

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.”

11. The Petitioner, through an affidavit dated 24.9.2020, submitted that for complying the Commission's direction, 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. Therefore, the Petitioner offered fresh shares to certain new entities. Simultaneously, the 'Original Shareholders' also agreed to invest in further equity to the extent permissible under Regulation 19 of the PMR 2010. The Petitioner Company received the share subscription amount from 'New Investors' and 'Original Shareholders' along with the requisite information/ documents. In its Board meeting held on 21.9.2020, the Petitioner approved the allotment of further

equity shares to 'New Investors' as well as to the 'Original Shareholders'. The Petitioner has submitted that the present shareholding pattern of PSL has confined each investor's holdings to 25% or less in line with the Regulation 19 of the PMR 2010. The Petitioner submitted that its shareholding pattern in compliance of Regulation 19 of the PMR 2010 is as follows:

Sr. No.	Entity	Number of Equity Shares	Amount Invested (in Rs.)	Percentage Shares
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 Limited (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 Limited	1,75,00,000	1,75,00,000	3.50%
13.	Rachana Raj Transport Associates Private Limited	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%

12. The Commission, after considering the submissions of the Petitioner and after perusal of documents available on record, vide order dated 11.2.2021 observed that the Petitioner Company, as an applicant for registration of Power Exchange, is complying with the shareholding pattern under Regulation 19 of the

PMR 2010. The Commission further observed 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 PMR 2010. Thus, the Commission proposed grant of registration to the Petitioner Company to establish and operate a Power Exchange under Regulation 16(v) of the PMR 2010. The Commission directed that a notice under Regulation 16(vi) of the PMR 2010 be issued inviting further suggestions or objections to the proposal of the Commission. Relevant portion of the order dated 11.2.2021 is extracted as under:

“11. 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.”

13. Public notice under Regulation 16 (vi) was published on 14.2.2021 in Indian Express and Hindustan (Hindi). In response to the public notice, IEX and PXIL have filed their objections. The Petitioner has filed its response to the objections of IEX and PXIL.

14. Major submissions of IEX and responses of the Petitioner thereon are as follows:

(a) IEX has submitted that BSE is required to take approval of SEBI for investment in PSL. In response, the Petitioner has submitted that BSE has got approval from SEBI and that it has placed on record the copies of the relevant documents.

(b) IEX has submitted that there is a conflict of interest with PTC as a trading licensee and the promoter of PSL and that as per the provisions of the PMR 2021, PTC should not be on the Board of PSL. In response, the Petitioner has submitted that as on date, PTC is not a Member of the Exchange and it is governed by the provisions of the PMR 2010.

(c) IEX has submitted that grant of registration to PSL should be under the provisions of the PMR 2021 and not under the provisions of the PMR 2010. In response, the Petitioner has submitted that since the PMR 2021 is yet to be notified, no relief/ direction can be sought under the same.

15. Major submissions of the PXIL and response of the Petitioner thereon are as under:

(a) PXIL has submitted that PSL may be directed to place on record the Service Agreement executed between PSL and PTC and disclose the contents of the same. In response, the Petitioner has submitted that no Service Agreement has been entered into between PSL and PTC.

(b) PXIL has submitted that PSL may be directed to provide necessary information of their shareholders by lifting the corporate veil for the proper determination of the nature of affiliation of the shareholders with PSL or the original shareholders. In response, the Petitioner has submitted that a brief profile of the shareholders had been provided to confirm that there is no cross holding amongst the shareholders.

(c) PXIL has submitted that the power traded by PTC in other Power Exchanges should not be allowed to be diverted to trade in PSL till PTC's shareholding remains more than 5%. In response, the Petitioner has submitted that the choice of Power Exchange is the prerogative of the client(s) and a direction cannot be issued in this regard.

(d) PXIL has submitted that PTC should not be allowed to participate as a trading licensee at the proposed Power Exchange until PTC's shareholding in PSL is curtailed to 5%. In response, the Petitioner has submitted that it confirms and undertakes that as and when PTC chooses to become a trading member of the proposed Power Exchange, it will dilute its shareholding to 5%.

(e) PXIL has submitted that PTC should not be allowed to appoint any Nominee Director on the Board of PSL. If the Nominee Director is allowed, then he/ she should not participate as a member of any of the Committees constituted by the Board of PSL. In response, the Petitioner has submitted that under clause 5.2 of SHA, all shareholders, including PTC, have the right to nominate a Director on the Board of Directors of PSL until their shareholding falls below 5%.

(f) PXIL has submitted that the proposed technology to be adopted by PSL as a Power Exchange should be audited and vetted before commencement of operation of the proposed Power Exchange. In response, the Petitioner has submitted that as per Regulation 31(v) of the PMR 2010, the Commission has power to audit the software used by the Power Exchange. Power Exchanges are also mandated to carry out periodic system audits and to submit the reports to the Commission under Regulation 31(vi) of the PMR 2010.

16. Meanwhile, the Petitioner through an affidavit dated 15.2.2021, submitted that the Petitioner Company has allocated additional equity shares to: i) West Bengal State Electricity Distribution Company Ltd, ii) Uttar Haryana Bijli Vitran