

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 285/MP/2021**

- Subject : Petition under Regulation 12(5) of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking approval for changes in the Rules, Bye Laws, Business Rules, Energy Saving Certificates Business Rules and Renewable Energy Certificate Business Rules of the Power Exchange to bring them in alignment with the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 and also under Regulations 54, 55 and 56 of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 seeking additional time period in order to achieve the compliances set out under various regulations of the Central Electricity Regulatory Commission (Power Market) Regulations, 2021.
- Date of Hearing : 22.2.2022
- Coram : Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Petitioner : Power Exchange India Limited (PXIL)
- Parties Present : Shri Sakya Singha Chaudhuri, Advocate, PXIL  
Ms. Nithya Balaji, Advocate, PXIL  
Shri Prabhajit Sarkar, PXIL  
Shri Shekhar Rao, PXIL  
Shri Anil V Kale, PXIL  
Shri Chandrashekhar Bhar, PXIL  
Shri Ambrish Kumar Khare, PXIL  
Shri Ketan Chawda, PXIL  
Ms. Mukti Marchino, PXIL  
Shri Sunil Hingwani, PXIL

**Record of Proceedings**

The case was called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the present Petition has been filed, *inter alia*, seeking approval for changes in Rules, Bye Laws, Business Rules, Energy Saving Certificate Business Rules and Renewable Energy Certificate Business Rules of the Petitioner Power Exchange so as to align them with the Central Electricity Regulatory Commission (Power Market) Regulations, 2021 ('PMR, 2021'). Learned counsel mainly submitted the following:

- (a) The Petitioner has brought out the details of changes and modification made in its Bye Laws, Rules and Business Rules in a tabular form in the Petition.

(b) The Petitioner has also prayed for grant of additional time till 31.3.2024 for complying with the minimum net worth requirement of Rs. 50 crore (specified in Regulation 14 of the PMR, 2021).

(c) As on 31.12.2021, the net worth of the Petitioner was Rs.49.81 crore excluding the preference dividend arrears of Rs. 7.24 crore. However, if the latter is included, the net worth of the Petitioner works out to Rs. 42.57 crore.

(d) The Petitioner is already in compliance with the net worth criteria of Rs. 25 crore as specified under the erstwhile Central Electricity Regulatory Commission (Power Market) Regulations, 2010 within the time period permitted by the Commission vide its order dated 24.4.2019 in Petition No. 302/MP/2018.

(e) The Petitioner has made significant improvement in its financial performance from financial year 2017-18 onwards and has remained cash positive on a consistent basis over the past four years with its net worth having increased from Rs. (-)9.51 crore as on 31.3.2018 to Rs.42.57 crore as on 31.12.2021.

(f) The Petitioner has sought additional time till 14.8.2025 for meeting the shareholding pattern specified in Regulation 15 of PMR, 2021.

(g) As per Regulation 15(1)(a) of the PMR, 2021, any shareholder other than a member or 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.

(h) The Petitioner is already in active discussions with few of the market participants for equity participation and some of these are expected to achieve fruition in the near terms. In fact, NTPC Vidyut Vyapar Nigam Limited (NVVNL) has already acquired 5% shareholding from NSE (National Stock Exchange) thereby further reducing the shareholding of NSE in the Petitioner Power Exchange.

3. In response to the query of the Commission regarding provisions of the PMR, 2021 under which the Petitioner has prayed for relaxation of timeline/ additional time to comply with the requirements specified therein, learned counsel submitted that as regards the additional time to comply with the net worth requirement, the proviso to Regulation 14 of PMR, 2021 permits the Commission to allow the power exchange to achieve the net worth within such period as may be considered necessary in case the net worth reduces at any time below Rs. 50 crore. As regards seeking additional time for meeting the shareholding pattern, it has been prayed under Regulation 56 (Power to Relax) of the PMR, 2021.

4. In response to the observation of the Commission regarding additional time sought to comply with the ownership structure under Regulation 15 of PMR, 2021 being on higher side, learned counsel for the Petitioner submitted that the Petitioner is making sincere efforts in order to comply with the said requirements and looking into improved financial position/ performance of the Petitioner over the recent years and NVVNL having already acquired 5% shareholding in the Petitioner Power Exchange, the Petitioner is expecting that it will generate interest in the other market participants and that it will be able to comply with the said requirement sooner. Learned counsel, however, added that additional time till 14.8.2025 has been sought as an abundant caution so that the Petitioner may not have to approach the

Commission again in this regard. However, the Commission may consider to grant reasonable time to the Petitioner to comply with the said requirement. Learned counsel sought liberty to take necessary instructions regarding minimum additional time required to comply with the ownership stricture requirements under PMR, 2021.

5. After hearing the learned counsel for the Petitioner, the Commission directed the Petitioner to submit the following details/ information on affidavit on or before 15.3.2022:

(a) Status of the net worth and shareholding pattern supported by Special Audited Balance Sheet as on 24.2.2022;

(b) Reasons for seeking extension of time for meeting the required net worth and shareholding pattern specified in the PMR, 2021; and

(c) Proposed timeline/ framework for meeting the net worth and shareholding pattern, along with justification/ relevant supporting documents justifying efforts made in this regard.

6. Subject to the above, the Commission reserved the order in the matter.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**