

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 28 of 2006

In the matter of
Application of M/s. Global Energy Limited seeking license under the MERC
(Trading License Conditions) Regulations, 2004 for undertaking intra-state trading
of electricity in the State of Maharashtra.

Dr. Pramod Deo, Chairman
Shri. A. Velayutham, Member
Shri. S. B. Kulkarni, Member

ORDER

Dated: September 28, 2007

M/s. Global Energy Limited (“GEL”) submitted an application on September 5, 2006 in accordance with the MERC (Trading Licence Conditions) Regulations, 2004, for grant of licence to undertake intra-State trading of electricity upto 100 MU per annum in the State of Maharashtra.

2. GEL submitted the following documents along with their Application:
- a. Power of Attorney granted by M/s GEL in favour of Shri. Karan Harry Dhaul
 - b. Memorandum and Articles of Association of GEL
 - c. Names, particulars and experience of the promoters of GEL and of persons holding key managerial positions in GEL
 - d. 7th Annual Report of GEL (FY 2000-2001), 8th Annual Report of GEL (FY 2001-2002), 9th Annual Report of GEL (FY 2002-2003), 10th Annual Report of GEL (FY 2003-2004), and 11th Annual Report of GEL (FY 2004-2005)
 - e. Balance Sheets and Profit and Loss Account Statements for FY 2000-01 to FY 2004-05
 - f. Net-worth certificate of GEL [as on March 31, 2001 to March 31, 2005] issued by Shri. V.V. Ketkar, Chartered Accountant, on August 14, 2006
 - g. Copies of Income Tax returns of GEL for Assessment Years 2002-2003, 2004-2005 and 2005-2006
 - h. Letter of ICICI Bank certifying that GEL is involved in the business of generation of electricity and the balance in their Bank Account as on August 12, 2006 is Rs. 8,25,49,885.04/-

- i. Annual Returns of GEL certifying authorised share capital.
- j. Brief highlights of the proposed approach of GEL to undertake intra-State trading of electricity in Maharashtra from its 5 MW Thermal Power Plant at Village Belgundi, District Belgaum, Karnataka
- k. Brief profile of GEL and experience in the business of power trading.

3. Based on preliminary scrutiny of the application in accordance with Regulation 6.1 of the MERC (Trading Licence Conditions) Regulations, 2004, the Commission vide its letter dated October 30, 2006 directed GEL to submit the following information.

- a. Pending cases/litigation filed by or against GEL, their current status, and the disputed amounts
- b. Details pertaining to Belgundi Cement Limited (sister concern of the applicant company and major shareholder in GEL) as regards proceedings under BIFR/AAIFR.

4. On December 1, 2006, GEL furnished a copy of its accounting statement for FY 2005-06 and the shareholding pattern. GEL also submitted a summary of litigation and cases pending before various forums along with their respective status, which are summarised below:

- a. Note on the pending arbitral cases of GEL (arbitration proceedings pending between GEL and the Karnataka Power Transmission Company Limited, Tripura Electricity Department, Goa Electricity Department) and a writ petition filed by GEL before the High Court, Delhi)
- b. Detailed note on the BIFR proceedings of M/s. Belgundi Cement Limited under the Sick Industrial Companies (Special Companies) Act, 1985 (**Case No. 210 of 2002**). The BIFR, vide order dated April 28, 2003 rejected the said application of M/s. Belgundi Cement Limited and declared the said company as a small-scale industry. The appellate proceedings initiated by M/s. Belgundi Cement Limited before the AAIFR (**Appeal No. 290 of 2003**), are pending. However, certified copies of the BIFR order was not submitted.
- c. Note on the proceedings initiated by the Central Bureau of Investigation against Shri. Harry Dhaul and Smt. Laxmi Dhaul (on allegations of defrauding and cheating the Central Bank of India while obtaining loans for M/s Belgundi Cement Limited). The High Court, Karnataka vide order dated May 19, 2005 stayed the said proceedings. An appeal was preferred by the Central Bureau of Investigation in the Supreme Court. The Supreme Court, vide order dated February 1, 2006 has allowed the Central Bureau of Investigation to continue with the investigations.

5. However, based on scrutiny of additional information submitted by GEL, certain deficiencies were found in the filings, which were intimated to GEL by the Commission vide its letter dated January 9, 2007, particularly with respect to the following:

- a. Copies of orders passed by various forums in cases where GEL was a party were sought by the Commission but not provided by GEL though a mention was made in GEL's cover letter;
- b. Names of promoters of GEL and also the status of cases, if any, pending against them.
- c. GEL was also informed that the aforesaid information that had been submitted were not supported with a duly notarized affidavit as required under Regulation 41 of the MERC (Conduct of Business) Regulations, 2004.

GEL was directed to remove the aforesaid deficiencies/defects pertaining to its application seeking trading license, so that the procedure for publication of notice, as referred to in Section 15(2) of the Electricity Act, 2003 ("EA 2003") read with Regulation 7 of the MERC (Trading License Conditions) Regulations, 2004, could be complied with.

6. GEL vide its letter dated January 12, 2007 submitted the following information.
 - a. Affidavit of Shri. Karan Harry Dhau declaring that in the capacity of a director of GEL, he is acquainted with "*the facts of the case*" and is "*authorized to file applications, documents, swear affidavits as may be necessary*"
 - b. Photocopy of certified copies of Orders dated March 27, 2006, July 26, 2005, September 6, 2005, October 19, 2005, December 8, 2005, December 9, 2005 in (Appeal No. 290 of 2003) before the AAIFR.
 - c. Photocopy of certified copy of the notice issued by the High Court, Karnataka in Writ Petition No. 53187 of 2003 [GEL and Shri. Mikhail Dhau vs. State of Karnataka, Karnataka Power Transmission Company Limited, General Manager of Karnataka Power Transmission Company Limited, the Superintending Engineer of Karnataka Power Transmission Company Limited].
 - d. Photocopy of the arbitral order dated January 2, 2006, passed in the matter of arbitration dispute between GEL and Karnataka Power Transmission Company Limited, and others.
 - e. Photocopy of certified copy of the order dated May 19, 2005 (earlier informed as passed on May 24, 2005) passed by the High Court, Karnataka – staying the criminal investigation against Shri. Harry Dhau initiated by the Central Bureau of Investigation.
 - f. Photocopy of certified copy of the order passed by the Supreme Court in Criminal Appeal No. 1493 of 2003, allowing the Central Bureau of Investigation to continue investigation against Smt. Laxmi Dhau.
 - g. Earlier information submitted under GEL's letter dated December 12, 2006.

7. However, the above information submitted by GEL was not supported by a duly notarized affidavit as required under law in terms of Regulation 41 of the MERC (Conduct of Business) Regulations, 2004. Further, the award of Sole Arbitrator dated January 2, 2006 placed at annexure A-2 of the submission was not certified as true copy.

8. Hence, the Commission issued a show cause notice to GEL on January 18, 2007, requiring it to explain as to why the said application seeking license should not be dismissed as the aforesaid information pertaining to pending litigation and cases were not submitted under affidavit as required under law.

9. Subsequently on January 22, 2007, GEL filed the aforesaid information annexing the same with the following:

- a. Notarized Affidavit of Shri. Karan Harry Dhaul dated January 9, 2007.
- b. Photocopy of the arbitral order dated January 2, 2006, passed in the matter of arbitration dispute between GEL and Karnataka Power Transmission Company Limited, and others (certified as true copy by M/s. D.S.K. Legal, Advocates and Solicitors)

10. The Commission vide its letter dated January 31, 2007 informed GEL that the application was ready for being considered for grant of licence in accordance with Regulation 6.2 of the MERC (Trading Licence Conditions) Regulations, 2004 and asked GEL to submit the information for compliance of the procedure of publication of notice in accordance with Section 15(2) of EA, 2003 read with Regulation 7 of the MERC (Trading Licence Conditions) Regulations, 2004.

11. Thereafter, GEL, vide its letter dated February 14, 2007, submitted proof of publication of the notice of its application seeking license, in one English newspaper, viz., Financial Express (Mumbai) and one Marathi language newspaper, viz., Loksatta (in circulation in Maharashtra), both editions dated February 14, 2007.

12. Subsequently, on February 15, 2007 GEL filed an interlocutory application before the Commission for grant of interim permission to undertake intra-State trading of electricity pending the disposal of the application for grant of licence .

13. The hearing in the matter was held on April 4, 2007 at the Commission's office to take up the application seeking licence as well as the IA seeking interim permission. Shri. Sachin Mandlik, Advocate, Shri. Unni Viswanathan, Vice-President (Operations), and Shri. Karan Dhaul, Director, appeared for GEL. Counsel for GEL submitted that with the publication of the notice of GEL's application in one English and one Marathi newspaper, both editions dated February 14, 2007, the public were informed that objections, if any, may be submitted to the Commission directly. He further submitted that no one has filed any objection in regard to the said application.

14. During the hearing, GEL submitted that it would identify various pockets where marginal stranded power (for example: 2MW or 3 MW) would be available and the same would be aggregated and evacuated for trading. Further, GEL would also identify spare capacity available with other electricity traders. Shri. Unni Viswanathan submitted that intra-State trading license has been issued to GEL in the State of Uttar Pradesh by Uttar Pradesh Electricity Regulatory Commission and an interim permission to undertake intra-State trading activities has been issued by the State of Arunachal Pradesh.

15. The Commission after considering the submissions made in the aforesaid hearing held on April 4, 2007 and upon further scrutiny of the application and other documents submitted by GEL, observed the following deficiencies:

- a. Instead of publishing notice of the application for trading license in not less than two daily English and two daily Marathi newspapers, GEL has published notice in one English and one Marathi newspaper thereby not complying with the requirements of Regulation 7.1 of the MERC (Trading License Conditions) Regulations, 2004;
- b. The affidavit dated January 19, 2007 submitted by GEL was required to incorporate the information regarding pending cases, shareholding pattern, financial effect of the pending cases/litigation on the Applicant's current Net Worth and shareholding pattern. However, GEL filed a short affidavit and did not submit the entire information asked vide the Commission's letters dated October 30, 2006 and January 09, 2007.

16. The Commission on April 25, 2007 issued a notice to GEL directing GEL as under:

- a. To remove the above deficiencies/defects and inform the Commission about its compliance.
- b. Submit the Accounting Statement with Auditors Report for FY 2006-07 (to submit provisional Accounts Statement for FY 2006-07, in case the audited report was not ready);
- c. Submit copies of intra-State Trading License issued by UP Electricity Regulatory Commission, and interim permission to undertake trading issued by the State of Arunachal Pradesh.

17. GEL vide its letter dated May 8, 2007 submitted the following:

- a. Proof of publication in two English and two Marathi newspapers i.e. Financial Express and Indian Express (English), and Sakal and Loksatta (Marathi), on May 1, 2007.
- b. Copies of provisional balance sheet for FY 2006-07
- c. Affidavit of Shri. Karan Dhau, Director with details of pending litigations, shareholding pattern, financial effect of the pending cases/litigation on the applicant's current Net Worth etc.
- d. A copy of Order issued by UPERC dated March 6, 2007 in the matter of grant of Intra-State Trading Licence to M/s Global Energy Limited.

18. The Commission further observed the following deficiencies in the submissions made by GEL:

- a. The Affidavit submitted by GEL dated May 8, 2007 was not notarized as per the requirement under Regulation 41 (a) of MERC (Conduct of Business) Regulations, 2004.

- b. The Net-Worth Certificate submitted by GEL was with respect to the net worth as on March 31, 2005. However, GEL was required to submit the Net-Worth as on March 31, 2006 and March 31, 2007 computed in accordance with the definition of Net Worth as defined in MERC (Trading License Conditions) Regulations, 2004.
19. The Commission issued a notice dated June 13, 2007 directing GEL to remove the above deficiencies. Further, the Commission scheduled a public hearing in the presence of consumer representatives on July 17, 2007 at the Commission's office.
20. GEL submitted the following information on affidavit dated June 20, 2007:
- a. Details of pending litigations against GEL
- i) Arbitration Proceedings of Goa Electricity Department v/s GEL
 - ii) Arbitration Proceedings of GEL v/s Tripura Electricity Department
 - iii) Arbitration Proceedings of GEL v/s Karnataka Power Transmission Corporation Limited
 - iv) Appeal by GEL against CERC Order in the Appellate Tribunal
 - v) Criminal proceedings initiated by Central Bureau of Investigation against Shri Harry Dhaul and Smt. Laxmi Dhaul
 - vi) Labour proceedings against Belgundi Cement Private Limited (Major shareholder in GEL)
 - vii) Proceedings initiated by Central Bank of India for recovery of dues from Belgundi Cement Private Limited
 - viii) Suit for defamation filed by Narayana against Belgundi Cement Private Limited
- b. Details of shareholding pattern.
- c. Net Worth of GEL as certified by Shri. V.V. Ketkar, Chartered Accountant. for FY 2005-06 and FY 2006-07 was submitted as Rs. 23.67 Crore and Rs. 27.63 Crore respectively.
21. The hearing in the matter was held on July 17, 2007. Shri.Karan Dhaul, Shri Rajiv Yadav, Shri Suresh V and Shri Rakesh Badolia, appeared for GEL. No consumer representative was present during the hearing. In response to the Commission's query regarding submission of information, Shri Karan Dhaul submitted that the information as sought by the Commission has already been filed.
22. On an examination of GEL's application for grant of intra-State Trading License in the State of Maharashtra and additional information submitted by GEL in accordance with the provisions of MERC (Trading Licence Conditions) Regulations, 2004, observations and findings are made in the following paragraphs:
23. Regulation 5 of MERC (Trading License Conditions) Regulations, 2004 specifies the following eligibility criteria with respect to Technical requirement, capital adequacy requirement and creditworthiness:

“A. Technical Requirement

5.2 *The applicant shall have not less than one full-time professional having experience in each of the following disciplines, namely:-*

- (a) power system operations and commercial aspects of power transfer;*
- (b) finance, commerce and accounts*

Provided that the technical requirement of staff shall be complied with before undertaking the Licensed Business notwithstanding the fact that the Commission has granted the licence.

5.3 *The applicant shall furnish to the Commission the details of the professional and supporting staff engaged by him on full time basis before undertaking the Licensed Business”*

GEL, in its Application, has submitted details of key persons of the organization, i.e., the Managing Director, Directors, General Manager-Technical, Vice President-Operations, Asst. Vice President Commercial, Vice President-Business Development and Information Systems and Senior Management-System Operations.

Based on brief resumes of the key persons provided along with the application, it is observed that the application submitted by GEL meets the technical requirement laid down under Regulation 5.2 of the MERC (Trading License Conditions) Regulations, 2004.

B. Capital Adequacy and Credit Worthiness Requirement

As per Regulation 5.4 of MERC (Trading License) Regulations, 2004, the Net worth of the applicant shall not be less than Rs 1.5 Crore for trading of 100 MU per annum. Further, the Net Worth in MERC (Trading Licence Conditions) Regulations, 2004 is defined as follows:

“Net worth means, in the case of an individual or body of individuals, the sum total of cash, bank balances and market value of investments in listed securities as reduced by the amount of any loans and liabilities owing to any person, and, in case of any other person, the sum total of paid up share capital, share premium and such of the reserves as are eligible for distribution as dividend”

The Commission is of the view that, as GEL is a Limited Company registered under Companies Act, 1956, the criteria of Net Worth as applicable to any other person shall be applicable in this case. Thus, the Net-worth of GEL needs to be considered as the sum of paid up share capital, share premium and such of the reserves as are eligible for distribution as dividend.

GEL along with its application submitted a Net worth Certificate, dated August 14, 2006 from a Chartered Accountant certifying the Net worth of GEL. As per the Certificate submitted, the net worth of Global Energy Limited as on March 31, 2005 is Rs 24.94 Crore. GEL also submitted the Annual Accounting Statements along with Auditors Report from FY 2000-2001 to FY 2004-05.

Subsequently, in compliance with the Commission’s directions, GEL has submitted the Annual Accounting Statement along with Auditor’s Report for FY 2005-06, Provisional Balance Sheet for FY 2006-07 and affidavit placing on record details of pending litigations and financial impact of the pending cases/litigation on the Applicant’s Net worth.

GEL also submitted the Net Worth for FY 2005-06 and FY 2006-07 certified by Shri. V.V. Ketkar, Chartered Accountant. The net worth certified by Chartered Accountant for FY 2005-06 and FY 2006-07 is Rs. 23.67 Crore and Rs. 27.63 Crore respectively.

The Commission also obtained the Net Worth Certificate of Global Energy Limited from M/s S.B.Hajare & Co, an independent chartered Accountant. The Net Worth of M/s Global Energy Limited as per the Net Worth Certificate issued by S.B.Hajare & Co., Chartered Accountants, is as follows:

<i>As on 31/3/05</i>	<i>As on 31/3/06</i>
<i>Rs. 24,94,40331</i>	<i>Rs. 23,67,83966</i>

The Commission also analysed the financial implications of pending litigations against Global Energy Limited on GEL's Net Worth based on information submitted by GEL and the same is summarized below:

Sl.	Pending Litigation	Financial Implication	Remarks
1	Arbitration Proceedings between Goa Electricity Department and GEL	Rs 2.56 Crore	GEL has filed a counter claim of Rs 18.58 Crore. Considered in books as other liabilities.
2	Arbitration Proceedings between Tripura Electricity Department and GEL	Rs 93 Lakh	Considered in books as contingent liabilities.
3	Arbitration Proceedings between Karnataka Power Transmission Corporation Limited and GEL	Nil	
4	Appeal by GEL against the Central Electricity Regulatory Commission in the Appellate Tribunal	Nil	

GEL also submitted the details of diverse proceedings pending against M/s. Belgundi Cement Limited (BCPL), the sister concern of Applicant, Global Energy Limited. GEL further submitted that by virtue of BCPL being placed under section 22(1) of the Sick Industrial Companies Act (SICA), all proceedings against BCPL are stayed.

The Commission observed that the total financial implication of pending litigations against GEL may result in a financial liability of Rs 3.49 Crore. Even after deducting these liabilities which may arise, the Net Worth of GEL as on March 31, 2006 works out to **Rs 20.18 Crore**.

Based on the above analysis, the Commission is of the finding that GEL meets the Net Worth requirement, for trading of 100 MU energy per annum, in accordance with Regulation 5.4 of MERC (Trading License) Regulations, 2004.

24. Section 15(5)(a) of the EA 2003 stipulates as follows:

“Before granting a licence under section 14, the Appropriate Commission shall - (a) publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name of the person to whom it proposes to issue the licence.”

In compliance with Section 15(5)(a) of the EA, 2003, the Commission issued a notice in two daily newspapers on August 14, 2007 viz., Loksatta and Times of India.

25. In response to the aforesaid notice issued on August 14, 2007, the Commission received following two objections:

- Chief Electrical Engineer & Ex-Officio Additional Secretary to Govt. of Goa in its objection contained in his letter dated August 22, 2007 submitted the details of their arbitration proceedings with GEL. He further referred to CERC Order dated August 28, 2006 in Petition No. 31/2004 and mentioned that CERC Order speaks about credentials of GEL in power market and number of litigations pending between GEL and various utilities in the country.
- Haryana Power Generation Corporation Limited (HPGCL) in its objection contained in letter dated August 27, 2007 submitted the details of disputes between HPGCL and GEL. HPGCL further submitted that HPGCL had filed a suit against GEL before the District Court Panchkula and the said petition is pending. HPGCL submitted that the licence for intra-State trading may not be granted to GEL.

26. As elaborated in earlier sections, the Commission obtained the details of pending litigations of GEL with various parties including Govt. of Goa and assessed its impact on the Net Worth.

27. As regards CERC Order dated August 28, 2006 referred by Chief Electrical Engineer & Ex-Officio Additional Secretary to Govt. of Goa, GEL filed an Appeal before Hon'ble Appellate Tribunal for Electricity (ATE). Hon'ble ATE has issued an Order on June 7, 2007 in the said Appeal (Appeal No. 6 of 2007). The Hon'ble ATE vide its Order has remitted the matter to the CERC to consider afresh the question whether the grant of licence to the appellant is likely to adversely affect the interests of the electricity sector or the consumers in view of the involvement of the appellant in the legal proceedings. The Hon'ble ATE in its order further opined that *"it will also be open to the CERC to consider the application of the appellant in the light of the other relevant provisions of the Regulations including clause (f) of Regulation 6A. The appellant shall be heard by the Commission on the aforesaid questions before passing the Order."*

28. The Commission is of the view that GEL, the applicant, has submitted before the Commission all requisite information in accordance with MERC (Trading License Conditions) Regulations, 2004. The applicant has submitted the details of cases/litigation pending against GEL and its promoters as also details of pending cases / litigation and the current status thereof concerning Belgundi Cements Limited ("BCL") (majority shareholder in GEL). As per the list of pending litigations provided by GEL, essentially, the following three categories emerge, viz., - (i) cases initiated/filed by GEL; (ii) cases initiated / filed against GEL / BCL; and (iii) BIFR / AAIFR proceedings concerning BCL. Copies of some orders passed by courts in the aforesaid matters have also been submitted by GEL. As per the statements made by GEL in its supplementary submissions as also in

light of the copies of the orders that have been submitted as aforesaid, two aspects become clear – (a) all the cases disclosed by GEL are pending; and (ii) no final order has been passed. As regards the cases initiated / filed by GEL, cases against Goa Electricity Department, Electricity Department, Tripura, and Karnataka Power Transmission Corporation Limited, these cases are of commercial nature which have been referred for arbitration and are pending final adjudication. These cases do not have a bearing on electricity trading activities as they concern the power plant of GEL. As for the reference made by BCL before BIFR for revival, as per the status disclosed by GEL before the Commission, the order in the matter has yet not been passed. As per the list of pending litigation provided by GEL, certain litigation has been initiated against GEL/BCL which are pending with regard to re-instatement of labourers, sales tax, recovery of dues, civil defamation and criminal investigation. Except for the criminal investigation as aforesaid, these cases do not appear to be material to have an impact on GEL towards the performance of its duties and obligations under the EA 2003. The said criminal investigation has been initiated by the Central Bureau of Investigation (“CBI”) relating to a loan taken by GEL / promoters concerning the power plant of GEL. As per the documents submitted before the Commission by GEL, including Supreme Court’s Order dated 1st February 2006 in Criminal Appeal No. 1493 of 2003, the matter is pending for further investigation. As a charge is an allegation as opposed to an inculcation and further a charge is not a finding of any nature as to the commission of any offence, the applicant herein cannot be disqualified on the basis of allegations made by the CBI, at its face value. The exercise of power by the Commission to disqualify an applicant on the basis of pending cases / litigation, would be the exception and not the rule to secure the ends of justice. The powers to disqualify an applicant on the basis of pending cases / litigation is to be exercised *ex debito justitiae* to do real and substantial justice. Moreover, from the papers submitted by GEL and the facts disclosed before the Commission, no order as passed by any court of law has been found convicting GEL or its promoters / directors or sister concerns. None of the cases seem to suggest the commission of any grave offence by GEL or its promoters / directors or sister concerns of such a nature that it outrages the moral sense of the community or conviction due to an offence involving moral turpitude.

29. The Commission has carried out a detailed analysis of the eligibility of the applicant as against the technical requirement, capital adequacy and creditworthiness pursuant to the provisions under section 52 of the EA-2003 and MERC (Trading License Conditions) Regulations, 2004. Having considered the material placed on record, the Commission is of the view that the applicant satisfies the technical, commercial and financial requirements to qualify for the grant of licence to undertake intra- State trading in accordance with MERC (Trading License Conditions) Regulations, 2004.

30. In view of the above, the Commission hereby grants licence to M/s Global Energy Limited for undertaking intra-state trading of electricity up to 100 Million kWh per annum in the State of Maharashtra. The licence is being granted subject to the condition that if the charges, part of the criminal investigation as aforesaid, as framed by CBI against two of the directors of the applicant company viz., Shri. Harry Dhau and Smt. Laxmi Dhau, are proved in any court of law or “conditions or circumstances” exists including cases of conviction of GEL or any of its partners, directors or promoters by a Court of Law or indictment / adverse order by a regulatory authority or which relates to a grave offence of such a nature that it outrages the moral sense of the community; insolvency and

bankruptcy of GEL or any of its partners, directors or promoters; pending legal proceedings; conviction of an offence involving moral turpitude, or any economic offence; fraudulent and unfair trade practices or market manipulation; financial integrity; competence; reputation and character, and any other sufficient reasons that cast a doubt on the ability of GEL to perform its duties and obligations under the EA 2003, then the licence shall be liable for revocation under Regulation 4-A of the Maharashtra Electricity Regulatory Commission (Trading Licence Conditions) Regulations, 2006. However, once any such order, as aforesaid, is issued by any court of law against the directors of the applicant as aforesaid, the trading activity under the licence hereby granted shall be stopped immediately whereupon the applicant would be liable to settle the existing liabilities arising out of already carried out trading activity, if any. The onus of intimating the Commission about any such order shall lie with the applicant and the applicant shall submit a copy of the court order, in above matter, on affidavit before the Commission immediately after the issuance of such an order. Further, as the applicant has submitted a plan for undertaking trading up to 100 MU per year in the next five years therefore, the license is being granted for a period of five years to trade 100 MU electricity on an annual basis, until or unless revoked earlier.

31. Accordingly, the Commission directs that the applicant be issued the license for Intra-State trading within the State of Maharashtra and a copy of the same be forwarded to Government of Maharashtra, all electricity transmission and distribution utilities in the State of Maharashtra and a copy be posted on the website of the Commission. The grant of license shall be subject to the applicant complying with the provisions of the EA 2003, the rules framed by the Appropriate Government and regulations as specified by the Commission from time to time in all respects. GEL shall abide by such trading margin, as the Commission may decide to fix under Section 86(1)(j) of the EA 2003 for Intra-State trading transactions in the State of Maharashtra. GEL shall not engage in any trading transaction which would be detrimental to the interests of the electricity consumers in the State of Maharashtra.

Sd/-
(S.B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr Pramod Deo)
Chairman

(P.B. Patil)
Secretary, MERC