BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION GANDHINAGAR

Petition No. 2580 of 2025.

In the Matter of:

Petition under Section 86 of Electricity Act, 2003 read with Regulations 80 & 82 GERC (Conduct of Business) Regulations, 2004, read with Gujarat Renewable Energy Policy, 2023 & amendments thereof and the Tariff Order dated 31.08.2024 praying before the Commission to exercise its powers under Section 86 of Electricity Act, 2003 and direct the Respondent GETCO to return/refund/refrain from encashing Bank Guarantee Bearing No. 0871IGP231009976 dated 15.04.2023 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Petitioner and further to return the amount of Rs. 11,42,337/- paid by Petitioner on 03.07.2023, being the provisional line estimate.

And

IA No. 111 of 2025 in Petition No. 2580 of 2025.

In the matter of:
Application seeking ad interim stay on the encashment of bank guarantee of the Petitioner furnished to Respondent No. 1 GETCO.

And

IA No. 112 of 2025 in Petition No. 2580 of 2025.

In the matter of:
Application seeking urgent listing of the Petition No. 2580 of 2025.

Applicant/Petitioner	:	Durga Processors Pvt. Limited
Represented By	:	Ld. Advocate Mr. M.N. Marfatia
		V/s.
Respondent No. 1	:	Gujarat Energy Transmission Corporation Limited
Represented by	:	Ld. Adv. Ms. Shrishti Khindaria with Mr. Shobhraj Jaiswal

Respondent No. 2	:	Gujarat Energy Development Agency
Represented by	:	Mr. Anil Patel
Respondent No. 3	:	Gujarat Urja Vikas Nigam Limited
Represented by	:	Mr. K.N. Brahmbhatt and Mr. R.K. Gohil

CORAM:
Pankaj Joshi, Chairman
Hiren Shah, Member
Jatin N. Thakkar, Member

Date: 26/05/2026.

ORDER

1. This Petition has been filed by the Applicant/Petitioner Durga Processors Pvt. Limited under Section 86 of Electricity Act, 2003 read with Regulations 80 & 82 GERC (Conduct of Business) Regulations, 2004 and Gujarat Renewable Energy Policy, 2023 & amendments thereof and the Tariff Order dated 31.08.2024 praying before the Commission to exercise its powers under Section 86 of Electricity Act, 2003 and direct the Respondent GETCO to return/refund/refrain from encashing Bank Guarantee Bearing No. 0871IGP231009976 dated 15.04.2023 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Applicant/Petitioner and further to return the amount of Rs. 11,42,337/- paid by Applicant/Petitioner on 03.07.2023, being the provisional line estimate inter-alia seeking following prayers:

   (a) Admit and Allow the Petition;

   (b) Exercise its Regulatory Powers under Section 86 of the Electricity and quash and set aside the communication dated 18.10.2025 issued by the Respondent No. 1 and further be pleased to direct the Respondent No. 1 to refund/return of the Bank Guarantee

dated 15.4.2023 bearing No. 0871IGP231009976 amounting to Rs. 25, 00,000/- from Kotak Mahindra Bank Ltd. and the amount of Rs 11,42,337/- paid by the Petitioner on 03.07.23, being the provisional line estimate.

(c) Pass such other order or orders which are deemed fit and proper in the facts and circumstances of the case.

2. Facts mentioned in the Petition in brief are as under:

2.1. Durga Processors Private Limited is a generating company as per Section 2(28) of the Electricity Act, 2003 and has been incorporated under the Companies Act, 1956. The Applicant/Petitioner is filing the instant petition praying before the Commission to exercise its powers under Section 86 of the Electricity Act, 2003 read with Regulation 80 & 82 GERC (Conduct of Business) Regulations, 2004 read with Gujarat Renewable Energy Policy, 2023 & amendments thereof and the Tariff Order dated 31.08.2024 and thereby direct the Respondent No. 1 to refrain from encashing Bank Guarantee dated 15.4.2023 bearing no. 08711GP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Applicant/Petitioner at the time of grant of Stage-II connectivity for commissioning of the evacuation line along with bays and metering system of the 4.15 MW Solar Project and further to return the amount of Rs .11,42,337/- paid by the Applicant/Petitioner on 03.07.2023, being the provisional line estimate.

2.2. The Respondent Gujarat Energy Transmission Corporation Limited (GETCO) is a company registered under the Companies Act, 1956. The Company was promoted by the erstwhile Gujarat Electricity Board

(GEB) as its wholly owned subsidiary in the context of liberalization and as a part of efforts towards restructuring of the Power Sector. The primary function of Respondent No. 1 is to build, Operate and maintain an efficient power transmission system in the State of Gujarat. In the present case, the Respondent No. 1 *inter alia* granted the connectivity and various other approvals required for setting up of the Project.

2.3. It is stated that the Petitioner was desirous of developing a Solar Power Project to be connected to Durga Processors Solar Plant under the Captive use category/open access. The Project was to be developed in terms and in accordance with the Renewable Energy Policy, 2023 of the State of Gujarat and the Tariff Order dated 8.5.2020.

2.4. Thereafter, the Petitioner had approached the Commission by filing Petition No. 2438 of 2025 whereby the Petitioner had sought extension of time for commissioning of the 4.15 MW Solar Project. That, the stand taken by the Respondent No. 1 in the said petition is that for the Project a timeline of 18 months is to be considered as per the Tariff Order dated 08.05.2020 and not 12 months as per the Tariff Order dated 31.08.2024. In fact, the Respondent No. 1 during the pendency of the petition has not only issued work completion certificate but also commissioned the Project and the Project is fully operational.

2.5. It is stated that initially the Petitioner had sought for and received Stage II connectivity for a 5 MW Solar Plant on 30.5.2023. That, the Petitioner had paid an amount of Rs. 11,42,337/- being the provisional line estimate vide UTR No. KKBKR22023070309090982

dated 3.7.2023. Further a Bank Guarantee dated 15.4.2023 bearing No. 08711GP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited.

2.6. It is stated that the Respondent No. 1 vide its letter dated 6.6.2023 had informed the Petitioner that the Stage-II dated 30.5.2023 connectivity would be revoked and the Bank Guarantee submitted by the Petitioner would be encashed only if the Petitioner did not finish the work within the time stipulated.

2.7. It is stated that the Petitioner thereafter proceeded to complete the work as per the Stage-II approval and the Petitioner was on course to complete the work as per the deadline when the Petitioner, on 16.09.2023 received a communication from the Respondent No. 1 revoking the Stage-II connectivity. The petitioner submits that the said connectivity was cancelled in an arbitrary manner and without following the principles of natural justice since no opportunity of hearing was provided before the revocation. The said revocation is on absolutely flimsy and hyper-technical grounds and is not on account of non-performance or non-adherence to the deadlines stipulated under the Stage -II connectivity. It is submitted that the Stage-II connectivity was revoked simply because the Petitioner had provided a notarised lease deed for the land instead of a registered lease deed.

2.8. It is stated that a bank guarantee is taken in order to ensure that the person who is furnishing the bank guarantee performs or honours its obligation which in the present case was to complete the work as per the Stage-II connectivity and which the Petitioner was diligently pursuing. That, it was never the case of the Respondent No. 1 that the

said Stage-II connectivity was being revoked due to non-performance or non-adherence to the deadlines stipulated under the Stage -II connectivity.

2.9. It is stated that since then the Petitioner has once again applied for the Stage I and Stage-II connectivity and again paid provisional line estimate to Rs amounting to Rs. 11,42,337 vide UTR KKBKR22024020511400798 and also furnished new bank guarantee amounting to Rs 20,75,000 bearing number 09131GP003485623 dated 15.11.2023. On the basis of above application and submission, the petitioner has also received stage 1 and stage 2 approval on 30.12.2023 from the Respondent No. 1. The Petitioner has thereafter already successfully commissioned the Project on 09.04.2025.

2.10. The Applicant/Petitioner has vide letters dated 01.01.2024, 05.02.2024, 02.03.2024, 09.04.2024 and 08.11.2024 requested the Respondent No. 1 to return the amount of Rs. 11,42,337/- being the provisional line estimate vide UTR No. KKBKR22023070309090982 dated 03.07.2023 further a Bank Guarantee dated 15.04.2023 bearing no. 08711GP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited.

2.11. It is stated that to its utter shock and surprise the Petitioner received a communication dated 18.10.2025 from the Respondent No. 1 revoking the Bank Guarantee dated 15.04.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Ltd. The Petitioner submits that the petitioner has furnished bank guarantee twice and also paid the amount of provisional estimate twice for the same land and same project.

2.12. It is stated that the Petitioner had validly submitted the requisite documents along with the application for grant of stage-II connectivity and the same was verified by the Respondent in accordance with Connectivity Procedure and stage-II connectivity was granted to the Petitioner. Therefore, even assuming that the Petitioner had committed an error in verification of documents the Petitioner cannot be penalized for the same and therefore the monies paid by the Petitioner is to be returned by the Respondent No. 1.

2.13. It is stated that the Connectivity Procedure does not provide any right to the Respondent No. 1 to withhold or encash the Bank Guarantee or the amount paid towards provisional line estimate.

2.14. It is stated that the Applicant/Petitioner has already taken the connectivity at the same sub-station as elucidated earlier and has already paid the line estimate charges again and also furnished a fresh bank guarantee, therefore the Respondent No. 1 should not be permitted to retain both the line estimate charges and bank guarantee for the same connectivity.

2.15. It is stated that the action of the Respondent No.1 is arbitrary, bad in law and against the principle of fairness as the Stage-II connectivity dated 30.05.2023 could only be revoked and the Bank Guarantee submitted by the Petitioner could be encashed only if the Petitioner did not finish the work within the time stipulated.

2.16. The action of the Respondent No.1 is illegal, arbitrary and bad in law as the Stage-II connectivity was revoked on absolutely flimsy and hyper-technical grounds and not on account of non-performance or non-adherence to the deadlines stipulated under the Stage-II

connectivity. The action of the Respondent No.1 is arbitrary manner and without following the principles of natural justice since no opportunity of hearing was provided before the revocation.

2.17. It is stated that the Respondent No. 1 has erred in not appreciating that a bank guarantee is taken in order to ensure that the person who is furnishing the bank guarantee performs or honours its obligation which in the present case was to complete the work as per the Stage-II connectivity and which the Petitioner was diligently pursuing.

2.18. The letter dated 18.10.2025 issued by the Respondent No. 1 intimating that the Bank Guarantee dated 15.4.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited shall be revoked is absolutely illegal, arbitrary and perverse and the said communication deserves to the set aside.

2.19. The Applicant/Petitioner had validly submitted the requisite documents along with the application for grant of Stage-II connectivity and the same was verified by the Respondent in accordance with Connectivity Procedure and Stage-II connectivity was granted to the Applicant/Petitioner. Therefore, even assuming that the Applicant/Petitioner had committed an error in verification of documents the Petitioner cannot be penalized for the same and therefore the monies paid by the Applicant/Petitioner is to be returned by the Respondent No.1.

2.20. The Connectivity Procedure does not provide any right to the Respondent No. 1 to withhold or encash the Bank Guarantee or the amount paid towards provisional line estimate.

2.21. It is stated that the Applicant/Petitioner has already taken the connectivity at the same sub-station as elucidated earlier and has already paid the line estimate charges again and also furnished a fresh bank guarantee, therefore the Respondent No. 1 should not be permitted to retain both the line estimate charges and bank guarantee for the same connectivity.

2.22. Aggrieved by the action of the Respondent No. 1 in failing to consider the request for refund/return of the Bank Guarantee dated 15.04.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited and for refund of provisional estimate of Rs. 11,42,337 paid on 03.07.2023, the Applicant/Petitioner has filed the present Petition before the Commission praying to exercise its powers under section 86 of the Electricity Act read with Regulation 80 & 82 GERC (Conduct of Business) Regulations, 2004 and thereby direct Respondent No. 1 to refund/return of the Bank Guarantee dated 15.04.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited and refund the amount of provisional estimate paid on 03.07.2023.

3. The Applicant/Petitioner also filed IA No. 111 of 2025 in the present matter, seeking the following reliefs:

(a) Allow the present application and accordingly, direct the Respondent No. 1 to refrain from invoking Bank Guarantee Bank Guarantee dated 15.4.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Petitioner till the pendency of the present petition.

(b) Pass any such other order(s) as this Hon'ble Commission may deem fit in the facts and circumstances of the case.

4. The facts mentioned in IA No. 111 of 2025 in brief are as under

4.1. The Applicant/Petitioner had given a Bank Guarantee dated 15.4.2023 bearing no. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited and an amount of Rs. 11,42,337 paid by the Petitioner on 03.07.2023, being the provisional line estimate.

4.2. It is submitted that the Applicant/Petitioner thereafter proceeded to complete the work as per the Stage-II approval and the Petitioner was on course to complete the work as per the deadline when the Applicant/Petitioner, on 16.9.2023 received a communication from the Respondent No. 1 revoking the Stage-II connectivity. It is submitted that the said connectivity was cancelled in an arbitrary manner and without following the principles of natural justice since no opportunity of hearing was provided before the revocation. The said revocation is on absolutely flimsy and hyper-technical grounds and is not on account of non-performance or non-adherence to the deadlines stipulated under the Stage-II connectivity.

4.3. It is submitted that a bank guarantee is taken in order to ensure that the person who is furnishing the bank guarantee performs or honours its obligation which in the present case was to complete the work as per the Stage-II connectivity and which the Petitioner was diligently pursuing. That, it was never the case of the Respondent No. 1 that the said Stage-II connectivity was being revoked due to non-performance

or non-adherence to the deadlines stipulated under the Stage-II connectivity.

4.4. It is submitted that since then the Petitioner has once again applied for the Stage I and Stage-II connectivity and again paid provisional line estimate amounting to Rs 11,42,337 vide UTR No KKBKR22024020511400798 and also furnished new bank guarantee amounting to Rs 20,75,000 bearing number 0913IGP003485623 dated 15.11.2023. On the basis of above application and submission, the petitioner has also received stage 1 and stage 2 approval on 30.12.2023 from the Respondent No. 1. The Petitioner has thereafter already successfully commissioned the Project on 09.04.2025.

4.5. It is submitted that the Petitioner has vide letters dated 01.01.2024, 05.02.2024, 02.03.2024, 09.04.2024 and 08.11.2024 requested the Respondent No, 1 to return the amount of Rs. 11,42,337/- being the provisional line estimate vide UTR No. KKBKR22023070309090982 dated 03.07.2023 further a Bank Guarantee dated 15.04.2023 bearing No. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited.

4.6. It is submitted that to its utter shock and surprise the Applicant/Petitioner received a letter dated 18.10.2025 from the Respondent No. 1 revoking the Bank Guarantee dated 15.04.2023 bearing No. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited. The Petitioner submitted that since the petitioner has furnished bank guarantee twice and also paid the amount of provisional estimate twice for the same land and same project.

4.7. It is submitted that the Petitioner had validly submitted the requisite documents along with the application for grant of stage-II connectivity and the same was verified by the Respondent in accordance with Connectivity Procedure and stage-II connectivity was granted to the Petitioner. Therefore, even assuming that the Petitioner had committed an error in verification of documents the Petitioner cannot be penalized for the same and therefore the monies paid by the Petitioner is to be returned by the Respondent No. 1.

4.8. It is also submitted that the Connectivity Procedure does not provide any right to the Respondent No. 1 to withhold or encash the Bank Guarantee or the amount paid towards provisional line estimate. It is further submitted that the Petitioner has already taken the connectivity at the same sub-station as elucidated earlier and has already paid the line estimate charges and also furnished a fresh bank guarantee, therefore, the Respondent No. 1 should not be permitted to retain both the line estimate charges and bank guarantee for the same connectivity.

4.9. The Petitioner has made a strong, legitimate case for return/refund/refrain from encashing Bank Guarantee dated 15.04.2023 bearing No. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Petitioner and further to return the amount of Rs. 11,42,337/- paid by the Petitioner on 03.07.2023, being the provisional line estimate.

4.10. It is submitted that the Petitioner will suffer irreparable harm if the stay is not granted, which includes losses, which could jeopardize the Petitioner's rights to the benefits provided under the Gujarat Renewable Energy Policy, 2023. The invocation of the bank guarantee

would result in severe damage to the Petitioner's business operations, which cannot be adequately compensated by damages or other remedies. The balance of convenience clearly favours the grant of a stay. The Petitioner would be severely impacted if the requested extension is not granted, causing financial hardship. On the other hand, the Respondent will not suffer significant harm if the stay is granted.

4.11. In view of the above, it is submitted that no prejudice would be caused to the Respondent if the prayer for urgent listing is allowed by the Commission.

5. The Applicant/Petitioner also filed IA No. 112 of 2025 in the present matter, seeking urgent listing of the present Petition.

6. The Respondent GETCO filed its reply on 03.02.2026 and contended as under:

6.1. The Petitioner has filed the present Petition in regard to the Letter dated 18.10.2025 issued by the Respondent GETCO and seeking the return of the Bank Guarantee and bay charges/deposits made by the Petitioner, pursuant to the grant of connectivity.

6.2. The Respondent is the State Transmission Utility under Section 39 of the Electricity Act, 2003 and a transmission licensee under the Electricity Act, 2003. As the State Transmission Utility the Respondent discharges the functions as provided under Section 39 (2) of the Act. The Respondent is inter alia responsible for maintaining the transmission network for undertaking transmission of electricity within the State of Gujarat. The Respondent is also the nodal agency grant of connectivity and open access to the transmission network

within the State of Gujarat. The transmission of electricity is a regulated activity under the Electricity Act, 2003.

6.3. The Commission has framed GERC (Terms and Conditions of Inter-State Open Access) Regulations 2011 where under it is provided that the Detailed Procedure may be approved by the Commission which would inter alia, include aspects on application for connectivity and open access and other issues. In terms of the same, a Detailed Procedure was drafted in relation to the Grant of Connectivity to Projects based on Renewable Sources to Intra-State Transmission System and in terms of the Open Access Regulations, the draft had been placed on the website of the Respondent to invite comments and suggestions and thereafter the same was placed before the Commission. The Commission approved the Detailed Procedure for Grant of Connectivity to Projects based on Renewable Sources to Intra-State Transmission System on 07.01.2023.

6.4. There cannot be any dispute that the said Detailed Procedure is binding on the Petitioner and the Application for connectivity in question in the present case had been filed under the regime of the said Detailed Procedure. The Detailed Procedure provides for two stages of Connectivity Stage I and Stage II. The Petitioner was granted Stage I Connectivity in terms of the Order dated 07.01.2023 vide Letter dated 26.04.2023 for 5 MW and was required to apply for Stage II Connectivity. The Petitioner had thereafter in April 2023 filed the application for Stage II Connectivity and the Petitioner was required to comply with the requirements under the Detailed Procedure. In the Application, the Petitioner inter alia made an undertaking on compliance of the Application with the detailed procedure.

6.5. The Stage II Connectivity was granted on 30.05.2023. On discovery of the fact that the documents submitted by the Petitioner did not fulfil the eligibility requirements under the Detailed Procedure and therefore the Stage II Connectivity ought not to have been granted to the Petitioner, the Respondent had cancelled/revoked the Stage II Connectivity granted. It cannot be claimed that even though the grant of Connectivity was not in compliance with the Detailed Procedure, the Respondent cannot revoke the same. The power to grant includes the power to revoke.

6.6. The Petitioner in the Petition is not seeking any relief against the cancellation of Connectivity. In fact in the letters at Annexure, the Petitioner made it clear that they do not have any objection or claim for the revocation. Therefore the Petitioner admits that the application was not correct and the connectivity was liable to be revoked. The only issue in the present case relates to the refund of the amounts paid by the Petitioner and the return of the Bank Guarantee dated 15.04.2023 submitted by the Petitioner, in lieu of the Connectivity granted to the Petitioner.

6.7. It cannot be disputed and is not disputed by the Petitioner that the Petitioner was not eligible for consideration of Stage II Connectivity as per the Detailed Procedure approved by the Gujarat Electricity Regulatory Commission. Admittedly, the Petitioner had not submitted the registered lease agreement, as was specifically required under Clause 8.2.2, at the time of the application.

6.8. There cannot be any dispute on two aspects:

(a) The Detailed Procedure requires submissions of registered lease agreements with the Application.

(b) The Petitioner did not have the registered lease agreements as on the date of the application.

6.9. The Petitioner was well aware of the requirements of the Detailed Procedure. The draft of the Detailed Procedure had been published on Respondent's website and comments had been invited from stakeholders and hence there was due diligence with the stakeholders at the draft stage and the Procedure was approved on 07.01.2023 and was made effective from 21.01.2023.

6.10. The Petitioner was well aware that it did not have the registered lease agreement which is a requirement under the Detailed Procedure and therefore the Petitioner was not in a position at all to act in compliance with the Detailed Procedure and the application was not eligible. The Petitioner had therefore made an incorrect statement and undertaking that it had complied with the Regulations/Detailed Procedure. The said statement made by the Petitioner was false to the knowledge of the Petitioner and the Petitioner had deliberately made such representation to induce the acceptance of the application and to gain connectivity to which the Petitioner was otherwise in law not eligible.

6.11. The Respondent as the nodal agency for grant of connectivity, having come to know that an application for Stage II Connectivity had been considered despite being ineligible and contrary to the Detailed Procedure, is entitled to and in fact obliged to take corrective action.

6.12. The transmission capacity available is not unlimited and applicants who apply earlier have a better chance of being granted connectivity and access. The applications received in a calendar month are usually

processed in the next month. Therefore an application filed in March 2023 would get processed before the application filed in April 2023. If the capacity is allocated to the applicant in March 2023, there may not be sufficient capacity available for the applicant in April 2023. Further, even within the applications in the same calendar month, there is inter se priority provided:

> *"9.4 The priority for grant of stage-II connectivity to applications received during the same calendar month shall be given to (i) applicants who have been awarded LOI/LOA or have signed PPA with distribution licensees within the State followed by (ii) Other applicants. The inter-se priority for applicants within each category shall be based on date and time of receipt of complete application on the portal."*

Thus, timing of filing an application may affect the chances of grant of connectivity to a particular sub-station.

6.13. In the present case, there may be other applicants in the same area who are seeking connectivity and would have to be denied if the Petitioner continues with its Connectivity obtained in a wrongful manner.

6.14. Further, if there are no consequences for the Petitioner, it would also incentivise the prospective Applicants to attempt to contravene the Detailed Procedure and Regulations and seek connectivity even before they are eligible for the same.

6.15. Once the connectivity is granted, the capacity at the sub-station is reserved for the grantee. If the Grantee's power project gets delayed, the transmission asset remains stranded and unutilised. This is contrary to the principles of efficient, coordinated and economical

utilisation under Section 30 and 39(2)(c) of the Electricity Act, 2003. The requirement of registered land documents and other provisions is to ensure that the developer is able to establish the power project in time and there aren't delays due to the delays in obtaining land. Thus there is a clear rationale for requirement of registered land documents in order to apply for Stage II Connectivity and in any case, once the Detailed Procedure approved by the Commission provides for the same, there cannot be any issue raised in this regard.

6.16. The Petitioner has stated that it is only seeking the return of bank guarantee and charges. One aspect to be considered is the conduct of the Petitioner and whether the same necessitates consequences. GETCO had written the letter dated 18.10.2025 since the connectivity was admittedly revoked due to the wrongful actions of the Petitioner and therefore the bank guarantee which was submitted for the connectivity is liable to be encashed.

6.17. The Commission may consider the facts and circumstances of the case and the fact that the capacity was blocked for certain period at the said sub-station. Further the charges paid by the Petitioner in response to the estimate charges are different than the bank guarantee.

6.18. The Petitioner was well aware that it did not have the registered lease agreement which is a requirement under the Detailed Procedure and therefore the Petitioner was not in a position at all to act in compliance with the Detailed Procedure and the application was not eligible. The Petitioner had therefore made an incorrect statement and undertaking that it had complied with the Regulations/Detailed Procedure.

6.19. There can be no dispute that the said statement made by the Petitioner was false to the knowledge of the Petitioner and the Petitioner had deliberately made such representation to induce the acceptance of the application and to gain connectivity to which the Petitioner was otherwise in law not eligible. There was no disclaimer in this application and letter that the agreement to lease is only being filed and not the registered lease agreement.

6.20. In the present case, in fact it is clear that the Petitioner had not acted in a bona fide manner. The Petitioner despite being aware of the requirements of the Detailed Procedure and in an attempt to countermand the requirements submitted notarised lease agreement and submitted the above undertakings certifying that the details submitted are in conformity. The actions of the Petitioner appear to be attempt to confuse the Respondent and conceal the Petitioner's ineligibility.

6.21. The action of the Petitioner can be said to be in nature of fraud and misrepresentation in order to obtain the Stage II Connectivity which it otherwise was not eligible to apply for. Despite being well aware of the requirement of the registered lease agreement in order to apply for Stage II Connectivity and with full knowledge that it did not have registered lease agreement, the Petitioner certified that it was in compliance with the Regulations.

6.22. The acts of the Petitioner of presenting notarised agreements of lease documents instead of registered lease deeds, when the detailed procedure of the Commission, required the Petitioner to provide registered lease agreements, clearly fall within the definition of fraud and misrepresentation. The Petitioner knowingly provided incorrect

documents to obtain connectivity, for which the Petitioner was otherwise not eligible.

6.23. The Petitioner cannot be allowed to retain the undue gains obtained by means of fraud and misrepresentation. The Petitioner cannot therefore claim any equity or otherwise any consideration for any steps taken by it in regard to the project. The Petitioner cannot be allowed to take advantage of its own wrong. The action of the Petitioner is incorrect and there has to be some consequence for them same. The Petitioner cannot be allowed to get away with such conduct. It is also not necessary to discourage such attempts by developers.

6.24. The Petitioner is claiming that there is no loss to GETCO which is not correct. Firstly there is no aspect of loss when the issue is of obtaining of connectivity in a manner contrary to the Detailed Procedure. The purpose of bank guarantee and actions of Petitioner have no requirement of proof of loss.

6.25. Even otherwise, the Petitioner has failed to consider that the timelines for the developer are considered from grant of the Stage II Connectivity and therefore there is a difference between the grant on 30.05.2023 and grant on a later date. The utilisation of the capacity and the transmission charges is therefore affected by the date of grant. Therefore even if there is a subsequent grant at the said sub-station, there is still loss. The Petitioner had obtained the Stage II connectivity on 30.12.2023 at the same sub-station and had completed the work only on 29.03.2025. Considering the date of 30.05.2023, the requirement was to complete by 30.11.2024. Therefore there was a delay.

6.26. The Petitioner has sought to claim om fairness or reasonableness. The said consideration is not applicable to the present case. In any case, there is no arbitrary conduct. In fact it is the Petitioner who had acted unfairly and unjustly by deliberately seeking connectivity without being eligible and seeking to confuse GETCO officers by annexing notarised land agreements and incorrectly making declarations. The duty to act fairly does not mean that the Petitioner is allowed to act in such a manner with no consequence at all.

6.27. The Petitioner had submitted the bank guarantee and paid the amount as provided in the Detailed Procedure and thereafter the connectivity was cancelled. Such cancellation is due to the conduct of the Petitioner who therefore should suffer consequences.

6.28. The Petitioner has sought to rely on regulatory powers of the Commission to seek restrain of encashment of bank guarantee and return of charges when admittedly there is no such provision for any return. Even otherwise, there is no provision for return. On the other hand, when the bank guarantee itself is related to timely completion of the work, it is liable to encashed on cancellation of connectivity. Otherwise the intent of the bank guarantee is not served.

6.29. On the other hand, any exercise of the regulatory power would be against the Petitioner who has incorrectly obtained the connectivity with erroneous documents. Even assuming but not admitting that the estimate charges and entire bank guarantee has to be returned in the present case for any reason, it may be necessary for the Commission to address such issues by way of appropriate orders/directions/amendments etc so that in future there is consequences for such conduct of the Grantees/Applicants.

6.30. It is submitted that there is no merit in the submission of the Petitioner and GETCO is entitled to encash the bank guarantee. None of the provisions referred by the Petitioner provide any basis for the relief sought by the Petitioner.

6.31. It is submitted that the submission of bank guarantee and estimate charges are as per Detailed Procedure. The letter dated 06.06.2023 was issuance of the estimate charges and does not mean that the Petitioner is not liable for consequences when the connectivity has been obtained on the basis of wrong statement.

6.32. There is no arbitrariness of lack of principles of natural justice nor was the same on any flimsy and hyper technical grounds. In fact the Petitioner has admittedly not challenged the cancellation and had in fact specifically stated in the letters that it is not challenging. The claim of violation is in context of letter dated 16.09.2023 and cancellation of connectivity and no relief has being sought in this regard. Therefore at this stage such issues cannot be raised. Even otherwise, there is no merit in the claim of the Petitioner. It is not the case of the Petitioner that it had submitted the registered lease deed. The Petitioner did not respond to the letter dated 16.09.2023 clarifying any issue or even contending that the basis of the letter dated 16.09.2023 is wrong. The Petitioner was well aware of the requirements of Detailed Procedure and it is not even its contention that the requirement is not registered lease deed. Even assuming but not admitting that any notice was required to be sent by the Respondent to the Petitioner, besides no purpose would be served in as much as the Petitioner could not and did not demonstrated its eligibility on the date of the application. Thus no prejudice is caused

to the Petitioner due to absence of any show cause notice or alleged violation of principles of natural justice. Further, any such opportunity of hearing would not have changed the result i.e. cancellation of the Connectivity. Thus, any such exercise would have been empty formality. In this regard, reliance is placed on the following decisions of the Hon'ble Supreme Court:

a. Ashok Kumar v. Union of India, (2007) 4 SCC 54.
b. Dharampal Satyapal Ltd v. Deputy Commissioner of Central Excise, Gauhati and Others (2015) SCC 8 SCC 519.

6.33. It is denied that the bank guarantee is in regard to the connectivity and when the connectivity is cancelled, the same is liable to be invoked. The Petitioner cannot deny that its own fault in making incorrect statements and the Petitioner is liable for the consequences in obtaining the connectivity through such means and delaying the process. The non-performance is also attributable to the Petitioner.

6.34. It is submitted that there is no basis for seeking any return of charges or bank guarantee. In such letters, the Petitioner has specifically stated that it is not challenging the revocation/cancellation, thereby admitting that the cancellation was correct and valid. When the cancellation is valid, the Petitioner is liable to some consequences.

6.35. It is submitted that GETCO had taken steps to encash the bank guarantee in view of the cancellation of the connectivity. There is no question of submissions twice. Each application is separate and requires the payments. The earlier connectivity was cancelled since the Petitioner had obtained it on the basis of wrong statements and therefore the Petitioner is liable to consequences thereof. The

subsequent application does not change the consequences of the earlier.

6.36. Firstly the Petitioner has not challenged the cancellation of connectivity. Secondly the statement that Petitioner had validly submitted the requisite documents is patently erroneous. The Petitioner has conveniently not made any response or submission to the fact that there was no registered lease which is the requirement of Detailed Procedure and further made a false statement in the application. The inadvertent grant does not change the fact that the Petitioner had committed an error and made wrong statements. The Petitioner has to suffer consequences of obtaining the connectivity under wrong statements. The Stage II connectivity granted by the Respondent on 30.05.2023 was based on the undertakings submitted to the Respondent and on erroneous and inadvertent basis that the Petitioner had applied in accordance with the Detailed Procedure. The Grant obtained on false basis and under fraud and/or misrepresentation cannot be sustained. It is reiterated that the acts of the Petitioner of presenting notarised agreements of lease documents instead of registered lease deeds, when the detailed procedure of the Commission required the Petitioner to provide registered lease agreements, clearly fall within the definition of fraud and misrepresentation. The Petitioner knowingly provided incorrect documents to obtain connectivity, for which the Petitioner was otherwise not eligible.

6.37. It is submitted that the Detailed Procedure requires the submission of bank guarantee and payment of estimate charges. there is no provision for return of bank guarantee. The Petitioner cannot seek

return of the Bank Guarantee and the amounts deposited by the Petitioner. The same have been retained/sought to be encashed by GETCO to compensate GETCO on account of the connectivity being obtained by the Petitioner by misrepresentation of facts.

6.38. It is submitted that the subsequent connectivity is not relevant to the issue at hand. The Petitioner cannot rely on the same to erase its liability under the earlier connectivity.

6.39. It is submitted that the Petitioner has admittedly not challenged the cancellation of connectivity granted on 30.05.2023 which is also clear from the letters. Therefore, making allegations on the action of cancellation is not correct. Even otherwise, the action was correct. When the Petitioner was ineligible for connectivity, the same cannot be sustained. The Petitioner had acted in unfair manner in submitted the application knowing that it was not eligible and further making incorrect statements in the application in order to take undue advantage. The Respondent GETCO had validly taken action in terms of the Letter dated 16.09.2023. It cannot be held unreasonable when the Respondent cancels/revokes the Stage II Connectivity granted contrary to the Detailed Procedure. Further, the Petitioner has not challenged the cancellation of the connectivity.

6.40. It is not the case of the Petitioner that it had submitted the registered lease agreement which means that the application was ineligible and wrong statement was made by the Petitioner in the application. The Petitioner claims that it had validly submitted documents but does not address the specific issue raised by GETCO that it had not submitted the registered lease agreement. The Petitioner had also not disputed the cancellation at any time.

6.41. It is denied that the Petitioner has validly submitted documents or that revocation was arbitrary. The Petitioner had claimed to have filed documents evidencing its eligibility even though it was not eligible. The Petitioner had signed undertakings and representation that it had complied with the Regulations even when it had not. It is submitted that the Respondent had not realised that the documents were not registered lease agreements. When the Respondent realised that the land documents were not in compliance, the Respondent took corrective steps.

6.42. It is submitted that GETCO has acted in compliance with the eligibility requirements of Detailed Procedure and to ensure that the requirements of law are fulfilled. The Petitioner had misrepresented its eligibility and obtained the connectivity by misrepresentation and fraud which was liable to be cancelled. The cancellation was valid. It would have been unreasonable, unfair and discriminatory to allow the Petitioner to continue the Stage II Connectivity when it was not eligible. The Stage II connectivity granted by the Respondent on 30.05.2023 was based on the undertakings submitted to the Respondent and on erroneous and inadvertent basis that the Petitioner had applied in accordance with the Detailed Procedure. On discovery of the fact that the documents submitted by the Petitioner did not fulfil the eligibility requirements under the Detailed Procedure and therefore the Stage II Connectivity ought not to have been granted to the Petitioner, the Respondent had cancelled/revoked the Stage II Connectivity granted. It cannot be claimed that even though the grant of Connectivity was not in compliance with the Detailed Procedure, the GETCO cannot revoke the same. The power to grant includes the power to revoke.

6.43. Even if GETCO had incorrectly granted the Connectivity, the same does not mean that the same has to be continued. There cannot be any right of the Petitioner contrary to the law. When the Petitioner is ineligible, it cannot become eligible merely because it was granted the Connectivity inadvertently and on basis of incorrect statements of the Petitioner.

6.44. The Petitioner did not obtain the connectivity by following the detailed procedure of the Commission and while doing so also blocked the capacity for a period and even if the capacity is thereafter granted, the timelines for the utilisation of the system would only start after the subsequent grant. Further, the timing of filing an application may affect the chances of grant of connectivity to a particular sub-station. It is not known how many applicants were affected by the grant to the Petitioner. The Petitioner has only sought the return of bank guarantee and charges. One aspect to be considered is the conduct of the Petitioner and whether the same necessitates consequences. While GETCO had taken steps, it is submitted that the Commission may decide on what steps is to be taken vis-à-vis the estimate charges and bank guarantee Petitioner in the facts and circumstances of the case and in view of the fact that the capacity was blocked for certain period at the said sub-station. Further, the charges paid by the Petitioner in response to the estimate charges are different than the bank guarantee.

6.45. It is submitted that forfeiture of the Bank Guarantee submitted and the deposits made by the Petitioner are a consequence of the Petitioner taking connectivity on the basis of false statements and to discourage any other unscrupulous or careless applicant. The Hon'ble

Commission may also consider that accepting the contention of the Petitioner would in effect mean ignoring the conduct of the Petitioner with no consequences. It would incentivise the prospective Applicants to attempt to contravene the Detailed Procedure and Regulations and seek connectivity even before they are eligible for the same. The Bank Guarantee and the amount deposited by the Petitioner cannot be refunded when the cancellation is due to the Petitioner obtaining connectivity by fraudulent means. Allowing GETCO to retain the Bank Guarantee and deposits made by the Petitioner would act as a deterrent to future applicants from resorting to such fraudulent means. Even otherwise, the Petitioner had taken the risk of applying for Stage II Connectivity with incorrect statements and further allegedly took further steps. Therefore the Petitioner cannot claim any equity on this basis. The Petitioner cannot escape with no consequences for blocking the capacity wrongly. The act of GETCO of retaining the Bank Guarantee and the deposits made by the Petitioner is a consequence of such denial/cancellation of connectivity. The Bank Guarantee being retained and retention of the bay charges paid by the Petitioner compensate for the Petitioner having taken connectivity on false statements and occupying the transmission system, thus causing loss to GETCO as there will be a delay in recovery in transmission charges from a legitimate grantee of connectivity i.e. the subsequent allottee. The interpretation of the Petitioner is therefore not accepted. The Petitioner cannot escape its own faults by relying on subsequent events.

6.46. It is submitted that there is no merit in the present Petition and the Petitioner is not entitled to any relief. The Petitioner is seeking to exercise powers under Section 86 and Regulations 80 and 82 which if

at all applicable would be to hold the Petitioner liable for consequences. If the Commission has the regulatory powers in absence of any specific provision in the Regulations/Detailed Procedure, the Commission can consider the aspects and decide. In this regard, the facts and circumstances are in favour of the Petitioner being held accountable and to bear the consequences.

7. The Petitioner filed its rejoinder reply dated 14.04.2026 and submitted as under:

7.1. It is submitted that the Petitioner has filed the present petition under Section 86 of the Electricity Act, 2003 for directions that the Respondent GETCO be directed to refrain from encashing Bank Guarantee dated 15.04.2023 bearing No. 0871IGP231009976 amounting to Rs. 25,00,000/- from Kotak Mahindra Bank Limited furnished by the Petitioner and further to return the amount of Rs. 11,42,337/- paid by the Petitioner on 03.07.2023, being the provisional line estimate.

7.2. It is submitted that the Respondent GETCO has not followed the principles of natural justice and had revoked the Stage-II connectivity arbitrarily, without providing an opportunity of hearing to the Petitioner.

7.3. It is submitted that the stand taken by the Respondent GETCO in the reply is completely untenable. The Petitioner denied that there is the Petitioner has committed any fraud or made any incorrect statement, given a false undertaking or deliberately made any misrepresentation, as alleged or otherwise.

7.4. It is submitted that the stand taken by the Respondent GETCO in the reply regarding the alleged false representations, incorrect statements, or giving false undertakings, misrepresentation, fraud etc., are an afterthought and such allegations have been levelled against the Petitioner for the first time in the said reply. The Respondent has never made such allegations against the Petitioner even at the time of revoking the bank guarantee and the Respondent No. 1 should not have granted the connectivity at all if the documents according to the Respondent GTECO were incomplete.

7.5. It is submitted that the Petitioner had validly submitted the requisite documents along with the application for Stage-II connectivity and the same was verified by the Respondent GETCO in accordance with the connectivity procedure and the Stage-II connectivity was granted to the Petitioner on 30.05.2023. Therefore even assuming that the Respondent committed an error in verification of the documents prior to grant of Stage-II connectivity the Petitioner cannot be penalized for the same and therefore the monies paid by the Petitioner are to be returned to the Petitioner by the Respondent.

7.6. It is submitted that the purpose of a Bank Guarantee is to insulate the Respondent against any loss it might incur on account of defaults on part of the Petitioner in timely compliances till the completion of the power project. Since, the Respondent has revoked the Stage-II connectivity on account of non-compliance of Clause 8.2.2 (i) of the connectivity procedure, the intended purpose of the Bank Guarantee stands vitiated. It is respectfully submitted that the Clause 8.2.2 of the connectivity procedure does not attract encashment of Bank Guarantee by the Respondent.

7.7. It is submitted that the Respondent GETCO in the reply has not made out any case as to how the Respondent GETCO has suffered any loss on account of cancellation of the connectivity which could justify its decision to revoke the bank guarantee. The Petitioner submits that the Respondent GETCO has made bald averments the transmission assets remaining stranded and unutilized, however the Respondent has not given the exact time frame or timeline or figure regarding the loss suffered by the Respondent.

7.8. It is submitted that the Petitioner was granted approval as a lead generator and the subsequent project was duly completed by the Petitioner on time as per the procedure. In fact, 3 more connections were granted approval through the Petitioner's substation. Hence the capacity was not mis utilized by the Petitioner, in fact 3 more consumers were added through the Petitioner. Hence, the question of loss does not arise.

7.9. It is submitted that the Stage-II connectivity was granted on 30.05.2023 and was revoked only on 16.09.2023, therefore the Petitioner could not start the work until new approval was received, on. 30.12.2023, and hence there is no delay as per revised approval.

7.10. It is reiteratesd that since then the Petitioner has once again applied for the Stage I and Stage-II connectivity and again paid provisional line estimate amounting to Rs. 11,42,337 vide UTR No KKBKR22024020511400798 and also furnished new bank guarantee amounting to Rs. 20,75,000 bearing No. 09131GP003485623 dated 15.11.2023. On the basis of above application and submission, the petitioner has also received Stage-I and Stage-II approval on 30.12.2023 from the Respondent GETCO. The Petitioner has

thereafter already successfully commissioned the Project on 09.04.2025.

7.11. The Petitioner had approached the Commission by filing Petition No. 2438 of 2025 whereby the Petitioner had sought extension of time for commissioning of the 4.15 MW Solar Project. That, the stand taken by the Respondent GETCO in the said petition is that for the Project a timeline of 18 months is to be considered as per the Tariff Order dated 08.05.2020 and not 12 months as per the Tariff Order dated 31.08.2024. In view of the said statement and the fact that the Respondent No. 1 during the pendency of the petition has not only issued work completion certificate but also commissioned the Project, the Petitioner has withdrawn the said petition.

7.12. In view of above, the present petition is required to be allowed and the prayers prayed for therein are required to be granted in the interest of justice.

8. The matter was heard on 17.04.2026. During the hearing on 17.04.2026, the Counsel for the Petitioner while reiterating the submissions as stated above, has also submitted that the Respondent GETCO was required to scrutinize all documents as per procedure laid down in Clause 9 in the "*Procedure for grant of connectivity to projects based on renewable energy sources".* It is submitted that as per the said Clause 9.2, GETCO was (i) required to scrutinize all the documents submitted by the Petitioner before grant of connectivity, then (ii) the Respondent GETCO was required to, in case of any deficiency, inform the Petitioner of the said deficiency and the Petitioner was to be given an opportunity to cure the defect. That the said procedure do not give

any power to GETCO to revoke the connectivity once having granted it nor does the said procedure give any right/power to GETCO to encash the bank guarantee.

8.1. It is submitted that the Respondent GETCO in absolute violation of the said procedure has admittedly granted connectivity without any scrutiny of documents, the bank guarantee was given only pursuant to receiving the connectivity from GETCO. If GETCO would not have given the connectivity, then the question of giving bank guarantee would not have arisen. It is also submitted that GETCO had followed the procedure and scrutinized all the documents before grant of connectivity then in that case GETCO would have been able to point of the absence of registered lease documents and if the Petitioner would have removed the defects and provide registered lease documents and the question of revoking the connectivity or encashing the bank guarantee would not have arisen.

8.2. It is submitted that GETCO has further violated the said procedure by revoking the connectivity and GETCO has not such right to revoke the connectivity having once granted the connectivity. It is submitted that from the language of Clause 9 of the said Procedure it is abundantly clear that GETCO had the duty to scrutinize the documents submitted by the Petitioner and also had the right to point out the defects, if any, to the Petitioner. However, once having granted the connectivity the Petitioner had no right to revoke the connectivity. Even assuming for the sake of argument, that GETCO did in fact have a right to revoke the connectivity then also in that case GETCO could not have revoked the connectivity without following the principles of natural justice and affording the Petitioner an opportunity of hearing.

8.3. It is submitted that GETCO has no right or power under the said procedure to encash the bank guarantee submitted by the Petitioner, as connectivity was to be granted only pursuant to the careful verification/scrutiny of all documents by GETCO. The Petitioner submitted that there has been no breach by the Petitioner and the Petitioner cannot be penalized for the negligence of GETCO. It is submitted that assuming that GETCO has incurred any loss then also the same is attributable to its own negligence and therefore also GETCO has not right to encash the bank guarantee and also has to return the line estimate cost paid by the Petitioner.

8.4. The Petitioner submitted that law does not allow a person to approbate and reprobate that GETCO cannot as per the said principle accept and reject the same documents/application for grant of connectivity and then reject the same connectivity on the basis of the same document. In this regard, the reliance is placed upon the judgment of the Hon'ble Supreme Court in the matter of R.*N Gosain v. YashpalDhir- 1992 4 SCC 683*.

8.5. It is further submitted that GETCO has not made out any case as to how GETCO has suffered any loss on account of cancellation of the connectivity. The Petitioner submits that GETCO has made bald averments about the transmission assets remaining stranded and unutilized, however GETCO has not given the exact time frame or timeline or figure regarding the loss suffered by GETCO. The Petitioner submits that, to the best of the Petitioner's knowledge, the connectivity at the Visavdar sub-station has already be granted to another entity, in and around April, 2025 and GETCO has also received the Bank Guarantee from the said entity and therefore no loss has

been suffered by GETCO. Therefore, the Respondent GETCO must refrain from encashing Bank Guarantee and further to return the amount of Rs. 11,42,337/- paid by the Petitioner, being the provisional line estimate as GETCO cannot be permitted to retain the Bank Guarantee from both the Petitioner and the new entity which has been allotted connectivity at the same 200/66 kv Visavdar sub-station post revocation of the Petitioners Stage-II connectivity. Therefore the retention of monies by GETCO is unjust enrichment and contrary to law.

8.6. In view of the above, the present Petition is required to be allowed and GETCO is required to be directed to refrain from encashing the bank guarantee and to return the same to the Petitioner and further return the amount paid by the Petitioner towards the provisional line estimate.

9. Ld. Counsel for the Respondent No. 1 GETCO also reiterating the submissions as stated above and submitted that the Petitioner is not pressing any relief against the cancellation/revocation of the Stage II Connectivity. In the letters forming part of the record, the Petitioner had in fact made it clear that it does not have any objection or claim for the revocation [Ref: Letter dated 09.04.2024. Therefore, the Petitioner itself admits that the application was not in conformity with the requirements and the connectivity was liable to be revoked. The only issue in the present case relates to the return of the Bank Guarantee dated 15.04.2023 amounting to Rs. 25,00,000/- submitted by the Petitioner in lieu of the connectivity granted and the refund of the amounts paid by the Petitioner.

9.1. It is submitted that the Petitioner is not entitled to any such refund or return on account of its own wrongful conduct in obtaining the connectivity through misrepresentation and fraud. The Petitioner cannot be allowed to take advantage of its own wrong. It is not only a case of the Petitioner submitting incomplete documents but the conduct of the Petitioner demonstrates that there was an intent to confuse and mislead by providing Notarised Sale Deed when the requirement was Registered Lease Deed and provide declaration that there is compliance with the requirements. If the Petitioner is allowed to do this with no consequence, it would provide an incentive for all applicants to apply even without the documents and in fact attempt to camouflage in the hope of being unnoticed, and even if they don't succeed and the Connectivity is subsequently cancelled, there would be no consequences. There is therefore no disincentive for any applicant from seeking to act in this manner, If the prayer of the Petitioner is allowed. This cannot be permitted.

9.2. The Petitioner has invoked Section 86 of the Electricity Act, 2003, Regulation 80 & 82 of the GERC (Conduct of Business) Regulations 2004, the Gujarat Renewable Energy Policy 2023, and the Tariff Order dated 31.08.2024 as the basis for the relief sought. None of these provisions create any substantive right in the Petitioner to seek return of the Bank Guarantee Section 86 confers general regulatory powers on the Commission and Regulations 80 and 82 are procedural rules governing the Commission's proceedings, they do not create any right to a refund of amounts paid in connection with connectivity obtained under misrepresentation/fraud and knowingly making false statements.

9.3. On the other hand, the regulatory powers are to be exercised by the Commission to provide consequences for the Petitioner. The Bank Guarantee is for the Connectivity and when Connectivity is cancelled, the same should be allowed to be invoked.

9.4. The Commission has framed the GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 whereunder it is provided that the Detailed Procedure may be approved by the Commission which would inter-alia include aspects on application for connectivity and open access and other issues. In terms of the same, a Detailed Procedure was drafted in relation to the Grant of Connectivity to Projects based on Renewable Sources to Intra-State Transmission System and in terms of the Open Access Regulations, the draft had been placed on the website of the Respondent to invite comments and suggestions from stakeholders and thereafter the same was placed before the Commission. The Commission approved the Detailed Procedure for Grant of Connectivity to Projects based on Renewable Sources to Intra-State Transmission System on 07.01.2023.

9.5. There cannot be any dispute that the said Detailed Procedure is binding on the Petitioner and the Application for connectivity in question in the present case had been filed under the regime of the said Detailed Procedure. The Detailed Procedure provides for two stages of Connectivity- Stage I and Stage II. The Petitioner was granted Stage I Connectivity vide Letter dated 19.20/01.2023 for 70 MW and was required to apply for Stage II Connectivity. The Petitioner had thereafter in May 2023, filed the application for Stage II Connectivity and the Petitioner was required to comply with the requirements under the Detailed Procedure. In the Application, the Petitioner inter

alia made an undertaking on compliance of the Application with the Detailed Procedure.

9.6. On discovery of the fact that the documents submitted by the Petitioner did not fulfil the eligibility requirements under the Detailed Procedure and therefore the Stage II Connectivity ought not to have been granted to the Petitioner, the Respondent had cancelled/revoked the Stage II Connectivity granted vide letter dated 16.09.2023. It cannot be claimed that even though the grant of Connectivity was not in compliance with the Detailed Procedure, the Respondent cannot revoke the same. The power to grant includes the power to revoke.

9.7. It cannot be disputed and is not disputed by the Petitioner that the Petitioner was not eligible for consideration of Stage II Connectivity as per the Detailed Procedure approved by the Commission. Admittedly, the Petitioner had not submitted the registered lease agreement, as was specifically required under Clause 8.2.2 of the Detailed Procedure, at the time of the application.

9.8. It cannot also be disputed that the Detailed Procedure as approved by the Commission which governs the consideration and processing of applications and grant of Stage II Connectivity specifically requires the submission of registered lease agreement as part of the application under Clause 8.2.2 in order to be eligible for Stage II Connectivity. The Petitioner had applied for connectivity under Clause 8.2.2 of the Detailed Procedure and therefore had to meet the eligibility conditions thereof. It is, therefore, clear that the Petitioner was not eligible in terms of the Detailed Procedure.

9.9. The Petitioner was well aware of the requirements of the Detailed Procedure. The draft of the Detailed Procedure had been published on

the Respondent's website and comments had been invited from stakeholders and hence there was due diligence with the stakeholders at the draft stage, and the Procedure was approved on 07.01.2023 and was made effective from 21.01.2023.

9.10. The Petitioner was well aware that it did not have the registered lease agreement which is a requirement under the Detailed Procedure and therefore the Petitioner was not in a position at all to act in compliance with the Detailed Procedure and the application was not eligible. The Petitioner had therefore made an incorrect statement and undertaking that it had complied with the Regulations/Detailed Procedure.

9.11. There can be no dispute that the said statements made by the Petitioner were false to the knowledge of the Petitioner and the Petitioner had deliberately made such representations to induce the acceptance of the application and to gain connectivity to which the Petitioner was otherwise in law not eligible. There was no disclaimer in the application that the agreement to lease filed was only a notarized agreement and not a registered lease agreement. The Petitioner despite being aware of the requirements of the Detailed Procedure, in an attempt to circumvent the requirements, submitted a notarized lease agreement instead of a registered lease agreement and submitted the above undertakings certifying that the details submitted are in conformity. The actions of the Petitioner appear to be an attempt to confuse the Respondent and conceal the Petitioner's ineligibility.

9.12. It is also relevant that at no time, the Petitioner submitted the registered lease agreement. The Petitioner was well aware that the Respondent was under the impression that it had already submitted the registered lease agreement with the application and did not want to expose the fact that the Respondent was under a wrong impression. The perusal of the letter dated 24.03.2023 and the affidavit and the filled FORMAT 3 attached by the Petitioner at the time of making the application only highlights the wrongful conduct of the Petitioner in attempts to mislead and confuse the Respondent with regard to the documents in relation to land by incorrectly claiming that it had submitted valid documents for land. The Petitioner has not provided any legal ground for why its application should not have been considered ineligible. Even in the Petition, the Petitioner has not provided any explanation for the fact that the registered lease agreements as required under Clause 8.2.2 and FORMAT 7 of the Detailed Procedure were not submitted.

9.13. The action of the Petitioner is therefore in the nature of fraud and misrepresentation in order to obtain the Stage II Connectivity for which it was otherwise not eligible. Despite being well aware of the requirement of the registered lease agreement in order to apply for Stage II Connectivity and with full knowledge that it did not have the registered lease agreement, the Petitioner certified that it was in compliance with the Regulations.

9.14. The acts of the Petitioner of presenting a notarized agreement of lease instead of a registered lease deed, when the Detailed Procedure required the Petitioner to provide a registered lease agreement, clearly fall within the definition of fraud and misrepresentation under

the said provisions. The Petitioner knowingly provided incorrect documents to obtain connectivity for which the Petitioner was otherwise not eligible.

9.15. The Petitioner cannot be allowed the undue gains obtained by means of fraud and misrepresentation. The Petitioner cannot therefore claim any equity or otherwise any consideration for any steps taken by it in regard to the project. The Petitioner cannot be allowed to take advantage of its own wrong. There has to be some consequence for the wrongful action of the Petitioner.

9.16. The Petitioner had taken the risk of applying for Stage II Connectivity with incorrect statements and further took the risk of proceedings on the basis of the above.

9.17. In the present case, the Petitioner did not act in a bona fide manner. The Petitioner despite being aware of the requirements of the Detailed Procedure submitted a notarized lease agreement instead of a registered lease agreement and submitted undertakings certifying that the details submitted are in conformity. There cannot be any exemptions or exceptions or otherwise any contravention of the specific eligibility conditions. Therefore, the connectivity was liable to be revoked and bank guarantee encashed.

9.18. GETCO as the nodal agency for grant of connectivity, having come to know that an application for Stage II Connectivity had been considered despite being ineligible and contrary to the Detailed Procedure, was entitled to and in fact obliged to take corrective action. The Petitioner cannot be allowed the continued benefit of the Stage II Connectivity which is not in accordance with the Detailed Procedure.

When the grant is not in accordance with the law, the same has to be revoked and cannot be allowed to continue.

9.19. GETCO had written the letter dated 18.10.2025 since the connectivity was admittedly revoked due to the wrongful actions of the Petitioner and therefore, the bank guarantee which was submitted for the connectivity is liable to be encashed. The Petitioner is claiming that there is no loss to GETCO which is not correct. Firstly, there is no requirement of proof of loss when the issue is of obtaining connectivity in a manner contrary to the Detailed Procedure. The purpose of a bank guarantee and the actions of the Petitioner have no requirement of proof of loss. The grant of connectivity subsequently to any Applicant does not change the fact that there is a revocation of connectivity which entails consequences.

9.20. Even otherwise, the Petitioner has failed to consider that the timelines for the developer are considered from the date of grant of the Stage II Connectivity and therefore there is a material difference between the grant on 30.05.2023 and a grant on a later date. The utilization of the capacity and the transmission charges is therefore affected by the date of grant. Even if there is a subsequent grant at the said sub-station, there is still loss to the system on account of the initial wrongful occupancy of capacity. The Petitioner had obtained the Stage II Connectivity on 30.12.2023 at the same sub-station and had completed the work only on 29.03.2025. Considering the date of 30.05.2023 as the grant date, the requirement was to complete by 29.03.2025. Considering the date of 30.05.2023 as the grant date, the requirement was to complete by 30.11.2024. Therefore, there was a

delay caused directly on account of the wrongful grant of the first connectivity.

9.21. The Commission may consider the facts and circumstances of the case including the fact that the capacity at the said sub-station was blocked for a certain period due to the wrongful conduct of the Petitioner. Once the connectivity is granted, the capacity at the sub-station is reserved for the grantee. If the Grantee's power project gets delayed or the connectivity is revoked, the transmission asset remains stranded and unutilized. This is contrary to the principles of efficient, coordinated and economical utilization under Section 30 and Section 39(2)(c) of the Electricity Act, 2003.

9.22. The Respondent as a State Transmission Utility under Section 39 and as a Transmission Licensee has to ensure development of an efficient system of transmission for smooth flow of electricity and to provide open access in a non-discriminatory manner. In the present case, there may be other applicants in the same area who were seeking connectivity and who would have been denied the same if the Petitioner had continued with its Connectivity obtained in a wrongful manner. Further, if there are no consequences for the Petitioner, it would also incentivize prospective Applicants to attempt to contravene the Detailed Procedure and Regulations and seek connectivity even before they are eligible for the same. The transmission capacity available is not unlimited and applicants who apply earlier have a better chance of being granted connectivity and access. The applications received in a calendar month are usually processed in the next month. Therefore, an application filed in March 2023 would get processed before the application filed in April 2023.

If the capacity is allocated to the applicant in March 2023, there may not be sufficient capacity available for the applicant in April 2023. Further even within the applications in the same calendar month, there is inter se priority provided. Thus, timing of filing an application may affect the chances of grant of connectivity to a particular sub-station. The requirement of registered land documents and other provisions is to ensure that the developer is able to establish the power project in time and there are no delays due to delays in obtaining land. Thus, there is a clear rationale for the requirement of registered land documents in order to apply for Stage-II Connectivity and in any case, once the Detailed Procedure approved by the Hon'ble Commission provides for the same, there cannot be any issue raised in this regard. It would have been unreasonable, unfair and discriminatory to allow the Petitioner to continue the Stage-II Connectivity when it was not eligible. This would be discriminatory to other applicants who had to wait until the receipt of the registered lease deed or sale deed to apply for the connectivity. It cannot be that the Petitioner is permitted an exemption from the application of the Detailed Procedure. Allowing the Petitioner to face no consequence for its wrongful act would incentivize prospective applicants to contravene the Detailed Procedure.

9.23. It is submitted that there is no arbitrary or wrong conduct on the part of GETCO. In fact, it is the Petitioner who had acted unfairly and unjustly by deliberately seeking connectivity without being eligible and seeking to confuse GETCO officers by annexing notarized land agreements and incorrectly making declarations. The duty to act fairly does not mean that the Petitioner is allowed to act in such a manner with no consequence at all.

9.24. The charges paid by the Petitioner in response to the estimate charges are in a different category than the bank guarantee. The Petitioner had submitted the bank guarantee and paid the amount as provided in the Detailed Procedure and thereafter, the connectivity was cancelled. Such cancellation is due to the conduct of the Petitioner. Further the issue had already arisen as another developer had filed Petition being Petition No. 2266 of 2023. It is therefore for the Commission to consider whether the return of estimate charges can also be done in the unique circumstances of such cases.

9.25. Even assuming but not admitting that the estimate charges and the entire bank guarantee are required to be returned in the present case for any reason whatsoever, it may be necessary for the Hon'ble Commission to address such issues by way of appropriate orders/directions/amendments etc. so that in future there are consequences for such conduct on the part of Grantees/Applicants.

9.26. Any issues related to the charges for subsequent connectivity cannot be the subject matter of the present Petition. As per the detailed procedure, a bank guarantee has to be submitted with every application for connectivity and upon successfully achieving of timelines and completion of works connectivity grantee the Bank Guarantee is returned by GETCO. There is no question of any gain or benefit to GETCO.

9.27. The Petitioner is not pressing the relief challenging the letter dated 18.10.2025 or the revocation of connectivity. In these circumstances, the issues being sought to be raised on violation of principles of natural justice are not relevant and are without merit in the present

proceedings. When the Petitioner is not pressing its relief for setting aside of the impugned letter or seeking restoration of its connectivity, there is no purpose in the Petitioner seeking to raise claims that the said Letter or the revocation of connectivity was wrong.

9.28. Even otherwise, on the merits of such a contention, there is no violation of principles of natural justice. It is clear from the above that the Petitioner's application was ineligible for connectivity. It was impossible for the Petitioner to cure its ineligibility, and the Petitioner could not have provided any satisfactory answer to the non-compliance with the Detailed Procedure. It is not even the case of the Petitioner that it had submitted the registered lease deed. Therefore, even assuming but not admitting that any notice was required to be sent by the Respondent to the Petitioner, no purpose would have been served in as much as the Petitioner could not have demonstrated its eligibility on the date of the application when admittedly there was no registered lease agreement. Thus, no prejudice is caused to the Petitioner due to absence of any show cause notice or alleged violation of principles of natural justice. Further, any such opportunity of hearing would not have changed the result i.e. the cancellation of the Connectivity. Thus, any such exercise would have been an empty formality. In this regard, reliance is being placed upon the following decisions of the Hon'ble Supreme Court:

(a) *Ashok Kumar v. Union of India, (2007) 4 SCC 549*

(b) *Dharampal Satyapal Ltd. v. Deputy Commissioner of Central Excise, Gauhati and Others, (2015) 8 SCC 519*

(c) *Rajeev Suri v. Delhi Development Authority and Others, (2022) 11 SCC 1*

9.29. In view of the judgments cited above, the position of law is well settled that principles of natural justice need not be complied with where the result would inevitably remain the same and where compliance would be an empty formality. In the present case, the Petitioner admittedly did not have the registered lease agreement on the date of the application. No hearing or notice could have cured this fundamental ineligibility. Therefore, no prejudice has been caused to the Petitioner, and no relief can be granted on the ground of violation of principles of natural justice.

9.30. The Petitioner had sought to rely on the clauses of Detailed Procedure and that GETCO did not raise any issue on the Application. Firstly, since the Petitioner has not challenged the revocation, raising of such issues is not correct. Further the clauses for deficiencies and clarifications under Detailed Procedure cannot be used for overcoming the ineligibility of the Applicant. These are for minor issues in the online application and do not apply when the so-called deficiency is not capable of being rectified. It is the Petitioner's responsibility to ensure that it is eligible on the date of application and there is no requirement for GETCO to write to the Petitioner to point out its ineligibility. The fact that deficiencies have to be provided in three days demonstrate that they are not related to eligibility aspects of the Application. Further the provision for seeking clarifications only enables GETCO to seek clarifications and there is no obligation on GETCO to seek clarifications.

9.31. Even if GETCO had incorrectly granted the Connectivity, the same does not mean that the same has to be continued or that the Petitioner is entitled to any benefit therefrom. There cannot be any right of the

Petitioner contrary to the law. There is no legitimate expectation in such cases and in fact GETCO as the nodal agency cannot create any legitimate expectations, particularly when the same is contrary to the law laid down by the Hon'ble Commission which is the regulatory authority for transmission activity including connectivity.

9.32. The Petitioner has sought to rely on regulatory powers of the Hon'ble Commission which clearly demonstrates that there is no provision for return of Bank Guarantee etc. Bank Guarantee was submitted for Connectivity and when Connectivity is revoked, the same has to be encashed.

9.33. Even otherwise, the encashment of Bank Guarantee is a necessary consequence in consideration of the conduct of the Petitioner as already detailed hereinabove.

9.34. On the other hand, if regulatory powers are to be exercised, the same is in favour of GETCO particularly considering the issue of blocking of capacity for connectivity at the sub-station based on erroneous declaration and documents.

9.35. In this regard, the Commission is empowered to pass the necessary directions in the present case also in exercise of its inherent regulatory powers under Section 86(1) I. The Hon'ble Supreme Court in a recent judgment in *Power Grid Corporation of India Limited v. Madhya Pradesh Power Transmission Company Limited and Others (2025) 8 SCC 705*, has recognized that even in the absence of a regulation or a contractual provision, the commissions are empowered to issue orders in exercise of their regulatory powers.

9.36. The Petitioner's reliance on the doctrine of approbate and reprobate and the judgment of the Hon'ble Supreme Court *in R.N. Gosain v. Yashpal Dhir, (1992) 4 SCC 683* is wholly misplaced and inapplicable to the facts of the present case. Firstly, there is no approbate and reprobate and it is not clear how it applies here. It is submitted that the doctrine of approbate, and reprobate operates only where a party has made a clear election to accept a particular state of affairs and has derived a benefit therefrom. In the present case, GETCO never consciously or voluntarily accepted the notarized lease agreement as a valid substitute for a registered lease agreement nor has GETCO derived any benefit from it. GETCO processed the Petitioner's application in the bona fide but mistaken belief, on account of the Petitioner's own false representations and undertakings, that the Detailed Procedure had been complied with. The acceptance of the application was therefore not a knowing election by GETCO to waive the eligibility requirements of the Detailed Procedure.

9.37. Even otherwise, the doctrine of approbate and reprobate, cannot be invoked by a party who has committed fraud and one who seeks application of principles equity must come with clean hands. It is a well-settled proposition of law that equitable doctrines cannot be invoked by a party that has itself resorted to fraud or misrepresentation. It is well settled that fraud vitiates all solemn acts, and no right of action can arise from a fraudulent act. In this regard reliance is placed upon the following decisions:

(a) *Meghmala v. G. Narasimha Reddy, (2010) 8 SCC 383*

(b) *Raju Ramsing Vasave v. Mahesh Deorao Bhivapurkar, (2008) 9 SCC 54*

(c) *Ram Preeti Yadav v. U.P. Board of High School and Intermediate Education, (2003) 8 SCC 311.*

(d) *K.D. Sharma v. SAIL, (2008) 12 SCC 481*

9.38. In view of the above, the Petition filed by the Petitioner is liable to be dismissed in limine with costs and the Bank Guarantee is liable to be encashed by the Respondent.

9.39. Even assuming but not admitting that the entire bank guarantee has to be returned in the present case for any reason, it may be necessary for the Commission to address such issues by way of appropriate orders/directions/amendments etc. so that in future there is consequences for such conduct of the Grantees/Applicants.

10. We have considered the submissions made by the parties. We note that the present Petition has been filed by the Applicant/Petitioner Durga Processors Pvt. Limited under Section 86 of the Electricity Act, 2003 read with Regulations 80 and 82 of the GERC (Conduct of Business) Regulations, 2004, *inter-alia* seeking directions against Respondent No. 1, GETCO to refrain from invoking/encashing the Bank Guarantee bearing No. 0871IGP231009976 dated 15.04.2023 amounting to Rs. 25,00,000/- furnished by the Applicant/Petitioner and further seeking refund of the amount of Rs. 11,42,337/- paid towards provisional line estimate.

10.1. The Commission has carefully considered the pleadings filed by the parties, documents placed on record, oral submissions advanced during the course of hearing as well as the applicable provisions of the Electricity Act, 2003, the GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 and the Detailed Procedure for Grant

of Connectivity to Projects based on Renewable Energy Sources to the Intra-State Transmission System.

10.2. The short controversy involved in the present Petition is not with regard to restoration of the Stage-II Connectivity, since the Applicant/Petitioner has not challenged the revocation/cancellation of the Stage-II Connectivity granted vide letter dated 30.06.2023 by the Respondent GETCO. The limited issue for determination before the Commission is as to whether Respondent GETCO is entitled for encashment of the Bank Guarantee dated 15.04.2023 amounting to Rs. 25,00,000/- and retaining the supervision charges paid by the Applicant/Petitioner towards provisional line estimate for amount of Rs.11,42,337/- despite the absence of provision as the Applicant/Petitioner has not executed any line works.

10.3. We note that the Applicant/Petitioner had applied for Stage-II connectivity pursuant to the Detailed Procedure approved by the Commission and had furnished the requisite Bank Guarantee and deposited the supervision charges on the provisional line estimate amount as required. The case of the Applicant/Petitioner is that the Applicant/Petitioner had submitted all documents along with its application for Stage-II Connectivity; the same were duly scrutinized and verified by GETCO in accordance with Clause 9 of the Detailed Procedure; thereafter Stage-II Connectivity was granted by GETCO; and therefore, even assuming that there was any deficiency in the land documents, the Applicant/Petitioner cannot subsequently be penalized by way of encashment of security Bank Guarantee for the negligence or omission on the part of the Respondent GETCO in scrutiny of the documents. The Applicant/Petitioner has further

contended that the Detailed Procedure nowhere provides for encashment of the Bank Guarantee or forfeiture of estimate charges in a case where the connectivity itself is revoked on account of alleged deficiency in land documents.

10.4. On the other hand, the case of Respondent No.1 GETCO is founded on the contention that the Petitioner knowingly submitted notarized lease agreements instead of registered lease deeds despite specific requirement under Clause 8.2.2 of the Detailed Procedure. According to the Respondent GETCO, the Applicant/Petitioner made false declarations and undertakings regarding compliance with the Detailed Procedure and thereby obtained connectivity through fraud and misrepresentation. The Respondent GETCO has therefore contended that the Applicant/Petitioner cannot be permitted to take advantage of its own wrong and must suffer consequences including encashment of the Bank Guarantee.

10.5. The Commission notes that although the Respondent GETCO has contended that submission of registered lease deed was a mandatory requirement, but the fact remains that the application and documents submitted by the Applicant/Petitioner were processed, scrutinized and accepted by the Respondent GETCO itself before issuance of Stage-II connectivity.

10.6. The Commission is of the considered view that deficiencies which escaped scrutiny at the initial stage cannot subsequently become the basis for imposition of severe financial consequences upon the developer, particularly in the absence of any fraudulent suppression or misrepresentation established on record.

10.7. It is necessary to examine the provisions of the Detailed Procedure approved by the Commission. Clause 8.2.2 which prescribes submission of land documents including registered lease deeds for eligibility of Stage-II Connectivity. Simultaneously, Clause 9 of the Detailed Procedure casts a corresponding obligation upon GETCO to scrutinize the applications and documents submitted by applicants before grant of connectivity. The said procedure further contemplates that if deficiencies are noticed, the same are required to be communicated to the applicant for rectification. Thus, the statutory framework cast obligations upon the applicant as well as upon GETCO as the nodal agency while processing connectivity applications. The Clause 9.7 of the Detailed Procedure contemplates completion of the connectivity process within a period of 65 days including payment of estimate amount and execution of connectivity agreement. The said provision further stipulates that in case of failure in payment of estimate or execution of connectivity agreement within the stipulated period, the Stage-II connectivity shall stand revoked and cancelled. The Clause 9.7 does not contain any provision for forfeiture or invocation of the Bank Guarantee furnished at the Stage-II connectivity stage. Further, Clause 10.2(B) of the Detailed Procedure contemplates encashment of Bank Guarantee in a different eventuality, namely failure of the connectivity grantee to complete the dedicated transmission line within the stipulated period after completion of the connectivity process.

10.8. We note the submissions of the Applicant/Petitioner that in the present case, the Applicant/Petitioner had submitted notarized lease documents and not registered lease deeds as required under the Approved Procedure for grant of connectivity. However, despite

submissions of these documents, the Respondent GETCO has granted Stage-II Connectivity in favour of the Applicant/Petitioner on 30.06.2023 after scrutinizing the said documents. Therefore, the present case is not one where the Applicant/Petitioner subsequently changed or substituted documents after grant of connectivity. The documents on the basis of which GETCO later revoked the connectivity were the very same documents which had earlier been accepted by the Respondent GETCO while granting connectivity.

10.9. We note that the Detailed Procedure makes a clear distinction between (a) cases where the connectivity process remains incomplete and connectivity is rejected at a preliminary stage of scrutiny; and (b) cases where the connectivity agreement has already been executed and the developer thereafter defaults in performance obligations. In the present case admittedly no connectivity agreement was executed between the parties, and no dedicated evacuation infrastructure came to be constructed by the Applicant/Petitioner. Consequently, the triggering event contemplated under Clause 10.2(B) for invocation of Bank Guarantee does not arise. The Commission finds substance in the contention advanced by the Applicant/Petitioner that once the connectivity itself stood revoked before crystallization of contractual obligations, retention and invocation of the Bank Guarantee is not reasonable and proper.

10.10. The Commission finds considerable force in the contention of the Applicant/Petitioner that once the Detailed Procedure itself envisages scrutiny and verification of documents by the Respondent GETCO before grant of connectivity, the applicant cannot subsequently be made liable for the failure of the Respondent GETCO

to identify the alleged deficiency at the stage of scrutiny itself. If GETCO had discharged its obligations strictly in accordance with Clause 9 of the Detailed Procedure, the alleged deficiency could have been pointed out at the threshold stage itself, and the Application would have been rejected by the Respondent GETCO accordingly without requiring of submission of the Bank Guarantee by the Applicant / Petitioner. Instead, the Respondent GETCO granted connectivity, accepted the Bank Guarantee and estimate charges, permitted the Applicant/Petitioner to proceed further and thereafter abruptly revoked the connectivity. Such action cannot be viewed entirely in isolation from the procedural obligations cast upon GETCO itself.

10.11. We note that the Respondent GETCO has repeatedly alleged "fraud", "misrepresentation" and "false declarations" on the part of the Petitioner. However, the Commission is unable to accept such sweeping allegations in the facts of the present case. Mere submission of notarized lease agreements instead of registered lease deeds, though constituting non-compliance with the procedural requirement, cannot automatically be elevated to the level of fraud in absence of any material showing deliberate fabrication, suppression of documents or deceitful substitution of records.

10.12. It is pertinent to note that the notarized lease agreements were admittedly placed before the Respondent GETCO itself at the time of scrutiny. Therefore, the alleged deficiency was always apparent on the face of the record and within the knowledge of the Respondent GETCO. In such circumstances, the allegation that the Applicant/Petitioner "concealed" facts or "deceived" GETCO does not

merit acceptance. The present case is essentially one of procedural non-compliance coupled with deficient scrutiny on the part of the Respondent GETCO and not a case involving clandestine fraud or fabricated documents.

10.13. The Commission further notes that the Respondent GETCO has granted connectivity to the Applicant/Petitioner based on very same documents which were at later stage declared not to be in accordance with the approved procedure for grant of connectivity. In the given facts and circumstances, mere generalized assertions regarding blockage of transmission capacity cannot automatically justify invocation of Bank Guarantee and the contention of the Respondent GETCO regarding irretrievable loss or any prejudice would be caused to the Respondent GETCO etc, is without any merit and accordingly rejected.

10.14. The Commission further notes that the Detailed Procedure approved by this Commission does not contain any express provision either to return the Bank Guarantee or encash the Bank Guarantee merely because connectivity stands revoked on account of deficiency in eligibility documents. The provisions relating to Bank Guarantee under the Detailed Procedure are primarily intended to secure performance obligations relating to implementation of the project, timely completion of evacuation infrastructure and compliance with commissioning timelines. In the present case, the connectivity itself came to be revoked at a preliminary stage on account of alleged deficiency in land documents. The revocation was not on account of failure of the Petitioner to complete evacuation infrastructure within stipulated timelines or breach of construction obligations after execution of connectivity related works. Therefore, the very purpose

for which the Bank Guarantee was furnished never actually arose for invocation.

10.15. We note that the issue before the Commission is not revocation of connectivity but the demand of GETCO for encashment of the Bank Guarantee and retention of estimate charges. Even assuming GETCO possessed power to revoke the connectivity, it does not automatically follow that GETCO can also invoke the Bank Guarantee in absence of an express provision permitting the same in the circumstances of the present case.

10.16. The Commission is also persuaded by the principles laid down by the Hon'ble APTEL in case of *Vayu Renewable Energy (Kaveri) Pvt. Ltd. v. Central Electricity Regulatory Commission*. In the present case, the Detailed Procedure approved by the Commission does not contain any express stipulation authorizing invocation or forfeiture of Bank Guarantee because Stage-II connectivity came to be revoked owing to alleged deficiency in land documents. The Commission further notes that the Applicant/Petitioner had already paid non-refundable connectivity application fees under the applicable Regulations and Detailed Procedure. The said fees are intended to compensate the transmission utility for administrative processing and scrutiny of applications. Imposition of additional financial consequences beyond those expressly contemplated under the regulatory framework would therefore be inequitable and disproportionate. The Commission accordingly holds that the action of Respondent No. 1 GETCO in proposing invocation and encashment of the Bank Guarantee furnished by the Applicant/Petitioner is not supported by the governing regulatory framework.

10.17. We also note that the Applicant/Petitioner has also sought refund of the amount of Rs. 11,42,337/- deposited towards provisional line estimate. The Commission notes that no material has been placed on record by the Respondent GETCO demonstrating execution of substantial transmission works against the aforesaid amount. The amount deposited by the Applicant/Petitioner was towards provisional estimate and not towards completed execution of works. In the absence of proof of actual expenditure, retention of the said amount by GETCO would amount to unjust enrichment. In absence of proof of actual expenditure incurred, retention of the said amount would be arbitrary and inequitable. The Commission is therefore of the view that the Applicant/Petitioner is entitled to refund of the aforesaid amount.

10.18. The Respondent GETCO has relied upon various judgments of the Hon'ble Supreme Court in supports of its contentions. However, the Commission is of the considered view that the reliance placed on the aforesaid judgments is distinguishable from the facts of the present case. The present matter concerns grant of connectivity by the Respondent GETCO itself on the very same documents which as per the Respnodent GETCO are found not to be in accordance with the approved connectivity procedure, at later stage. Accordingly, the reliance placed by GETCO on the aforesaid judgments is of no assistance to its case.

10.19. Considering the overall facts and circumstances of the case, the Commission decide to direct the Respondent GETCO not to encash the Bank Guarantee dated 15.04.2023 amounting to Rs. 25,00,000/- furnished by the Applicant/Petitioner and return the same to the

Applicant/Petitioner. The Commission further directs that Respondent GETCO shall refund the provisional line estimate amount of Rs.11,42,337/- deposited by the Applicant/Petitioner in absence of proof of actual expenditure incurred against the said amount.

10.20. In view of the above discussion and findings, the Commission passes the following Order:

(a) The Commission directs the Respondent GETCO to return back the Bank Guarantee bearing No. 0871IGP231009976 dated 15.04.2023 amounting to Rs. 25,00,000/- to the Applicant/Petitioner.

(b) The Respondent No. 1 GETCO is directed to refund the amount of Rs. 11,42,337/- deposited by the Petitioner towards provisional line estimate..

11. Order accordingly.

12. With this Order, the present Petition and IAs, if any, stands disposed of.

Sd/-	**Sd/-**	**Sd/-**
[Jatin N. Thakkar]	**[Hiren Shah]**	**[Pankaj Joshi]**
Member	**Member**	**Chairman**

Place: Gandhinagar.

Date: 26/05/2026.