

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 52/MP/2013

Subject: Petition under Regulation 63 (i) of the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 for grant of additional time to the Petitioner to raise additional equity share capital to achieve the net-worth prescribed in Regulation 18 (i), such additional time being three years from the notification of said Regulations.

Date of Hearing: 11.4.2013

Coram: Dr. Pramod Deo, Chairperson
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner: Power Exchange of India Ltd, Mumbai

Parties Present: Shri S.Venkatesh, Advocate, PXIL
Shri N.Sharma, PXIL

Record of Proceedings

This petition has been filed by the Power Exchange India Ltd (PXIL) with the request to grant additional time to achieve the net worth of ₹ 25 crore prescribed in the Regulation 18 (1) of Central Electricity Regulatory Commission (Power Market) Regulations, 2010 (Power Market Regulations).

2. Learned counsel for the petitioner submitted as under:

- (a) On the date of notification of Power Market Regulations on 20.1.2012, PXIL had a paid capital of ₹ 5 crore. However, In terms of Regulation 18 (i) of Power Market Regulations, a Power Exchange is required to maintained a minimum net worth of ₹ 25 crore at all times.

- (b) The Commission had allowed time till 21.1.2011 to achieve the net worth vide order dated 25.5.2010 in Petition No. 134/2010 which was further extended till 31.3.2013 vide order dated 5.4.2011 in Petition No. 101/MP/2011.
- (c) Though PXIL has initiated various measures to achieve the prescribed net-worth criteria, the required net-worth has not been achieved due to reasons beyond its control. The average minimum hourly traded volume by the PXIL (in terms of MW's) had increased to 107MW in March, 2011 whereas the same was 50 to 60 MW in 2010-11. Hence, PXIL is making a significant increase in daily trade of about 40-50 MW.
- (d) The total volume traded by the PXIL in the 'Day Ahead' Spot Market had significantly increased to 619 MUs for quarter ending March, 2011 as compared to 327 MUs in the previous quarter. In Quarter 4 of 2010-11, PXIL had maintained an overall market share of over 16% across all traded products.
- (e) PXIL has improved its market share in REC market substantially. However, due to transmission congestion and delay in introduction of other products in the exchange, revenue growth has not happened as expected.

3. The Commission observed that the management of the Exchange should submit its financial and business plan to show what steps are being taken to improve the Exchange operations.

4. After hearing the learned counsel, the Commission directed the petitioner to submit following on affidavit on or before 15.5.2013:

- (a) A detailed road map along with its Business Plan, deviation from its last projections and the future projections towards achieving profitability ; and
- (b) Time required to achieve the net-worth criteria.

5. Subject to above, the Commission reserved order in the petition.

By Order of the Commission

Sd/-

**(T. Rout)
Joint Chief (Law)**