

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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Case No. 65 of 2011

In the matter of

Application of Reliance Infrastructure Limited for grant of Distribution Licence in and around suburbs of Mumbai inclusive of area covered under Chene and Varsova which are contiguous with Applicant's existing area of licence

Shri V.P. Raja, Chairman
Shri Vijay L. Sonavane, Member

Reliance Infrastructure Limited

Registered office:

H-Block, First Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai – 400710

....Applicant

ORDER

Dated: August 11, 2011

Background

A Licence called 'The Bombay Suburban Electric Licence, 1926' came to be granted on May 29, 1926 under the Indian Electricity Act, 1910 to certain individuals carrying on business in partnership under the name and style of Messrs. Killick, Nixon & Company and Calendar's Cable & Construction Company Limited. The said Licence was thereafter assigned to Bombay Suburban Electricity Supply Company Limited on May 13, 1930 with subsequent amendments from time to time. The name of Bombay Suburban Electricity Supply Company Limited was changed to BSES Limited and subsequently to Reliance Energy Limited under the provisions of Section 21 of the Companies Act, 1956. Thereafter, the name 'Reliance Energy Limited' (REL) was changed to Reliance Infrastructure Limited (RInfra) on April 28, 2008 under the provisions of Section 21 of the Companies Act, 1956. In terms of the first proviso to Section 14 read with the first proviso to Section 16 of the Electricity Act, 2003 (hereinafter referred to as the "2003 Act"), the Commission was required to specify general or specific conditions of licence

applicable to licensees referred to inter alia in the first proviso to Section 14 of the 2003 Act. Accordingly, as BSES Ltd was engaged inter alia in the business of supply of electricity on the 'appointed date' mentioned in the first proviso to Section 14 of the 2003 Act, and since the name BSES Ltd subsequently came to be changed to REL under the provisions of Section 21 of the Companies Act, 1956, , the Commission notified the 'Maharashtra Electricity Regulatory Commission (Specific conditions of Distribution Licence applicable to Reliance Energy Limited) Regulations, 2008 on August 20, 2008 (hereinafter referred to as the "2008 Regulations"). The 2008 Regulations specify amongst other conditions, the following:-

"5. Term of Licence

Subject to the provisions of the Act, the Licence shall remain in force till 15th August 2011, i.e., the remaining period for which REL shall be deemed to be a Distribution Licensee under the Act."

2. RInfra filed a Petition on November 1, 2010 (amended subsequently and finally submitted on March 4, 2011), registered as Case 78 of 2010, with the following prayers:

"a) The Distribution Licence of RInfra be extended for a period of 25 years with effect from June 10, 2003 or in the alternative with effect from August 16, 2011 under the provisions of Section 15 (8) read with Section 18 of Electricity Act 2003 and Regulation 5 of Specific Conditions Regulations and be amended accordingly.

b) In the alternative to (a) above, the Hon'ble Commission may be pleased to renew and/or grant Distribution Licence to RInfra for a period of 25 years with effect from August 16, 2011 under the provisions of Section 14 read with Section 16 of the Electricity Act 2003.

c) For such further and other reliefs as the nature and circumstances of the case may require."

3. In the meanwhile, the Commission published an 'Invitation for Expression of Interest for Distribution of Electricity in the Suburbs of Mumbai', on October 6, 2010. In response, by November 4, 2010, the Commission received Expressions of Interest (EoI) from the following eight applicants ,namely, Maharashtra State Electricity Distribution Company Limited; Torrent Power Limited; DPSC Limited; Lanco Infratech Limited; GMR Energy Limited; Indiabulls Power Limited; Tata Power Company Limited; and Enzen Global Solution Pvt. Limited. Subsequently the Commission advised all these applicants through separate letters to submit applications for grant of Distribution Licence before the Commission in accordance with the applicable Regulations of the Commission and the provisions contained in the Electricity Act 2003 (hereinafter referred to as the "2003 Act").

Four out of the above eight applicants, namely, Lanco Infratech Limited, Indiabulls Power Limited, Torrent Power Limited and Maharashtra State Electricity Distribution Company Limited applied for the Distribution Licence.

4. However, RInfra did not respond to the aforesaid 'Invitation for Expression of Interest for Distribution of Electricity in the Suburbs of Mumbai'. As regards RInfra's aforesaid petition in Case 78 of 2010, the Commission passed an Order dated April 1, 2011, wherein, while the prayers were not granted, it was held that for grant of licence, RInfra needed to comply with Section 15 of the 2003 Act, read with the requirements under the Maharashtra Electricity Regulatory Commission (General Conditions of Distribution Licence) Regulations, 2006 for applying for grant of licence to distribute electricity.
5. Consequently, on April 25, 2011, RInfra submitted an application for grant of licence to distribute electricity in the area of supply as mentioned in the 2008 Regulations (i.e. the Mumbai suburban area excluding Bhandup and Mulund), plus the areas of Chene and Varsova.
6. It has been submitted that BSES Ltd's area of supply included the area of the Municipal Council of Mira Bhayandar till 1985. Thereafter, the Government of Maharashtra by a notification dated January 10, 1990 revised the Mira Bhayandar Municipal Council area to include the areas to the East covered by the revenue villages of Chene and Varsova. RInfra has proposed to include the revenue villages of Chene and Varsova within the application for grant of licence, which are said to be contiguous to its existing area of supply. It has been submitted that this would also fulfil the criteria of minimum area of supply as specified in the National Electricity Policy and the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules 2005.
7. The application has been submitted under the provisions of Section 14 read with Section 15 of the 2003 Act and in accordance with the provisions of the MERC (General Conditions of Distribution Licence) Regulations, 2006. RInfra, however, submitted the said application on April 25, 2011 without prejudice to its right to challenge the Commission's Order dated April 1, 2011 in Case 78 of 2010. This said application was registered as Case 65 of 2011.
8. The prayers set out in the application are as follows:-
 - a) *admit the accompanying application submitted herewith by RInfra for grant of Licence;*
 - b) *be pleased to grant Distribution Licence to RInfra for a period of 25 years with effect from 16th August 2011 in accordance with the provisions of Section 14 read with Section 15 of the EA'03 read with MERC (General Conditions of Distribution Licence Regulations,2006);*

- c) be pleased to allow addition, alteration, changes, modifications to the Application if deemed necessary at a future date;*
 - d) allow or grant any other relief, order or direction which the Hon'ble Commission may deem fit;*
 - e) condone any inadvertent omissions / error / shortcomings in the Application.*
9. The application submitted by RInfra was analysed for data gaps. The data gaps were then communicated to RInfra through letter no. MERC/Case No. 65 of 2011/00215 dated April 29, 2011. RInfra submitted its response vide its letters dated May 2, 2011 and May 4, 2011. The Technical Validation Session (TVS) for RInfra's application was held on May 5, 2011 at the Commission's office. The details of RInfra's application, the identified data gaps, RInfra's response and the TVS presentation by RInfra were hosted on the website of RInfra on May 10, 2011.

Admission of RInfra's application and Public Notice

10. After having examined the data gaps, and holding of Technical Validation Session (TVS), the Commission admitted RInfra's application for Grant of Distribution Licence on May 5, 2011 and directed RInfra to issue a Public Notice on or before May 10, 2011 in compliance with Section 15(2) of the 2003 Act read with Regulation 5.3 of MERC (General Conditions of Distribution Licence) Regulations, 2006.
11. RInfra informed the Commission that it published a notice on May 10, 2011, of its application for grant of Distribution Licence in two (2) daily English newspapers (Times of India & Hindustan Times) and in two (2) daily Marathi newspapers (Saamana & Loksatta) having circulation in the proposed area of supply. A copy of the same was made available on the Commission's as well as RInfra's websites. According to the notice, RInfra invited suggestions and/ or objections on its application within thirty (30) days from the date of publication. The objections received in response to this notice have been analysed in the subsequent portions of this order.
12. In accordance with Section 15 (2) (ii) of the 2003 Act, and in order to ascertain whether the Central Government could have any objection to the grant of licence, in the event the proposed area included the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, the Commission issued letters to the concerned ministries of the Central Government (Ministry of Defence, Ministry of Civil Aviation, and Ministry of Shipping) inviting objection(s), if any, with reference to the application of RInfra for grant of Distribution Licence. However, the Commission did not receive any objection in this respect within 30 days from the date of the issuance of the said letters.

Objections raised against application of RInfra

13. In response to the public notice published by RInfra of its application for grant of Distribution Licence, the Commission received many suggestions in support of grant of distribution licence to RInfra. However, the Commission also received several objections from various stakeholders and members of the public against the application submitted by RInfra. These objections have been classified broadly under the following heads depending on the reason for which such objections have been raised.

Objection 1: Sudden Tariff Hike/ Excessive Bill

Some of the respondents have objection to the sudden tariff hike in electricity bills of their premises after September 2010, some have even alleged that the tariff hike have been 100%. One objector, while objecting to the tariff hike, suggested that Tata Power Company should take over RInfra's area of supply and sell power to this area instead of selling power in the open market. One objector alleged that RInfra raises bill without reading the meters. In addition, the same person objected to the levy of Rs. 500/- against dishonoured cheques.

RInfra's response

Sudden tariff hike of RInfra is attributed to different tariff rates existing pre and post September 2010 due to vacation of stay on tariff increase by the Commission. RInfra follows the tariff orders wherein tariff is determined by the Commission from time to time. RInfra is in the process of sourcing power at cheaper rates for Long Term through competitive bidding, which will enable RInfra to lower the tariffs in the years to come. RInfra levies charges for dishonoured cheques as per the Schedule of Charges approved by the Commission vide Order dated November 2, 2006.

Commission's view

RInfra has submitted to the Commission that it has taken adequate steps for economical procurement of power through long-term tariff based competitive bidding. These issues have also been dealt with in the subsequent parts of this Order under the head "Power Procurement Plan".

Objection 2: Dissatisfaction with Reliance's Service

One of the respondents expressed his dissatisfaction about RInfra's service without mentioning any specific details. A few alleged that in RInfra's area of supply, there are, (i) Supply interruptions at night and without any intimation; (ii) R-Infra meters are bogus, they run fast and they charge more than actual usage; and (iii) Customer Service is of very low level.

RInfra's response

All issues raised are under purview of this Commission. As per "Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005" RInfra provides toll free helpline number, contact, address, phone numbers and email Ids of the customer care office and grievance redressal forum on the electricity bill for reference of the consumers. Also, (i) RInfra does not resort to load shedding in its area of supply. The load shedding mentioned may be in some isolated cases of no supply in the area in question due to maintenance activities. RInfra always tries to inform the residents well in advance regarding any maintenance activities; (ii) RInfra's meters are tested before installation and have been found to be in the accuracy range as prescribed in the CEA Regulations. Complaint can be registered regarding meter at complaint centre and the consumer can get the meters tested; and (iii) RInfra has been rewarded and recognised by different forums for consistently maintaining a world class consumer service quality.

Commission's view

As part of the responses received from various stakeholders in relation to RInfra's notice on application of Distribution Licence, the Commission has received various appreciations from the public that RInfra's services are satisfactory. Nonetheless, the grievance redressal mechanism under the "Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005" read with the "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006", can be availed of by the aggrieved consumers in relation to service related complaints. As such, in view of the converse response from many consumers, the Commission is not inclined to accept the ground raised for disqualifying the applicant from the grant of licence.

Objection 3: Future of employees of RInfra

One employee of RInfra, who was earlier working with erstwhile BSES, raised questions about the future of the employees of Reliance Energy in case Reliance Infra does not get the licence. In addition, a few other persons have raised the same concern.

RInfra's response

No response has been received from RInfra.

Commission's view

The objector has not explained as to how the objection raised could be a ground either for disqualifying an applicant from the grant of distribution licence or from supporting the application for the grant of distribution licence.

Objection 4: Publication of notice in local newspaper

One of the respondent alleged that RInfra has not published its notice in any local language newspaper.

RInfra's response

As per clause 5.3.1 of MERC (General conditions of Distribution Licence) Regulations, 2006 the public notice was published in English (Times of India & Hindustan Times) and local language Marathi (Saamana & Loksatta).

Commission's view

RInfra has published the notice in accordance with the Regulations of the Commission and it had informed the Commission accordingly with documentary evidence. As such, the objection raised has no substance.

Objection 5: Chene and Varsova still rural areas

The villages Chene and Varsova falling under Mira Bhayandar Municipal Corporation are Revenue Villages and have ceased to be villages after January 10, 1990 as per Gazette Notification published by the Maharashtra Government, Notification No. VPM.1189/CR-2939/22 as per Bombay Village Panchayat Act, 1958. The said Revenue villages are now part of Mira Bhayandar Municipal Corporation and they continue to be Revenue Villages under the Jurisdiction of the Collectorate of Thane District and not of Mumbai Suburban District. Therefore, these villages are still under Rural Area and have not been declared as urban area as contemplated by RInfra in its submission dated May 4, 2011.

RInfra's response

Vide Govt. of Maharashtra Gazette Notification No. VPM.1189/CR-2939/22 dated January 10, 1990, the revenue villages of Chene and Varsova along with few others (mentioned in the notification) became part of Mira Bhayandar Municipal Corporation (MBMC). They ceased to be villages with effect from the date of Notification and are no longer rural areas.

Commission's view

There is no impediment to the grant of licence even if the said areas are rural areas or urban areas as the Commission is empowered under Section 14 of the 2003 Act to grant licence to distribute electricity to a person as a distribution licensee **"in any area"** as may be specified in the licence.

Objection 6: Chene and Varsova part of Licence area already

The map shows that this area was part of the area of supply for Distribution of Electricity under the Bombay Suburban Electric Licence, 1926 as well as under the Licence granted to Tata Power Company Limited for distribution of electricity up to August 15, 2011 and August 15, 2014 respectively. It was never the area of supply falling under the Licence of MSEDCL or any other Licensee.

RInfra's response

RInfra's existing area of supply covered the Mira Bhayandar Municipality area and since the said villages were added later; RInfra has proposed to include those areas in its proposed application for grant of Licence. RInfra also attached a map with its reply showing the described areas.

Commission's view

The revenue villages of Chene and Varsova were not part of the area of supply in the 'The Bombay Suburban Electric Licence, 1926'. Later on, these revenue villages of Chene and Varsova were added in the Mira Bhayandar Municipality area. Now, in the present distribution licence application, RInfra seeks to add these revenue villages of Chene and Varsova to the area of supply mentioned in the 'The Bombay Suburban Electric Licence, 1926', and saved in the 2008 Regulations. The Commission noted RInfra's submission that it has included these revenue villages of Chene and Varsova to its existing area of supply, in order to make the proposed area of supply conform to the minimum area of supply prescribed in the Explanation to Rule 3(2) of the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005. As such, the Commission is of the view that the objection raised has no substance.

Objection 7: RInfra has not replied to data gaps in the application

RInfra, in reply to data gaps, has not provided the actual data needed pertaining to top 5 projects in the preceding five years.

RInfra's response

RInfra has submitted the details vide its letter dated May 4, 2011, in response to pre-TVS data gaps.

Commission's view

The Commission notes that RInfra has provided the requisite details in its response to the data gaps.

Objection 8: Not disclosing amounts in Audit report

RInfra has not disclosed the amount of Rs. 100 crore and Rs. 140.88 crore being shown in the Audit Report of the years 2007-08, 2008-09, and 2009-10 as Reserve Surplus Funds Reserve for Power Project and Development Reserve Account No. 3 on Page No. 717 of Annexure No. 7, page no. 873 of Annexure No. 8, and Page 1050 of Annexure No. 9. It is not clear if these amounts are collected from consumers or from the market. It is also not disclosed whether it falls under the domain of RInfra or not.

RInfra's response

Rs. 100 crore and Rs. 140.88 crore worth of development reserves were created out of clear profit of RInfra-D (erstwhile BSES) in respect of the relevant financial years as per the Sixth Schedule of the Electricity (Supply) Act, 1948 with approval from the State Government. Rs. 100 crore is assigned and utilized for generation projects and Rs.140.88 crore is specifically utilised for distribution system up gradation and was deducted from the capital base for arriving at the reasonable return. As per MERC (Terms and Conditions of Tariff) Regulations, 2005, the said amounts do not form a part of the tariff.

Commission's view

The objector has not explained as to how an allegation that the applicant has not disclosed certain amounts in the Audit Report of the years 2007-08, 2008-09 as collected from consumers or from the market, could be a ground to disqualify the applicant from the grant of licence. If the objector is aggrieved with the contents of the Audit Report, then he / she should initiate appropriate proceedings as may be advised in law. As such, this objection is beyond the ambit of consideration for the grant of Distribution Licence.

Objection 9: Security deposit not shown

The security deposit collected from the consumers has not been shown after the consumers have changed over from RInfracore to TPC after the interim Order dated October 15, 2009.

RInfracore's response

After migration of consumers from RInfracore to TPC, when claimed by them, the security deposit of such consumers is refunded after adjustment of the last unpaid bill. In respect to the list attached, the relevant consumers may be advised to approach the relevant internal grievance cell (IGR) cell to resolve the grievance(s).

Commission's view

The objector has not explained as to how an allegation that security deposits collected from the consumers has not been shown by RInfracore after the consumers have changed over from RInfracore to TPC, could be a ground to disqualify the applicant from the grant of licence. If the objector is aggrieved, then he / she should initiate appropriate proceedings as may be advised in law.

In any case, this issue pertains to the Commission's Interim Order dated October 15, 2009 whereby consumers of RInfracore were allowed to exercise choice of availing supply from TPC while being connected to the distribution system of RInfracore. As such if a consumer has any issue with regard to aspects incidental to the Commission's Interim Order dated October 15, 2009, and how the same is to be dealt with once the said consumer has exercised the choice of availing supply from TPC is not a matter which could be called into question for disqualifying RInfracore from grant of licence. As such, this objection is beyond the ambit of consideration for grant of Distribution Licence.

Objection 10: Complications regarding lease agreements

The lease/rent agreement of the distribution substations, consumer substations were entered into with the consumers as per the Regulation 5.5 after the date of publication of MERC Supply Code Regulations, 2005. However, for the consumers who have migrated to TPC after October 15, 2009 or going to migrate to new distribution licensee, there may be complications regarding the lease/rent agreement(s). There may be problems after August 15, 2011.

RInfracore's response

RInfracore has refrained from replying as the query has been raised under the assumption that RInfracore-D may not be granted a licence for the period after August 15, 2011 when the issue is pending before the Commission. Most of the consumers who have migrated to

TPC after October 15, 2009 are being supplied through RInfra-D network and there will not be any problem regarding lease/rent agreement for the distribution substations/ consumer substations.

In case of new distribution licensees, they will have to construct their own distribution substations/ consumer substations and therefore the new distribution licensees will have their own lease/rent agreements. Hence, there is no way the consumer may suffer any problem due to this issue. In any case consumers may approach the relevant IGR cells for redressal of grievances if any.

Commission's view

This issue pertains to the Commission's Interim Order dated October 15, 2009 whereby consumers of RInfra were allowed to exercise choice of availing supply from TPC while being connected to the distribution system of RInfra. As such if a consumer has any issue with regard to the space that he/she has made available to RInfra and how the same is to be dealt with once the said consumer has exercised the choice of availing supply from TPC is not a matter which could be called into question for disqualifying RInfra from grant of licence. If RInfra fails to obtain the licence, then obviously, such consumers will have to deal with the new licensee in accordance with the requirements laid down in Regulation 5.5 of the Supply Code Regulations. The objector has not explained as to how the provision of making available by way of lease, a piece of land or a room to the Distribution Licensee for installation of a distribution transformer to enable the provision of supply, could be a ground for disqualifying an applicant from the grant of distribution licence.

Objection 11: Consumer disputes not settled

RInfra has not settled the disputes of many consumers, who were promised refund of the amount spent by them to construct the room/structures for establishing the consumer substation or distribution substation on the land not belonging to RInfra or hired by RInfra. They have been marked as their own assets or termed as perpetual agreements.

RInfra's response

As per the Commission's Order dated February 20, 2004 in matter of grant of rebates by M/s BSES Ltd, RInfra was restrained from continuing this practice. The same was directed by the Commission even in BSES (presently RInfra) tariff Order dated July 1, 2004.

Commission's view

If RInfra has not settled the disputes of consumers, then the aggrieved consumers should initiate appropriate proceedings as may be advised in law. If any such issue is surviving, the matter may be brought before the appropriate forum by application / petition. However, the objector has not explained as to how such an allegation could be a ground for rejecting the grant of distribution licence.

In any case, this matter is beyond the ambit of consideration for grant of Distribution Licence and is not a matter which could be called into question for disqualifying RInfra from grant of licence.

Salient features of RInfra's application

14. The salient features of RInfra's application are highlighted below (identified against each section of the data format of the application specified in the MERC General Conditions of Distribution Licence Regulations, 2006):

Part/Section	Description	Details provided
Part A: General Information	General Information	RInfra has provided all the basic details as specified in this section of the application. Primary contact details, registered office details, registration number, date of incorporation and registration are provided.
Part A: 7 (c)	Name and addresses of the Board of Directors	RInfra has provided details of the Board of Directors and promoters in Annexure – 1 of their application
Part A: 7 (c)	Ownership/Shareholding pattern	RInfra has provided the shareholding pattern in Annexure-2 of their application. According to the Annexure, the promoter group holds 47.73% of the total shares; institutional investors hold 37.65% of the share and 14.25% is held by non-institutional investors. None of the promoters' shares has been pledged as on March 31, 2011. The largest shareholder is AAA Project Ventures Private Ltd, which hold 46.99% of the shares.
Part B: 1	Memorandum and Articles of Association (in case of a company) as in force on the date of application	RInfra has provided a copy of the Memorandum of Association & Articles of Association in Annexure – 3 of their application form.
Part B: 2a	An organization chart detailing the management structure of the Applicant, which shall include	The Organization chart is attached in Annexure-4 of the RInfra's application form. The distribution business is headed by Shri. Lalit Jalan, who is the CEO.

Part/Section	Description	Details provided
	information (in respect of operations, projects, commercial, finance, regulatory IT and HR functions) a) Senior Executive Management (along with curriculum vitae);	RInfra has submitted all the necessary information with respect to the management details in Annexure-5 of its application. The same is elaborated in the section on Management expertise. It has also submitted that some of the corporate functions like legal; finance and HR are corporate shared services.
Part B: 2b	b) Board of Directors (along with curriculum vitae);	RInfra has submitted that it has 7 Directors on the Board. The details of their Board of Directors are provided in the Annual report of RInfra, which was attached along with the application form in Annexure-9.
Part B: 2c	Number of middle/lower management personnel	No. of middle management personnel – 272 No. of lower management personnel – 1203
Part B: 2d	Relationship (including intending relationship, where applicable between the Applicant and key to the application for grant of Licence.	RInfra stated that this is not applicable. It mentioned that presently it is managing the Electricity Distribution business in Mumbai licensed area
Part B: 3, 4	Details of Income tax PAN/TAN; Details of import licence, if any	The details of the Income tax PAN and TAN are given. It has mentioned that it does not have an import licence.
Part B: 5	Bank references asserting that the Applicant is financially solvent	Canara bank has provided the solvency certificate and has mentioned in their certificate that Reliance Infrastructure Limited is respectable and can be treated as good up to a sum of Rs. 14,607.82 crore.
Part B: 6	Annual Audited Reports for the past 3 years for the Applicant and for any Holding Company, Subsidiary or affiliated company (if any).	RInfra has provided its Annual Reports for the financial years FY08 - FY10. The same are attached in Annexure-7 to Annexure-9
Part B: 7	Any other documentary evidence to substantiate the financial capabilities, technical competence and others.	RInfra has stated about its capabilities in Page 15-21 of its FY-10 Annual Report. It has attached a document in Annexure-10 highlighting its achievements over the last few years in the Distribution business.
Part B: 8	Details of the actual or proposed location of the system of electric lines and electrical plant by means of which the	RInfra has stated that the area of supply include the Mumbai suburban area apart from Bhandup and Mulund. In addition, BSES Ltd's licensed area included the area of the Municipal Council of Mira

Part/Section	Description	Details provided
	applicant intends to enable distribution of electricity, indicating which plant and lines are to be constructed and which are existing plant and lines, and the area to which the application for Licence relates.	Bhayandar till 1985. Thereafter, the Government of Maharashtra by a Notification dated January 10, 1990 revised the Mira Bhayandar Municipal Council area to include the areas to the East covered by the revenue village of Chene and Varsova (additional area).RInfra has proposed to include Chene and Varsova which are contiguous to its area of supply. This would also fulfil the criteria of minimum area of supply as specified in the National Electricity Policy and the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules 2005.
Part B: 9	Detailed electrical distribution map or maps of the proposed geographical area of supply, on a scale of not less than 10 centimetres to a kilometre, The map shall clearly distinguish between the existing system and new facilities.	RInfra has provided the map in Annexure-14, list of defence establishments in Annexure-14A and the list of local authorities in Annexure 14-B of their application form.
Part B: 10	Business plan details	RInfra has provided a Business plan along with the application. The details of the Business plan are discussed in the Analysis of the Business plan section
Part B: 12	Supporting information on compliance with the additional requirements prescribed by the Central Government, as may be applicable.	RInfra did not submit this information in its initial application on April 25, 2011. The Commission highlighted this data gap. RInfra in response to this, submitted an undertaking by the Company Secretary on May 2, 2011
Part C	Format for assessing competence of applicant	RInfra has submitted all the information required under Part-C of the application except the details on its Top-5 Projects and whether the company would employ a contractor for the creation of assets. The Commission highlighted these data gaps. RInfra gave details of its Top-5 Projects and the details of whether it would go for an EPC contractor or not. RInfra, in response to this vide its letter dated May 4, 2011 submitted the details of Top-5 projects executed by RInfra. (Letter No.

Part/Section	Description	Details provided
		MERC/Case No. 65 of 2011/00215).

Evaluation of RInfra's eligibility for grant of Distribution Licence

15. On the date of expiry of the present licence of RInfra, another Licensee viz., Tata Power Company Limited (TPC), would exist in the same area. Hence, the issue of grant of licence to more than one person in the same area will arise. In such a situation, the sixth proviso to Section 14 of the 2003 Act, contemplates that an applicant where "there already exists a Licensee in the same area for the same purpose" must "comply with the additional requirements relating to the Capital Adequacy, Creditworthiness, and Code of Conduct as may be prescribed by the Central Government." This would be without prejudice to the other conditions or requirement, if any, under the 2003 Act. The sixth proviso to Section 14 is extracted as follows:-

"Provided also that the Appropriate Commission may grant a Licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of Licence within the same area shall, without prejudice to the other conditions or requirement under this Act, comply with the additional requirements relating to the Capital Adequacy, Creditworthiness, and Code of Conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of Licence, shall be refused grant of Licence on the ground that there already exists a Licensee in the same area for the same purpose:"

16. Accordingly, the provisions of the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 notified by the Central Government as per the provisions of Section 14, have been applied in the present case. The extracts thereof are as follows:-

"... 3. Requirements of capital adequacy and creditworthiness.-

(1) The Appropriate Commission shall, upon receipt of an application for grant of licence for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the service obligation within that area in terms of section 43.

(2) The applicant for grant of licence shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of

networth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments.

Explanation: - For the grant of a licence for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within a Municipal Council or a Municipal Corporation as defined in the article 243(Q) of the Constitution of India or a revenue district shall be the minimum area of supply.

4. Requirement of Code of Conduct.-

The applicant for grant of licence shall satisfy the Appropriate Commission that he has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of the application for the grant of licence:

(a) section 203, section 274, section 388B or section 397 of the Companies Act, 1956;

(b) section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;

(c) section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act 1992;

(d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;

(e) section 132 or section 135 of the Customs Act 1962,

and that the applicant is not a person in whose case licence was suspended under section 24 or revoked under section 19 of the Act, within the last three years from the date of application:

Provided that where the applicant is a company, it shall satisfy the Appropriate Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under section 443 (e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.”

17. Apart from the above requirements, according to the sixth proviso to Section 14, licence can be granted only to those applicants, who would distribute electricity through their own distribution system.
18. The Commission assessed RInfra's eligibility for grant of the distribution license on the basis of the framework described above, and various information provided in RInfra's application and other submissions made by RInfra from time to time. Accordingly, the

Commission used the following criteria to determine RInfra's eligibility for grant of distribution licence:

- Minimum area of supply requirement (E1)
- Capital Adequacy requirement (E2)
- Creditworthiness requirement (E3)
- Code of Conduct requirement (E4)
- Requirement of own network rollout plan (E5)

Minimum area requirement (E1)

19. Till 1985, BSES Ltd's licensed area included the area of Municipal Council of Mira Bhayandar (as it was known then). Thereafter, the Government of Maharashtra (GoM) by a notification dated January 10, 1990 revised the area of Mira Bhayandar Municipal Council to include the areas to the East covered by the revenue villages of Chene and Varsova (additional area).
20. By notification in Gazette Extra Ordinary dated December 1, 2001, the Govt of Maharashtra ("GoM") declared that the whole of the local area comprising the Mira Bhayandar Smaller Urban Area should cease to be a Municipal Area from February 28, 2002. In the same Extra Ordinary Gazette, the said area was further notified as larger urban area as a municipal corporation by the name of Mira-Bhayandar Municipal Corporation with effect from the same date. RInfra provided copies of such notifications of the GoM along with its application.
21. RInfra has sought a licence to distribute electricity in and around suburbs of Mumbai as mentioned in the 2008 Regulations plus the area of Chene and Varsova, which are contiguous with its existing area of Licence. In its application under affidavit, RInfra stated that it proposed to include the additional areas of Chene and Varsova to fulfil the criteria of minimum area of supply as specified in the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005. RInfra has applied for an area, which covers Mira Bhayandar Municipal Corporation completely.
22. The Commission is of the view that the area of supply as proposed by RInfra in its application for grant of Distribution Licence conforms to the minimum area of supply in terms of the Explanation to Rule 3 of the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005. The proposal entails supplying to the entire area covered by the Mira Bhayandar Municipal Corporation. Therefore, the prescription that "*the area falling within a ...Municipal Corporationshall be the minimum area of supply,*" is fulfilled. Therefore, the Commission is of the view that in totality the minimum area of supply requirement in terms of the Explanation to Rule 3 of the Distribution of Electricity

Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 stands complied with.

Capital Adequacy requirement (E2)

23. To comply with the Capital Adequacy requirement laid down in the said Rules 2005 of the Central Government, RInfra was required to satisfy the Commission that it has the ability to make available equity to the extent of 30% of the capital investment requirement for distribution in the proposed area of supply. It is also specified that such ability is to be assessed based on the Networth and internal resource generation of business and promoters in the preceding three years after excluding other committed investment.
24. The applicant was asked to submit a certificate providing computation details about its financial parameters namely Internal Resource Generation and Networth. For the purpose of computation of these parameters, only audited annual accounts were to be considered. Such accounts include all the assets and liabilities owned by the applicant entity. In other words, if the applicant owns distribution assets existing in the proposed area of supply, the value of those assets would anyway get captured in such computations. In such case, even if the capital investment requirement may be incremental, the Capital Adequacy cannot be assessed in incremental manner. Because, it is not possible to obtain the audited annual accounts, which exclude the value of distribution assets existing in the proposed area of supply. Therefore, the Commission found it appropriate to consider the applicant's audited annual accounts, which include all assets and liabilities. And accordingly, it proceeded to determine the capital investment required for rolling out a new distribution system in the proposed area of supply.
25. It is specified in the Rules that the Commission needs to determine requisite capital investment based on the size of area and the universal service obligation. The Commission is of the view that accurate estimation of capital investment requirement is not a necessary exercise for the purpose of grant of licence. The central idea is to have a fair estimate of such capital investment requirement. After hearing the applicant and considering the area for which licence is sought for, the Commission arrived at an estimate of capital investment requirement based on publicly available information and other material in the possession of the Commission. According to such estimate, the capital investment requirement shall be to the tune of Rs. 4,640 crore.
26. Therefore, on a norm of 30% equity, the total equity investment required is about Rs. 1,392 crore. The Commission feels that under the dynamics of capital markets, a company may choose not to invest all the equity/ share capital from its own resources. It is reasonable to expect that the company shall invest at least 26% of the total equity requirement from its own resources to have sufficient control in terms of controlling stake and voting rights in the said licensed business. Therefore, RInfra needs to invest a minimum equity capital of Rs. 362 crore.

27. The Central Govt. Rules, 2005 states, “..... *satisfy the Appropriate Commission that.... a company, would be in a position to make available resources for such equity of the project...*” Accordingly, the applicant may opt to the equity for the required capital investment through multiple avenues along with its own resources. It may dilute its ownership in this distribution business to raise equity from outside sources to fund capital investment. Therefore, it is assumed that the applicant will form a Special Purpose Vehicle (SPV) for the proposed distribution business. Even if the applicant may decide not to form such SPV, the Commission, for the purpose of evaluation of eligibility of the applicant and to give effect of the provisions of the said Rules, 2005, has assumed such SPV while assessing Capital Adequacy and Creditworthiness requirements.
28. If other investors infuse significant equity in the proposed distribution business, they may get representation in the Board of Directors. For the decisions regarding capital investment in the proposed distribution business, the applicant has to obtain approval from its Board of Directors. If the investments are in the interest of the business, the Board would support such decision for such investments. Therefore, major hurdles in getting Board’s approval for such investments are not anticipated.
29. However, it is possible that the applicant’s share in equity reduces substantially due to external infusion of equity. It would, still be fair to assume that the applicant continues to hold its primary interest in the distribution business and therefore in holding the Distribution Licence. Hence, it will ensure its control over the critical decisions regarding this business. Therefore, it shall hold minimum 26% of total equity in proposed distribution business, so that, independently, it can block special resolutions, which are not in the interest of the company. Therefore, the minimum equity requirement from the applicant at any point in time shall not be less than 26% of total equity.
30. According to the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 the Capital Adequacy has to be assessed based on Networth and Internal Resource Generation of preceding three years. As the 2003 Act or the Rules of the Central Government do not specify any method of computing Networth and Internal Resource Generation, the Commission adopted the method specified by the Central Government in the Standard Bidding Documents for procurement of power through tariff based Competitive Bidding under Case 2.

The formula for Networth computation adopted by the Commission is as below:

$$\text{Networth} = \text{Equity Share Capital} + \text{Reserves and Surplus} - \text{Revaluation Reserves} - \text{Intangible assets} - \text{Miscellaneous Expenditure to extent not written off and carry forward losses}$$

The formula for Internal Resource Generation computation adopted by the Commission was as below:

Internal Resource Generation = Profit after Tax + Depreciation and Amortization + Decrease in Net current Assets (Excluding cash) + Any other non-cash expenditure (including deferred tax) – Scheduled loan repayments and increase in net current assets (excluding cash)

The following two tests were considered, while assessing capital adequacy of the applicant. It is important to note that both the below-mentioned tests had to be separately passed.

Test 1: Is the maximum of (NW1, NW2, NW3) – CE \geq CIC

AND

Test 2: Is five (5) times the maximum of (IRG1, IRG2, IRG3) – CE \geq CIC

Where:

IRG1: Internal Resource Generation for the last audited financial year

IRG2: Internal Resource Generation for the year before the last audited financial year

IRG3: Internal Resource Generation for two years before the last audited financial year

CE: 26% of the Committed Equity investments elsewhere

CIC: 26% of (30% of Capital Investment Criteria) as estimated from capital expenditure requirement

NW1: Networth for the last audited financial year

NW2: Networth for the year before the last audited financial year

NW3: Networth for two years before the last audited financial year

The multiplying factor for Internal Resource Generation (IRG) is taken as ‘five (5)’, which reflects the number of years needed to setup the distribution system in the applied licence area.

31. RInfra was asked to submit the computation of Networth and Internal Resource Generation (IRG) certified by the Managing Director/ Chief Executive Officer/ Manager (authorized through a board resolution), being a full time director on the Board of the Company and the statutory auditor as per the formula specified above, through MERC letter dated June 10, 2011.

RInfra vide its letter dated June 14, 2011, submitted the computation of Networth and Internal Resource Generation for the company on a standalone basis as per audited financial statements, which is shown below.

Table 1 : RInfra - Networth and IRG on a standalone basis

(Rs. crore)	FY 2007-08	FY 2008-09	FY 2009-10
Networth	11,032.2	11,308.9	14,607.8
IRG	1,823.3	3,105.0	-3,560.0

32. The Networth as on March 31, 2010 is Rs. 14,607.8 crore that is the maximum in the preceding 3 years. Its maximum IRG over the last 3 years was Rs. 3,105 crore in FY 2008-09. RInfra had a negative IRG in FY 2009-10.
33. To assess whether the applicant has committed investments tied up in other projects, RInfra was asked to submit this information through letter dated May 25, 2011. As per the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, such commitments need to be excluded while deriving capital adequacy. RInfra vide its letter dated May 30, 2011 informed the Commission that it has a commitment of investments in projects other than the proposed area of supply, worth around Rs 37,568 crore. Out of which, Rs 22,968 crore will be funded through debt, Rs 9,461 crore through equity and Rs 5,142 crore through grants. For adjustment of such commitments while deriving capital adequacy, only equity component of the other committed investments will be relevant. However, with increasing avenues to raise equity, the applicant may choose not to bring the entire equity for other committed investments from its own resources. It can be fairly assumed that minimum equity contribution from an applicant may be 26% of the total equity, which is sufficient for stopping any special resolution and maintaining a control in the said committed investments. Therefore, for the adjustment related to other commitments, 26% of committed equity in other committed investments has been considered which amounts to Rs. 2,460 crore.
34. Therefore, according to the test determined by the Commission, the Networth, adjusted for the committed equity investments elsewhere, is computed to be Rs.12,148 crore. However, RInfra is required to satisfy the Commission that the minimum of Rs. 362 crore for this licensed business is potentially available as explained in Para 26. Its adjusted Networth (Rs. 12,148 crore) is greater than the equity requirement (Rs. 362 crore). Therefore, the Commission is of the opinion that RInfra satisfies the Networth criteria.
35. Additionally, according to the test determined by the Commission, the IRG, adjusted for the equity investments committed elsewhere, was computed to be Rs.13,065 crore. RInfra needs to satisfy the Commission that minimum of Rs. 362 crore for this licensed business is potentially available as explained in Para 26. The adjusted IRG (Rs. 13,065 crore) is greater than the equity requirement (Rs. 362 crore). Hence, RInfra satisfies the IRG criteria.

36. Therefore, RInfra has met the eligibility requirement for Capital Adequacy as it passed the tests for both Networth and Internal Resource Generation.

Creditworthiness requirement (E3)

37. The Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, do not elaborate on the method of Creditworthiness assessment. However, a discussion in the Judgment of the Hon'ble Appellate Tribunal for Electricity in Appeal No. 7 of 2010 is being referred to for the purpose of evaluation of Creditworthiness requirement. In this judgement, the Hon'ble Tribunal observed as follows:-

“The Capital Adequacy is determined on the above basis; and on the basis of the Capital Adequacy so determined the ability of the Applicant to raise finances and funds has to be determined. The creditworthiness of the Applicant will have to be tested by considering whether external borrowings from Banks or Financial institutions will be available to the Applicant based on the fulfilment of the Capital Adequacy norms”

38. The MERC (General Conditions of Distribution Licence) Regulations, 2006 (in Point 5 of Part B of Annexure 1 of the Application format) requires the applicant to submit “Bank references asserting that the Applicant is financially solvent”. The solvency assesses the ability of an organisation to meet its long-term fixed expenses and to accomplish long-term expansion and growth. Moreover, as part of additional information, RInfra was asked to submit the latest available Credit Rating report. The Credit Rating report provides a credit rating, which represents the rating agency's opinion on the likelihood of a rated debt obligation being met in full and on time. A simple alphanumeric symbol is normally used to convey a credit rating. In contrast to a credit bureau, which provides information on past debt repayments by borrowers, a credit rating agency provides an opinion relating to ability of the borrower to repay a debt in future. Since a credit rating report takes into consideration past repayments record and future likelihood of repayment of a debt, the Commission, in the absence of any other tool, found it appropriate to consider latest available credit rating report for assessing Creditworthiness of RInfra. Thus, based on the solvency certificate and credit rating report submitted, the creditworthiness of RInfra was assessed.

39. RInfra in its application dated April 25, 2011 provided a solvency certificate from Canara bank. Canara bank, in the solvency certificate has mentioned that Reliance Infrastructure Limited is respectable and can be treated as good up to a sum of Rs. 14,607.82 crore. Canara bank was contacted to verify the authenticity of the certificate. Canara bank confirmed through the letter dated June 2, 2011 to the Commission that it has issued the said solvency certificate to RInfra.

40. RInfra also submitted its credit rating report in response to the letter dated May 25, 2011 sent by the Commission on May 30, 2011. Three (3) of its debt instruments were rated by

CRISIL Ltd in May 2009. According to the report submitted, the long-term debt instruments (Rs. 10 billion bond programme and a Rs. 3 billion bond programme) were rated AA+/Negative and its Rs. 1.75 billion short-term debt program was rated P1+. The report indicated that the company has strong financial flexibility and has comfortable liquidity.

41. The debt requirement of RInfra in the proposed business is 70% of the total capital investment requirement, which is about Rs. 3,248 crore. The Applicant should be able to raise this debt. Based on the solvency certificate provided by Canara bank, RInfra can be treated as solvent up to a sum of Rs. 14,607.82 crore. In addition, the rating received by RInfra from CRISIL indicates that RInfra has comfortable liquidity and has strong financial flexibility. Based on the credit rating report and solvency certificate, the Commission is satisfied that RInfra meets the requirement of Creditworthiness.

Code of Conduct requirement (E4)

42. As provided in Rule 4 of the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, the RInfra was required to meet the Code of Conduct requirements as per the provisions of the following Acts:

- Companies Act, 1956
- Income Tax Act, 1961
- Securities and Exchange Board of India Act, 1992
- Excise Act, 1944
- Customs Act, 1962

The relevant sections of the Central Government Rules are highlighted below:

“4. Requirement of Code of Conduct.- The applicant for grant of licence shall satisfy the Appropriate Commission that he has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of the application for the grant of licence:

(a) section 203, section 274, section 388B or section 397 of the Companies Act, 1956;

(b) section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;

(c) section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act 1992;

(d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;

(e) section 132 or section 135 of the Customs Act 1962,

and that the applicant is not a person in whose case licence was suspended under section 24 or revoked under section 19 of the Act, within the last three years from the date of application:

Provided that where the applicant is a company, it shall satisfy the Appropriate Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under section 443 (e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.”

43. The Commission, vide letter dated April 29, 2011 directed RInfracore to submit a declaration, under affidavit, as required under the requirement of Code of Conduct (Rule 4) of the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 issued by the Central Government. RInfracore, in reply, submitted the said affidavit to the Commission on May 2, 2011. Based on the information submitted by RInfracore under affidavit, the Commission is satisfied that RInfracore is not in violation of the Code of Conduct and meets the requirement of the Rule 4 of the Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.

Requirement of own network rollout plan (E5)

44. The sixth Proviso to Section 14 of the 2003 Act provides that two or more licensees can distribute electricity within the same area, but through their own distribution system. Accordingly, the applicant for distribution licence will have to supply electricity through its own distribution system. Therefore, Network Rollout Plan is a mandatory requirement for grant of distribution licence in the proposed area of supply. The plan should give an overview of timelines required to set up the network and the way the applicant proposes to meet the Universal Service Obligation of a Distribution Licensee.

RInfracore's Network Rollout Plan

45. RInfracore, by virtue of being an existing distribution licensee in and around suburban Mumbai, owns distribution network in that area. The application for Distribution Licence covers the entire existing area of supply. Therefore, the Commission specifically asked RInfracore to confirm whether it will continue to use the same distribution assets in the suburban area if the licence is granted to it. RInfracore confirmed on affidavit that it would continue to use the existing distribution assets, if the licence is granted to it. In regards to the network roll out plan for Chene and Varsova, RInfracore has submitted that these areas are contiguous to its existing area of supply and sufficient network capacity is available in its existing distribution system to extend supply to these areas. Therefore, rollout of the network will not be significant.
46. Considering all the material on record, the Commission is satisfied that RInfracore has complied with additional requirements as specified by the Central Government in the

Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 along with other conditions or requirement specified under the Electricity Act, 2003. Therefore, RInfra is eligible for the grant of a distribution licence.

Merit of RInfra's application

47. Having been satisfied that RInfra meets the eligibility criteria as per the requirements of Section 14 of the 2003 Act, read with Distribution of Electricity Licence (additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 issued by the Central Government, the Commission proceeded to evaluate RInfra's application for grant of Distribution Licence on its merit.

48. Section 14 of the 2003 Act provides that:

“The appropriate Commission may, on an application made to it under Section 15, grant a licence to any person-

..... Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirement under this Act, comply with the additional requirements relating to the Capital Adequacy, Creditworthiness, and Code of Conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose.”

49. The satisfaction of these pre-conditions does not automatically lead to grant of distribution licence. Once these requirements are duly satisfied, the Commission will then consider the grant of Licence on merit, without rejecting the application on the ground that there is already an existing licensee in the same area.

50. In this context, it is important to note the Judgment of the Hon'ble Appellate Tribunal in Appeal No. 7 of 2010, dated April 6, 2011, in the matter of M/s Noida Power Company Limited Vs Paschimanchal Vidyut Vitaran Nigam Limited and Uttar Pradesh Electricity Regulatory Commission. With reference to the Section 14 of the 2003 Act, Hon'ble Appellate Tribunal held as follows:-

“These three parts would indicate, that the applicant for second licence has to duly satisfy the additional conditions namely Capital Adequacy, Creditworthiness and Code of Conduct as may be prescribed by the Central Government and only on being satisfied about the additional requirements, the Commission can proceed to consider the merits of the matter on the basis of the other aspects before granting the second Licence. It is relevant to note in this context that the Electricity Act, 2003 has

provided only for the Central Government to prescribe such specific requirements and not for the State Commission. Thus, it is clear that once a precondition relating to the Capital Adequacy, Creditworthiness, and Code of Conduct prescribed by the Central Government are satisfied, the Commission can consider the other relevant aspects to decide also whether to grant parallel Licence or not.”

51. The Commission decided to assess RInfra’s application in terms of the benefits it may bring to the consumers in and around Mumbai suburban areas. RInfra has submitted a business plan as part of its application in fulfilment of the requirements of the MERC (General Conditions of Distribution Licence) Regulations, 2006. Based on this business plan, various information provided in the application and other submissions by RInfra from time to time, the Commission assessed RInfra’s application for its

- Power Procurement Plan (S1); and
- Management and Technical Expertise (S2)

Power Procurement Plan (S1)

52. With the objective of providing affordable power to the consumers in Mumbai suburban area, the Commission decided to take a view on the applicant’s intent and ability to procure economical power for the proposed licence area. This is relevant in today’s context, whereby the issue of rising power purchase cost of RInfra has resulted in higher tariffs for the consumers in Mumbai suburban area.

RInfra submitted its power procurement plan through Annexure-15 of its application for grant of Distribution Licence. However, subsequent to submissions by RInfra, the Commission passed Orders in various cases (Case no. 13 of 2011 on May 16, 2011 and Case No. 11 of 2011, Case No. 12 of 2011 and Case No. 42 of 2011 on May 31, 2011). These cases were related to procurement of power under Long-Term and Medium-Term contracts. The Commission advised RInfra vide letter dated June 10, 2011 to resubmit its business plan after considering the various Orders passed by the Commission. RInfra submitted a revised power procurement plan and an updated business plan on June 14, 2011.

In its business plan, RInfra has projected demand of its proposed licence area as follows:

Table 2 : RInfra – Projected demand for its proposed licence area

Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Energy Requirement (MU)	7,915	8,345	8,804	9,298	9,825

To meet above energy requirement, RInfra has proposed Long Term, Medium Term and Short Term power procurement plan for the period from FY 2011-12 to FY 2015-16, which has been summarised below:

Long-Term Power Procurement Plan

Under the Long-Term power procurement plan, RInfra submitted that it has entered into a 10-year Power Purchase Agreement (PPA) with its own generating station at Dahanu, which has been approved by the Commission vide Order in Case No. 8 of 2008. This is a firm Long-Term contract for delivery of all generated energy to RInfra from its 2 X 250 MW generating units at Dahanu.

RInfra had assumed that the PPA signed with Chitrangi Power Pvt. Limited would hold for supply of 1,000 MW. However, subsequent to the Commission's Order in Case no. 13 of 2011, RInfra issued a fresh Request for Proposal on June 7, 2011 for purchase of 1000 MW of power for Long Term through Case-1 Competitive Bidding route.

Medium-Term Power Procurement Plan

For its Medium-Term requirements, RInfra submitted that it would procure power from Wardha Power Company Ltd. (WPCL), Abhijeet MADC (AMNEPL), Nagpur and Reliance Power (VIPL). In its Order in Case No. 11 of 2011, issued on May 31, 2011, the Commission directed RInfra to give effect to the PPA with WPCL and approach the Commission for adoption of tariff. Further, in Order in Case No. 42 of 2011, the Commission again directed RInfra to give effect to the PPA with AMNEPL and directed AMNEPL to supply power to RInfra from July 1, 2011. In the case of adoption of tariff of VIPL, the Commission, in Order dated May 31, 2011 approved only 134 MW as quantum to be purchased from VIPL, at levelised tariff of Rs. 4.24 per unit. The tariffs of WPCL and AMNEPL were adopted by the Commission vide Case No. 84 of 2011 and Case No. 85 of 2011 respectively, on July 1, 2011. The following are the medium term power procurement plan (FY 12 to FY 14) contained in its revised business plan.

Table 3 : RInfra - Medium-Term Power Procurement

Source	Quantity (MW)	Levelised tariff (Rs./unit)	Period
Wardha Power Company Ltd. (WPCL)	260	4.85	April-11 March-14
Abhijeet MADC, Nagpur	55	4.8	April-11 March-14
Reliance Power (VIPL)	134	4.24	April -12-March -14

Additional Procurement through Competitive Bidding

By its Order in Case 13 of 2011, dated May 16, 2011, the Commission directed RInfra to invite fresh bids for procurement of power on Long-Term basis through competitive bidding. In compliance with the said direction, RInfra invited bids for purchase of 1000 MW RTC power on Long-Term basis (i.e. for a period of 25 years) through Competitive Bidding, through a Public Notice dated June 7, 2011. However, as per Competitive

Bidding Guidelines, a minimum period of 48 months is required to be provided to the bidders for commencement of power supply after execution of PPA. Considering this and the period for completion of Competitive Bidding process (till execution of bidding documents), the earliest that power under Long-Term could be available to RInfra, would be from April 1, 2016. Accordingly, the same does not form part of their Business Plan.

However, in view of the Order in Case No. 13 of 2011 and the fact that all Medium Term PPAs of RInfra would come to an end by March 31, 2014, RInfra is required to procure Medium Term power for the period FY 2014-15 and FY 2015-16. RInfra has submitted that it would invite bids for procurement of power for the two years – FY 2014-15 and FY 2015-16 on Medium-Term basis through competitive bidding process. This process would be initiated during the course of the Plan Period, after assessing the actual power position vis-à-vis the forecast herein. As of now, RInfra anticipated that about 700 MW and 750 MW of power would have to be procured for the two-year period for FY 2014-15 and FY 2015-16 respectively; the rate of procurement for the same is assumed at Rs. 3.75 per unit in FY 2014-15 and Rs. 3.50 per unit in FY 2015-16.

Renewable Purchase Obligations

RInfra in its business plan also considered Renewable Purchase Obligations (RPOs) and purchase of Renewable Energy. The RPOs were divided into Solar and non-Solar. Solar RPOs were considered as 0.25% of gross input for FY 2011-12 and FY 2012-13 and 0.5 % of gross input for the year FY14-FY16. Non-Solar RPOs target was 6.75% of gross input for FY2012, 7.75% for FY 2013 and 8.5% of gross input for FY14-16.

Table 4 : RPO Obligations

RPO /Year	SOLAR RPO as % of gross inputs	NON SOLAR RPO as % of gross inputs
FY 12	0.25%	6.75%
FY13	0.25%	7.75%
FY14-FY 16	0.5%	8.5%

Power Procurement Plan summary

Total energy requirement viz-a-viz Total energy to be available through proposed power procurement plan as submitted by RInfra is summarised below:

Table 5 : RInfra – Power procurement for its proposed licence area

Particulars	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Energy Requirement (MU)	7,915	8,345	8,804	9,298	9,825
Total Availability including proposed MTPP for FY 15 and FY 16 (MU)	9,467	7,797	7,922	9,835	10,265
Shortfall/ (Surplus)	(1,553)	548	882	(537)	(440)

RInfra has proposed to procure the required power mainly through Long-Term and Medium-Term contracts. The proportion of Long Term/Medium-Term contracts to the total requirement is above 75% from FY 12 to FY 16. In FY 12, RInfra has proposed to procure 75% of its power through Long Term and Medium Term contracts, which is projected to increase to about 95% in FY 16. In FY 15 and FY 16, RInfra has projected that there would not be any need of Short-Term power.

Table 6 : Break up of Sources of Power

Sources	2012	2013	2014	2015	2016
Long Term and Medium Term contracts	75%	85%	81%	97%	95%
Short Term contracts	18%	7%	10%	NA	NA
Renewable sources	7%	8%	9%	9%	9%

53. From the above, the Commission noted that RInfra's plan for power procurement is reasonably balanced to satisfy the need of the proposed area of supply. Therefore, the Commission found the proposed power procurement plan satisfactory. Further, it is observed that Medium-Term power procurement of RInfra's licence area is in place up to FY 2013-14. RInfra is required to initiate the process of power procurement immediately to meet its power demand for FY15 and FY16 so that its consumers are saved from paying higher cost for meeting the demand.

Management and Technical Expertise (S2)

54. The Commission found it prudent to evaluate the Managerial and Technical Expertise of Senior Management of RInfra. It aims to assess experience/expertise and record of accomplishment relevant to electricity business as another selection criterion. Management expertise is evaluated as the ability of the team to undertake the business activities involved in distribution of electricity in a professional manner.

This can be assessed in terms of,

- Expertise of key personnel;
- Experience of management in handling businesses with large number of consumers and employees;
- Experience and track record of the firm in the value chain of electricity - generation, transmission or distribution businesses in the last 3 years; and
- Ability to roll-out advanced technologies in businesses like distribution of electricity.

These are analysed below.

Expertise of key personnel

From the submission of RInfra, the Commission noted that RInfra's management team has a good mix of varied and relevant management expertise. Many managers have more than 20 years experience across the distribution business ranging from Operations, Projects, Regulatory affairs, vigilance and IT, O&M of electrical apparatus and systems, Customer Service, commercial aspects of business, project execution, Stores & material management, experience in rolling out advanced technologies.

Experience of Management in handling businesses with large number of consumers and employees

The Commission also observes that RInfra has served over 26 lakh consumers on an average over the last 3 years through its distribution business. It has also managed more than 4000 employees in its distribution business over the 3-year period.

Experience and record of accomplishment of the firm in the value chain of electricity - generation, transmission or distribution businesses in the last 3 years

RInfra, in its letter dated May 30, 2011 mentioned that it has presence across the value chain of the electricity business, namely, Generation, Transmission and Distribution. RInfra has a generating station at Dahanu, Maharashtra (Dahanu Thermal Power Station – DTPS) with a total installed capacity of 500 MW (2 x 250 MW). The plant has operated at a Plant Load Factor (PLF) of 101% on an average over the last 3 years (FY09 – FY11). The availability of the plant has been more than 96% in this period.

RInfra has transmission networks in and around Mumbai. It has consistently achieved around 99.9% reliability with over 99.5% system availability in the past few years. RInfra has a subsidiary namely, Reliance Power Transmission Limited (RPTL), which is the largest private transmission utility in India and is currently implementing projects worth Rs 6,600 crore, comprising 6,000 circuit kilometres of transmission lines and two substations.

RInfra-Distribution (Mumbai electricity business) is currently catering to electricity needs of approximately 2.7 million consumers in its licensed area (in and around suburbs of Mumbai) spread over 384 Sq. km with energy input requirement of more than 9 billion units and coincident Max. Demand in the range of 1500 MVA. This business of electricity distribution has won several awards for excellence in technology.

Experience of rolling-out Advanced Technologies

RInfra, in its application has highlighted the initiatives it has taken in the last few years in its distribution business. It mentioned that it has set up necessary infrastructure, developed an application roadmap and implemented IT systems right across the entire gamut of operations involving Metering, Billing, Energy Accounting, Customer Care, New Connections/Disconnections, Geographical Information Systems based applications and solutions, and Web based access to consumers, and many more such applications. RInfra mentioned that it has upgraded its SAP R/3 module. According to RInfra, implementation of these technologies has led to better consumer service and operational efficiencies, which include the following:

- Faster restoration of supply
- Optimal Control on voltage levels (better quality of power)
- Better management of load distribution in the network
- Condition monitoring of equipments/apparatus facilitating predictive and preventive measures
- Provide accurate information to the consumers.

55. From the above information, the Commission notes that RInfra possesses sufficient management and technical experience to handle the business of electricity distribution in the proposed area of supply.

56. Considering all the material on record, the Commission notes that as per the plan submitted by RInfra, it proposes to procure most of the required power through Long-Term and Medium-Term contracts to meet the power requirement in the proposed area of supply. RInfra also has sufficient experience in the value chain of Electricity in the last 3 years and has gained substantial management and technical expertise for professionally running the distribution business, besides rolling out advanced technologies. The Commission also notes the fact that as RInfra will need to rollout the network additionally only to two new villages, there is no significant network rollout plan needed and therefore it should be able to meet the Universal Service Obligations. Therefore, the Commission considers RInfra eligible and competent for the grant of Distribution Licence in its proposed area of supply.

Compliance with sub-section (5) of Section 15 of EA 2003

57. Sub-section (5) of Section 15 of the 2003 Act provides as follows:-

“(5) 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 and address of the person to whom it proposes to issue the licence;

58. The Commission published notices on June 15, 2011 proposing grant of Distribution Licence to RInfra in two (2) daily English newspapers (Times of India, and DNA) and in three (3) daily Marathi newspapers (Loksatta, Maharashtra Times, and Sakal) in proposed area of distribution. The public notices stated inter alia as follows:-

“On consideration of the material available on record, the Commission is satisfied that prima facie the applicant qualifies for grant of Distribution licence for the proposed area of supply. The Commission proposes to issue the licence to the applicant, as a Distribution Licensee, under Section 14 of the Electricity Act, 2003...”

59. The Public Notice as above was hosted on the Commission’s website as well. It was intimated that a public hearing inviting suggestions/ objections in the matter would also be held on Saturday, July 9, 2011 at Rangsharda Natya Mandir, Bandra, Mumbai.

60. The Commission vide letter dated June 15 ,2011 and June 16, 2011 informed the Mayor of Brihan Mumbai Mahanagar Palika, The Municipal Commissioner of Brihan Mumbai Mahanagar Palika, The District Collector of Mumbai Suburban District, The District Collector of Thane District, The Mayor of Mira Bhayandar Municipal Corporation and The Municipal Commissioner of Mira Bhayandar Municipal Corporation about RInfra’s Application for grant of distribution licence for an area covered under Mumbai Suburban District (excluding Bhandup and Mulund), and the area covered under the Municipal Corporation of Mira Bhayandar. The aforesaid letters were sent for information of the aforesaid authorities and to seek their suggestions or objections, if any, in this respect and also to widely publicise this information for public awareness in the respective areas. However, no response has been received.

61. M/s Lanco Infratech Limited has objected to RInfra’s claim that it can “legitimately” claim grant of licence because of its existence in the business in the same area for a long period. The Commission has evaluated RInfra’s application considering its fulfilment of eligibility criteria as required under the 2003 Act, and also considering the merit of its application with regard to other parameters that the Commission deemed fit. M/s Lanco also raised objections in regard to the assumptions of RInfra taken in its business plan for migration of consumers between licensees, recovery of Regulatory Assets, projection of sales/ load forecast, ARR, etc. The issue of Regulatory Assets has been dealt with in Para 64 (d) of this Order. The business plan submitted along with the application for grant of licence is an important part of the application, which provides a bird’s eye view of the proposed licensed business. However, the migration of consumers and other assumptions objected by Lanco have effects on retail tariff, which the Commission would deal with under its Tariff Regulations. Therefore, the Commission is of the view that such assumptions by RInfra, in relation to its business plan submitted for the purpose of grant of licence do not adversely affect its eligibility for the grant of licence.

62. MSEDCL has objected to RInfra’s proposal of inclusion of Chene and Varsova within the area of supply to satisfy minimum area requirements under National Electricity Policy

and the Distribution of Electricity Licence (Additional requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005. It also emphasised that RInfra should extend its own network if it desired to supply consumers in the area of these two villages. However, it has not substantiated its objections with reasons. In any case, there is no bar on RInfra to include Chene and Varsova within the proposed area of supply as the sixth proviso to Section 14 enables multiple licensees in the same area. RInfra will need to extend its own network in the area of these two villages in order to comply with the requirements of universal obligation under Section 43 of the 2003 Act. Therefore, the Commission does not find any merit in MSEDCL's objection. This issue has been further deliberated in Para 64(b) of this Order.

63. Notably, Indiabulls Power Limited and Torrent Power Limited, who had responded to the 'Invitation for Expression of Interest for Distribution of Electricity in the Suburbs of Mumbai', dated October 6, 2010, and subsequently applied for grant of Distribution Licence, have not filed objections to grant licence to RInfra.
64. During the hearing, the public at large, including the consumer representatives, presented their views before the Commission. A list of those persons who presented their views is annexed to this Order [**Appendix 1**]. The Commission noted that most of the people opined in favour of grant of licence to RInfra citing its technical capabilities, prompt and good service to consumers as reasons for the same. However, many people also mentioned that RInfra should pay attention to bring down the retail tariffs to consumers. RInfra submitted that Commission is aware on its progress about this matter. Once the process of Long-Term power procurement is done, RInfra will be able to offer competitive tariffs. This aspect has already been covered in preceding paragraphs.

Objections to grant of licence to RInfra are listed below:

- a) One authorised consumer representative questioned the affidavit submitted by RInfra, which states that there are no proceedings pending in any court of law/tribunal or arbitrator or any other authority, wherein the applicant is a party and where issues arising and or relief sought are identical or similar to the issues arising in this matter pending before the Commission. He said that RInfra has already filed an appeal before the Hon'ble Tribunal for renewal of its existing Distribution Licence (Case No. 78 of 2010), which is on a similar subject of grant of licence as the present Case no. 65 of 2011.

RInfra has filed the present application for grant of licence without prejudice to its right to challenge the Commission's Order in Case 78 of 2010.

Hence, the Commission is of the view that the pending appeal does not restrict the right of the applicant to apply for grant of the Distribution Licence and therefore, it does not adversely affect the eligibility of the applicant for the grant of the licence.

- b) Few respondents mentioned that RInfrac should obtain a 'No Objection Certificate (NOC)' from MSEDCL for adding Chene and Varsova to its proposed area of supply. RInfrac replied that MSEDCL area is not being taken over for an exclusive supply. Therefore, there is no need for a 'No Objection Certificate' from MSEDCL. The Commission is of the view that as the sixth proviso enables the grant of licence to two or more persons in the same area, and the National Electricity Policy stipulates multiple distribution licensees, there is no requirement of such NOC.
- c) One of the authorised consumer representative highlighted inconsistencies in the revenue projection submitted by RInfrac in its business plan. Further, he highlighted that RInfrac's business plan has projected that the capital base is expected to increase by 79% over next 5 years. Considering RInfrac's claim of state of the art distribution system, he objected to such a huge increase in capital base when the growth in consumers count (about 13%) and the growth in energy sold (about 6%) are moderate. RInfrac did not respond to this objection. However, the Commission has taken a note of it. The Commission considers that such matters can be addressed during tariff determination process under relevant provisions of its Tariff Regulations. Therefore, the Commission views that such assumptions taken by RInfrac in its business plan, does not adversely affects its eligibility for the grant of the licence.
- d) Few respondents mentioned that the 'Regulatory Assets' should not be carried forward since it may be a new licence. RInfrac replied that 'Regulatory Assets' do not go away with new licence, since the entity is the same. These aspects have been dealt with in the Commission's Order dated July 29, 2011 in Case No. 72 of 2010 in the matter of Reliance Infrastructure Ltd. Distribution Business' (RInfrac-D) Petition for Truing Up for FY 2008-09, Annual Performance Review for FY 2009-10 and Tariff Determination for FY 2010-11, and hence the Commission is not inclined to go over these issues in the present proceedings. However, the Commission notes that under the present application, RInfrac's proposed area of supply includes additional areas covered by the revenue villages of Chene and Varsova. Therefore, consumers from these areas should be made aware about this while opting for supply from RInfrac.
- e) Many respondents have objected that RInfrac is not maintaining separate books of accounts for its distribution business. The Commission has notified the MERC (Uniform Recording, Maintenance and Reporting of Information) Regulations, 2009 on April 20, 2009 which is designed to show clear segment-wise information for each of the Businesses regulated by the Commission. These aspects have been dealt with in the Commission's Order dated July 29, 2011 in Case No. 72 of 2010 in the matter of Reliance Infrastructure Ltd. Distribution Business' (RInfrac-D) Petition for Truing Up for FY 2008-09, Annual Performance Review for FY 2009-10 and Tariff Determination for FY 2010-11, and hence the Commission is not inclined to go over these issues in the present proceedings.

- f) Few consumer representatives submitted that RInfra has been distributing electricity without any licence. The historical background of licenses of RInfra has already been deliberated upon in the earlier portions of this Order as follows – that a Licence called ‘**The Bombay Suburban Electric Licence, 1926**’ came to be granted on May 29, 1926 under the Indian Electricity Act, 1910 to certain individuals carrying on business in partnership under the name and style of Messrs. Killick, Nixon & Company and Calendar’s Cable & Construction Company Limited. The said Licence was thereafter assigned to Bombay Suburban Electricity Supply Company Limited on May 13, 1930 with subsequent amendments from time to time. The name of Bombay Suburban Electricity Supply Company Limited was changed to BSES Limited and subsequently to Reliance Energy Limited under the provisions of Section 21 of the Companies Act, 1956. Thereafter, the name ‘Reliance Energy Limited’ (REL) was changed to Reliance Infrastructure Limited (RInfra) on April 28, 2008 under the provisions of Section 21 of the Companies Act, 1956. In terms of the first proviso to Section 14 read with the first proviso to Section 16 of the 2003 Act, the Commission was required to specify general or specific conditions of licence applicable to licensees referred to inter alia in the first proviso to Section 14 of the 2003 Act. Accordingly, as BSES Ltd was engaged inter alia in the business of supply of electricity on the ‘appointed date’ mentioned in the first proviso to Section 14, and since the name BSES Ltd subsequently came to be changed to REL under the provisions of Section 21 of the Companies Act, 1956, the Commission notified the 2008 Regulations. In view of the above factual matrix, the Commission does not find any merit in this contention.
- g) Some consumers have suggested that the Commission should adopt a uniform tariff for Mumbai. However, the Commission is of view that this matter is beyond the ambit of consideration for grant of Distribution Licence. In any case, a separate exercise is currently underway in regard to the feasibility and legality of having uniform tariff for Mumbai.

65. Considering all the material on record, the Commission is of the view that it is in the public interest to grant licence to RInfra to distribute electricity in the proposed area of supply. Therefore, in exercise of the power vested in the Commission under Section 14 of the 2003 Act, the Commission grants Distribution Licence to RInfra to supply electricity in the proposed area of supply for a period of 25 years from August 16, 2011.

66. The Commission directs the Secretary, MERC to issue the Distribution Licence to Reliance Infrastructure Limited.

67. The Commission directs RInfra to upload a copy of the licence on its website as soon as it is issued to it.

68. The Commission directs its Registry that a copy of the Distribution Licence, once issued, be forwarded to the Government of Maharashtra, all Electricity Generation Companies,

Transmission Licensees, and Distribution Licensees in the State of Maharashtra, the concerned Western and Central Railways, Airport authorities, Defence authorities, Local authorities/ self governments (Municipal bodies) of the cities/towns which are partly or fully covered under the area of the said electricity Distribution Licence, and a copy be uploaded on the website of the Commission.

Accordingly, Case No. 65 of 2011 stands disposed of.

Sd/-
Vijay L. Sonavane
(Member)

Sd/-
V. P. Raja
(Chairman)

APPENDIX 1

List of Objectors, who participated in the Public Hearing, held on July 9, 2011

S.No	Name of the person and Designation & Organization
1	Shri R.R. Mehta, Sr Executive Vice President, RInfra
2	Shri Ashok Pendse, TBIA, Consumer Representative
3	Shri Sandeep N. Ohri, Consumer Representative
4	Shri Rakshpal Abrol, Consumer Representative
5	Adv. Mahesh Vaswani, Consumer Representative
6	Shri Tarak Oza, Consumer Representative
7	Shri Ganesh Subramaniam, Consumer Representative
8	Smt Amruta Pradhan
9	Shri Jotiba Jadhav
10	Shri Rajnath Yadav, Fitness Life
11	Shri Shishir Joshi, Tata AIG Insurance
12	Shri Guruprasad Shetty
13	Shri V V Shinde
14	Shri Prasana, Prana Studio
15	Smt Sneha Wadke
16	Shri Abdul Mazid Ibrahim Nakade
17	Shri Makbool Yusuf Shaikh
18	Shri Fredy Divecha
19	Shri Ramesh Palande
20	Shri Sanjay Dholam
21	Shri Ganpat Palav
22	Shri Deepak Save
23	Shri S.K. Razak, AFL Private Ltd.
24	Shri Sunil Israni
25	Shri S.V. Pai
26	Shri B.R. Shelar
27	Shri Awadesh Yadav
28	Shri Parekh, Citilite
29	Shri Dattaram Ghuge
30	Smt. Vasundhara B. Pandharpote
31	Shri S.R. Patil
32	Shri Gadre, Maharashtra State Electricity Distribution Co. Ltd.
33	Shri Ved Vyas Sharma
34	Shri Ramchandra N. Patkar
35	Shri Gauttam S. Jadhav
36	Rev. Sunil Mantode
37	Dr. Suresh Yeole
38	Shri Soumen Mukherjee
39	Shri Anand Tukaram Dhonde
40	Shri Altafbhai M. Hashmi
41	Shri Ashok R. Pandya
42	A.P. Estate Consultant

S.No	Name of the person and Designation & Organization
43	Shri Ashish V. Mhatre
44	Shri Vijay D. Vaidhya
45	Shri Mahesh S. Khamkar
46	Shri Mishra, Mridu Energy Electric
47	Shri Shyamrao S. Madne
48	Shri Sagar M. Vartak
49	Shri Khemchand Ramchandani
50	Firstsource Solutions Ltd
51	Shri Shashi Parmar
52	Ace Derivatives & Commodity Exchange Ltd.
53	Shri Ganesh Khankar
54	Smt. Pallavi Nakul Deo (Counsellor)
55	Shri Vijaykumar G. Dhanawade
56	Shri Raju Bramhabhatt
57	Shri Anil S. Kawle
58	Shri Venkatesh A. Gawde
59	Powerite
60	Shri Wadkar, Human & Environmental Development
61	Netmagic Solutions Pvt. Ltd.
62	Shri Deo, Nirlon Limited
63	Adv. Rajesh Dabholkar
64	Shri Kulkarni, Kalika Electricals Enterprises
65	Smt Pooja Musale
66	Shri Vinay Kumar Shukla
67	Shri Raghunath B. Kamble
68	Shri Chandrakant Mudras
69	Shri Kiran D. Patil
70	Shri Bhaskar M. Bhoir
71	Excel Electric Industries
72	Shri K. Shanmugam
73	Shri Jude Tondon
74	Adv. Prakash W. Adarkar
75	Shri R.K. Kadam, Sai Sateri Association
76	Shri James Colaco