSE and WBSEDCL internal processes, related challenges and concerns, suggested seeking additional time of two years from CERC, i.e. till 30.9.2026, for meeting the prescribed shareholding norms.

4. Citing Regulation 56 of the PMR, 2021, the Petitioner approached the Commission to relax the provision for compliance with the shareholding pattern as specified under Regulation 15 of the PMR, 2021 and extend the same for a temporary period till 30.9.2026.

Hearing dated 21.01.2025

5. During the course of the hearing, the learned counsel for the Petitioner submitted that out of the three shareholders, which were having a shareholding of more than the prescribed norms under the PMR, 2021, two of them have already reduced their shareholdings and have complied with the provision of Regulation 15(5)(a) of PMR, 2021. However, due to a delay in compliance by the NSE, the Petitioner, as communicated by the shareholder, is seeking additional time to align the shareholding with the prescribed norms.

6. The Commission, vide Record of Proceedings for the hearing dated 21.1.2025,

had observed that Regulation 15(2) of the PMR, 2021, provided a period of one year for the existing Power Exchanges for aligning their ownership structure as per the requirement under Regulation 15(1). Thereafter, by order dated 26.4.2022 in Petition No. 285/MP/2021, the Petitioner was granted an extended time up to 31.3.2023 to align its ownership structure as per the prescribed norms. Since the Petitioner was unable to align its ownership structure even by the above-extended timeline, it approached the Commission by way of Petition No. 95/MP/2023, and vide order dated 20.11.2023, the Commission again granted an additional time up to 30.9.2024. In the said order, it was also amply clarified that in case the Petitioner fails to achieve the required shareholding patterns by the timelines stipulated therein, the Commission shall be constrained to initiate measures as may be deemed appropriate in accordance with the provisions of PMR, 2021. However, the Petitioner again approached the Commission seeking an extension for the third time, thus demonstrating a lackadaisical approach on the part of the Petitioner and/or its shareholder(s) to the compliance set out under PMR, 2021, and the extensions previously given by the Commission. However, keeping in consideration the overall facts & circumstances, the Commission deemed it appropriate to give a final extension of three months from the issuance of the ROP for compliance with the ownership structure of the Petitioner as prescribed in Regulation 15 of the PMR, 2021 with imposition of penalty of Rs.1,00,000/-, which shall be deposited by the Petitioner within two weeks. The Commission also expressly clarified that the failure to comply with the prescribed ownership structure within the above-mentioned timeline shall entail stringent actions, including but not limited to the suspension of its operations.

7. Vide Record of Proceedings for the hearing 21.1.2025, the Petitioner was directed to file a compliance affidavit indicating the status of compliance with the ownership structure

Hearing dated 30.04.2025

8. During the course of the hearing, the learned counsel for the Petitioner submitted that vide Record of Proceedings for the hearing dated 21.1.2025, the Petitioner was granted a final extension of three months for the compliance with the ownership structure as prescribed in the Regulation 15 of the PMR, 2021 with a levy of penalty of Rs. 1 lakh to be deposited within two weeks. Pursuant to the said Record of Proceedings, the ownership structure of the Petitioner has now been revised and is duly compliant with Regulation 15 of the PMR, 2021. Learned counsel also submitted that the Petitioner is praying for the recall of the Record of Proceedings for the hearing dated 21.1.2025 and has moved a Review Petition (Diary No. 191/2025), which may also be dealt with while passing the order in this case itself.

Analysis and Decision

9. We have considered the submissions of the Petitioner and perused the documents on record. Through this Petition, the Petitioner has prayed for the grant of time till 31.9.2026 for alignment of the ownership structure of the Petitioner in terms of Regulation 15 of the PMR, 2021. Regulation 15 of the PMR, 2021 stipulates the ownership structure of the Power Exchanges as under:

"15. Ownership structure of Power Exchange

(1) The shareholding pattern for equity holders in Power Exchange shall be as follows:

(a) Any shareholder other than a member or a client, directly or indirectly, either individually or together with persons acting in concert, shall not acquire or hold more than 25% of shareholding in the Power Exchange.

(b) A member or a client, directly or indirectly, either individually or together with persons acting in concert, shall not acquire or hold more than 5% of shareholding in the Power Exchange.

(c) A Power Exchange can have a maximum of 49% of its total shareholding owned by entities, which are members or clients, directly or indirectly, either individually or together with persons acting in concert.

(2) The Power Exchanges which have been granted registration by the Commission prior to the date of coming into force of these regulations, shall within a period not exceeding one year from the date of coming into force of these regulations, ensure compliance with sub-clauses (a) to (c) of clause (1) of this Regulation.

(3) The Power Exchange shall ensure compliance with the shareholding limits as specified in this Regulation at all times."

10. It is noted that the ownership structure of the Power Exchanges is prescribed under PMR 2021, which came into effect from 15.8.2021. As per the PMR, 2021, the PXIL first approached the Commission through the Petition No. 285/MP/2021 seeking an additional time of four years, till 14.8.2025, for complying with the requirements of the shareholding structure of the Petitioner, as prescribed under Regulation 15 of the PMR, 2021. Considering the submission of the PXIL, the Commission, *vide* order dated 26.4.2022, granted extension of time till 31.3.2023 to meet the requirements of the shareholding pattern. Relevant portion of the above order dated 26.4.2022 is extracted as under:

"43. In exercise of its powers under Regulation 56 of the PMR 2021, the Commission relaxes, for the Petitioner, the requirement of shareholding pattern specified under Regulation 15 of the PMR 2021 for a temporary period up to 31.03.2023 and the Petitioner shall meet the said requirement within that period."

However, the Petitioner failed to comply with the provisions of Regulation 15 of the PMR 2021 without any reason.

11. Subsequently, the Petitioner filed a second Petition bearing No. 95/MP/2023 seeking an additional time of two years, till 31.3.2025. The Commission, *vide* order dated 20.11.2023, granted the time till 30.9.2024 to comply with the provisions of the Regulations. However, the Petitioner again failed to comply with the requirements prescribed in the Regulations.

12. Despite failing to comply with the Commission's directions on the previous two occasions, during which the Commission had graciously extended time without imposing any penalty or costs, the Petitioner has now sought a further extension for the third time.

13. The Petitioner, for the third time, has approached the Commission through the present Petition seeking a further extension of time. The Commission, *vide* Record of Proceedings for the hearing dated 21.1.2025, granted a final extension of three months (up to 21.4.2025), subject to payment of a penalty of Rs. One lakh. The extension was thus expressly conditional upon payment of the said penalty, of which the Petitioner was fully aware. The Commission further observed that, in the event of any further delay in ensuring compliance with the ownership structure, the operations of PXIL could be liable for the suspension. Accordingly, PXIL was directed to submit a compliance affidavit indicating the status of compliance within a week thereafter (till 27.4.2025). In compliance with the Commission's direction, the Petitioner paid the penalty of Rs. One lakh on 23.1.2025.

14. Further, the Petitioner, *vide* an affidavit dated 3.4.2025, has submitted that it has now ensured compliance with Regulation 15 of the PMR 2021 and the revised

ownership structure as on 21.3.2025 is as follows and was placed on record *vide* letter No. PXIL/S&LD/24032025/0-1 dated 24.3.2025:

Sl. No.	Name of the Member / Shareholder	No of fully paid-up Equity Shares of Rs 10/- each held	Percentage held
1	NSE Investment Limited	1,46,14,938	25%
2	National Commodity & Derivatives Exchange Limited (NCDEX)	1,28,94,260	22.05%
3	Power Finance Corporation Limited	32,20,000	5.51%
4	GMR Energy Limited	40,00,000	6.84%
5	West Bengal State Electricity Distribution Company Limited	29,23,502	5.00%
6	Gujarat Urja Vikas Nigam Limited	25,00,000	4.28%
7	Tata Power Trading Company Limited	25,00,000	4.28%
8	JSW Energy Limited	12,50,000	2.14%
9	MP Power Management Company Limited	10,00,000	1.71%
10	NTPC Vidyut Vyapar Nigam Limited (NVVN)	29,23,503	5.00%
11	Banyan Tree India Growth Capital Fund Structured Equity Scheme	15,08,864	2.58%
12	Others	9,13,49,83	15.61%
	TOTAL	5,84,70,050	100%

15. In the said affidavit, the Petitioner has submitted that it has complied with the direction of the Commission and has requested that the penalty imposed as per RoP dated 21.1.2025 be waived off.

16. The Commission notes that the Petitioner, Power Exchange India Limited (PXIL), failed to comply with the direction issued by the Commission to submit a compliance affidavit within the stipulated time. The said compliance was ultimately made on 21.3.2025 and was communicated *vide* the Petitioner's letter dated 24.3.2025, and an affidavit dated 3.4.2025 was submitted in the matter, thereby indicating a substantial delay in adhering to the Commission's referenced directives.

It is further noted that the Petitioner failed to comply with the Commission's directions, despite being granted sufficient opportunity in the form of three successive extensions. In view of the repeated non-compliance, the Commission imposed a penalty of Rs. 1,00,000/- on the Petitioner. It is pertinent to mention that after imposing the penalty, the Petitioner has complied with the norms prescribed in the PMR Regulations.

17. Subsequently, the Petitioner filed a Review Petition bearing No. **6/RP/2025** seeking recall of the Record of Proceedings (RoP) dated 21.1.2025. It is pertinent to note that despite the Petitioner's repeated non-compliance on two earlier occasions, when the Commission, with considerable indulgence, granted extensions without imposing any cost or penalty, the Petitioner yet again sought extension by the instant Petition (No. 413/MP/2024) and subsequently, when the Commission granted the three months extension with the above penalty, the Petitioner promptly deposited the amount, achieved compliance with the relevant regulation within the stipulated period, and raised no objection to the penalty imposed. The Petitioner has overlooked that this three-month liberty was granted subject to the payment of the penalty, given the prior defaults on two occasions.

18. Under Section 94(1)(f) of the Electricity Act, 2003, the Commission is vested with the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, in the matter of "reviewing its decision, directions and order".

19. Regulation 52 of the CBR, 2023, unequivocally requires that any person

aggrieved by a direction, decision, or order of the Commission, from which no appeal has been preferred, shall file a review petition within forty days from the date such direction, decision, or order was issued. This period can be extended or curtailed if the party is able to show sufficient reasons.

20. The Commission, vide ROP dated 21.1.2025, imposed a penalty of Rs. 1,00,000. The said ROP was also posted on the website of the Commission on 22.1.2025. It is a settled principle that the limitation would start from the date the order has been available in the public domain. Accordingly, the period of 40 days would start from the date it was posted on the website of the Commission. The Review Petition was filed by the Review Petitioner on 4.4.2025, resulting in a 29-day delay without any explanation or justification. The Review Petitioner has submitted that the alignment of the shareholding structure as directed was duly reported vide letter dated 21.3.2025, well within the three-month extension granted by CERC.

21. As per the Form 9 of the CBR, 2023, a review petition barred by limitation must specify the duration of delay and be accompanied by a formal application for condonation thereof. In the instant matter, the Petitioner has merely requested condonation of the delay in filing the Review Petition without disclosing any grounds or justification for such delay. This omission constitutes a clear non-compliance with the mandatory procedural requirements. More critically, the Review Petition is devoid of any accompanying application for condonation of delay as expressly mandated by the Regulations. Such lapses are unacceptable and warrant *prima facie* rejection of the Review Petition on procedural grounds.

22. The Commission observes that the liberty of extension for three months was consciously granted subject to the payment of a penalty, keeping in view the repeated defaults of the Petitioner in complying with earlier directions. Having accepted the conditional extension and complied with the same, the Petitioner has now sought to challenge the said penalty through the Review Petition, which is not only time-barred but also appears to be an attempt at securing a windfall by re-agitating a settled issue.

23. For the reasons already recorded, we are of the opinion that there is an unreasonable and unexplained delay in making the application for review. As such, the application is dismissed as barred by limitation, and the prayer in the review petition cannot be acceded to.

24. The Review Petitioner has not been diligent enough in filing the Review Petitions within the stipulated time. We are of the considered view that the Review Petitioner has not made out any sufficient cause for condonation of delay. Accordingly, the delay in filing the Review Petition has not been condoned.

25. Petition No. 413/MP/2024, along with the Review Petition No. 6/RP/2025, stands disposed of in terms of the above.

Sd/-
(Ravinder Singh Dhillon)
Member

Sd/-
(Harish Dudani)
Member

Sd/-
(Ramesh Babu V.)
Member

Sd/-
(Jishnu Barua)
Chairperson

