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PART IV-C

Statutory Rules and Orders (Other than those published in Part I, I-A and I-L) made by Statutory Authorities other than the Government of Gujarat including those made by the Government of India, the High Court, the Director of Municipalities, the Commissioner of Police, the Director of Prohibition and Excise, the District Magistrates and the Election Commission, Election Tribunals, Returning Officers and other Authorities under the Election Commission.

GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

LICENSING OF DISTRIBUTION OF ELECTRICITY

Notification No 4 of 2005

In exercise of the powers conferred under Section 181 read with Section 15, 16 and 18 of the Electricity Act, 2003 (36 of 2003) and Section 65 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) read with Section 20 and 22 thereof and all powers enabling it in that behalf, the Gujarat Electricity Regulatory Commission hereby makes the following Regulations, namely:-

CHAPTER-1

Preliminary

1. Short Title, Extent and Commencement

- a. These Regulations shall be called the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005.

- b. These Regulations shall apply to the whole of the State of Gujarat.
- c. These Regulations shall come into force on such date as may be notified by the Commission.

CHAPTER-2

Definitions, Interpretation and Review

2.

(i) Definitions:

In these Regulations, unless the context otherwise requires: -

- (a) “Act” means the Electricity Act, 2003 (36 of 2003);
- (b) “Applicant” means a person who has made an application to the Commission for grant of Distribution Licence;
- (c) “Area of Licence” means the area specified in the Licence wherein the Licensee shall work the Licence;
- (d) “Board” means the Gujarat Electricity Board;
- (e) “Commission” means the Gujarat Electricity Regulatory Commission;
- (f) “Distribution Licence” means a Licence to operate and maintain a distribution system for supplying electricity to the consumers in the Area of Licence, and “Distribution Licensee” shall be construed accordingly;
- (g) “Licence” means a licence granted under Section 14 of the Act read with Section 20 of the State Act, where applicable, and “Licensee” shall be construed accordingly;
- (h) “Licensed Business” means the business of distribution of electricity conducted by a Distribution Licensee under the Distribution Licence;
- (i) “Other Business” means any business of a Distribution Licensee other than the Licensed Business;

- (j) “Regulations” means the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005;
- (k) “State Act” means the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003;
- (l) “Secretary” means the Secretary of the Commission;
- (n) “Year” means a period of twelve months from 1st April of a calendar year to 31st March of the following calendar year.

Words and expressions used and not defined in these Regulations but defined in the Act shall have the meanings assigned to them in the Act. Expressions used herein but not specifically defined in these Regulations or in the Act but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law. Expressions used herein but not specifically defined in the Regulations or in the Act or any law passed by a competent legislature shall have the meaning as is generally assigned to them in the context of electricity industry.

(ii) Interpretation

In the interpretation of these Regulations, unless the context otherwise requires:

- (a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- (b) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;
- (c) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by

the Commission from time to time in accordance with the applicable laws in force;

- (d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- (e) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, referred to.

(iii) Review

These Regulations may be reviewed by the Commission from time to time, *inter alia* for securing harmonization with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with Section 66 of the Act.

CHAPTER-3

Procedure for Grant of Distribution Licence

- 3.** All proceedings under these regulations shall be governed by the Gujarat Electricity Regulatory Commission (Conduct of Business Regulations), 2004 as amended from time to time.

4. Applications for Grant of Distribution Licence

- (i) The application for grant of Distribution Licence shall be submitted to the Commission in the form specified in **Schedule-I** of these Regulations, and shall be accompanied by application fee as prescribed by the State Government. Such fee shall be payable by way of Bank Draft/Pay Order

drawn in favour of the Secretary, Gujarat Electricity Regulatory Commission.

- (ii) Every application for grant of a Distribution Licence shall be signed by or on behalf of the Applicant and shall be addressed to the Secretary of the Commission. The application shall be filed in six (6) sets and each set shall be accompanied by:
- (a) a map of the proposed Area of Licence on a scale of not less than 10 cm to a km or, if no such maps are available, of not less than that of the largest scale ordinance maps available or such other scale as may be approved by the Commission in a specific case;
 - (b) a list of all the local authorities vested with the administration of any portion of the Area of License;
 - (c) a statement approximately describing any lands which the Applicant proposes to acquire for the purpose of the Distribution Licence and the means of such acquisition;
 - (d) a statement of the capital proposed to be expended in carrying on the Licensed Business in the Area of Licence and such other particulars as the Commission may require;
 - (e) a copy of the Memorandum and Articles of Association of the company, where the Applicant is a body corporate and similar applicable documents of incorporation, registration or agreement in case of other business entities;
 - (f) annual accounts of the Applicant for the previous three years or other similar documents as may be required;

- (g) a receipt for payment of the application fee specified in accordance with clause (i) above;
 - (h) an affidavit by the Applicant verifying the correctness of the information disclosed in the application;
 - (i) where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, distribution, transmission or trading of electricity, whether within the State of Gujarat or in any other State;
 - (j) where the Applicant is not a body corporate, details of any business of generation, distribution, transmission or trading of electricity, whether within the State of Gujarat or in any other State, in which the Applicant is directly or indirectly interested;
 - (k) Details of any financial holdings of the Applicant in the power sector;
 - (l) Brief history of the promoters in case the Applicant is a body corporate;
 - (m) technical qualification and past experience of the Applicant, which shall be considered by the Commission in order to decide as to whether or not the Applicant can successfully discharge its obligations under the Distribution Licence and is, therefore, fit for granting of the Distribution Licence.
 - (n) such other documents or information as the Commission may seek.
- (iii) The application for grant of Distribution Licence, along with annexures and enclosures thereto, shall be submitted to the Commission also on a compact disc (CD) after taking necessary measures for data protection, virus detection etc.

- (iv) The Applicant shall post the complete application along with annexures and enclosures on its own website or where it does not have such website, on any other website provide access to the application through the Internet.

4. Receipt and Acknowledgement of Application

Upon receipt of the application for grant of Distribution Licence, the Secretary of the Commission shall enter the particulars thereof in a register to be maintained for this purpose and allot a reference number to the application. The Secretary shall send an acknowledgement to the Applicant at the address stated in the application including the date of receipt and the reference number.

5. Public Notice of Application

- (i) The Applicant shall, within seven days after making such application, publish a public notice in one issue each of a daily news paper in English language and two daily news papers in Gujarati language having wide circulation in the area of distribution for which the licence is sought, with the following particulars, namely: -
 - (a) Name of the Applicant in bold at the top clearly bringing out whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address, if any;

- (b) A statement that the Applicant has submitted an application to the Commission for grant of a Distribution Licence under Section 15 of the Act read with Section 20 of the State Act;
- (c) Proposed Area of Licence;
- (d) Financial and technical strength, management profile and share holding pattern, if any, of the Applicant;
- (e) A statement to the effect that the application and other documents filed before the Commission from time to time, are available with the Applicant for inspection by any person;
- (f) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed distribution licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
- (g) Brief particulars of the proposed Distribution Licence
- (h) A statement to the effect that the completed application is available on the website of the Applicant or any other authorised website and can be downloaded free of cost;
- (i) A statement that objections, if any, may be filed before the Secretary, Gujarat Electricity Regulatory Commission within 30 days of publication of the notice giving the address of office of the Commission.

Provided that the Applicant may request the Commission to permit it to refrain from publishing any of the above information in order to protect its business interests or rights in intellectual property with sufficient and reasonable

grounds and the Commission may grant or reject such request after due consideration.

Provided further that the Applicant may be required to publish, in the manner specified, a non-confidential summary of the above information.

- (ii) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.
- (iii) The Applicant shall, within 7 days from the date of publication of the notice as aforesaid, submit to the Commission on affidavit with the details of the notice published, and shall also file relevant copies of the newspapers in which the notices are published.

6. Public Inspection of Application and Documents

- (i) From the date of publication of notice in accordance with Regulation 5 above, the Applicant shall make available at its own office and the office/s of its agents (if any) and also with every local authority as may be specified by the Commission from time to time, copies of the application and all the documents submitted therewith.
- (ii). The Applicant shall furnish, to all persons applying, printed copies of its application, together with the attachments thereto, at the reasonable cost of photocopying such material.

7. Scrutiny of Application and Calling for Additional Information

- (i) The Secretary may, upon scrutiny of the application, require the Applicant to furnish, as far as practicable, such additional information or documents as may be considered necessary for the purpose of dealing with the application, within a period of thirty (30) days from the date of receipt of application.
- (ii) If the Secretary finds that the application and the accompanying documents are complete in all respects and after the Applicant has complied with the procedure prescribed for validly submitting an application, the Secretary shall certify that the application is complete for being considered for the grant of a Distribution Licence in accordance with the procedure provided in the Act read with the State Act and these Regulations.

8. Objections and Suggestions

- (i) Any person intending to object to the grant of the Distribution Licence shall file objections within one month from the date of issue of the first advertisement referred to in Regulation 5 above. The objections shall be addressed to the Secretary of the Commission.
- (ii) Where an objection is received from any local authority concerned, the Commission shall, if in its opinion the objection is untenable, record the opinion in writing and communicate it to such local authority along with reasons therefor.
- (iii) Upon receipt of such objections, the Secretary shall imprint the reference number of the concerned application for grant of Distribution Licence on the same and shall place such objections in the file relating to the concerned application.

- (iv) The Secretary shall serve copies of all the objections received by him on the Applicant within one week of the last date for filing of objections specified in clause (i) above.
- (v) The Applicant may submit comments on the objections or suggestions received in response to the notice under Regulation 5 above within 30 (thirty) days of receipt of the objections from the Secretary.
- (vi) In case of an application for a Distribution Licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, before the grant of the Distribution Licence, the Commission shall ascertain that there is no objection, on the part of the Central Government, to the grant of such Distribution Licence.

9. Local Inquiry

- (i) The Commission may, if it considers necessary upon a perusal of the objections and/or comments thereon, or at any time during the course of proceedings for the grant of Distribution Licence, cause a local inquiry to be held, of which notice in writing shall be given to both the Applicant and the objector.
- (ii) Where a local inquiry is ordered and held under clause (i) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

- (iii) Where a local inquiry is ordered and conducted under clause (i) above, a memorandum of the results of the said local inquiry shall be prepared and shall be signed by the Applicant, the officer or person designated for the purpose of carrying out the inquiry and such other person as the Commission may direct.
- (iv) The results of the local inquiry shall be considered by the Commission while hearing the application for the grant of Distribution Licence.

10. Hearing of Application and Grant of Distribution Licence

- (i) After compliance by the Applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and after the expiry of the time for receiving objections, the Commission may proceed for regular hearing.
- (ii) After inquiry, if any, and the hearing of the application, if conducted, the Commission may decide to grant or to refuse the Distribution Licence.
- (iii) If the Commission decides to grant the Distribution Licence, the licence shall be in the form specified in **Schedule-2** of these Regulations. Provided that the Commission may add to alter or amend the form specified for a licence as it may in its discretion deem necessary.
- (iv) Before granting the Distribution Licence, the Commission shall publish a notice of its proposal to grant the Distribution Licence in two such daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the Distribution Licence, with such other details as the Commission considers appropriate.

- (v) When the Commission has approved a licence, the Secretary shall inform the Applicant, within fourteen (14) days of the date of grant of approval, of such approval and of the form in which it is proposed to grant the Distribution Licence and the conditions to be satisfied by the Applicant, including the fees to be paid for the grant of Distribution Licence.
- (vi) If the Applicant is willing to accept the Distribution Licence with the modifications, changes or additions, if any, and subject to such other terms and conditions as the Commission may direct under clause (ii) above, the applicant shall acknowledge acceptance to the Commission within 15 days of receipt of the approval from the Commission.
- (vii) Where the Commission has decided to refuse the grant of Distribution Licence, the Secretary shall, within fourteen (14) days of such refusal, inform the Applicant of such refusal enclosing a copy of the reasoned order of the Commission in support of such refusal.
- (viii) The Commission shall, as far as practicable, grant the Distribution Licence or reject the application seeking grant of a Distribution Licence, within ninety days of having received the said application.

11. Application for grant of Distribution Licence in area of supply of existing Distribution Licensee

A person applying for grant of a licence for distribution of electricity through his own distribution system within the same area of supply of an existing Distribution Licensee shall, in addition to the provisions of Regulation 4, comply with such

additional requirements including capital adequacy, creditworthiness or code of conduct as may be prescribed by the Central Government.

12. Commencement of the Distribution Licence

The Distribution Licence shall commence from such date as the Commission may specify.

13. Duration of the Distribution Licence

The Distribution Licence shall be valid for a period of twenty-five years from the date of its commencement, unless it is duly suspended or revoked by the Commission.

14. Deposit of Maps

When a Distribution Licence has been granted, three sets of maps showing the particulars specified in Regulation 4 (ii) (a) above shall be signed by the Secretary and dated to correspond with the date of the notification of the grant of the Distribution Licence. One set of the maps shall be deposited with the Commission and the other two sets shall be given to the Distribution Licensee.

15. Deposit of Copies of Distribution Licence

- (i) Every person who is granted a Distribution Licence shall within thirty days of the grant thereof:
 - (a) have adequate number of copies of the Distribution Licence printed;
 - (b) have adequate number of maps prepared showing the Area of Licence;

- (c) arrange to exhibit a copy of such Distribution Licence and maps for public inspection during work hours at its head office, its local office/s (if any) and at the office of every local authority within the Area of Licence.
- (ii) Every Distribution Licensee shall, within the aforesaid period of thirty days, supply free of charge, one copy of the Distribution Licence and the relevant maps to every local authority, as may be specified by the Commission in this regard within the Area of Licence and shall also make necessary arrangements for the sale of printed copies of the Distribution Licence to all persons applying for the same, at a price not exceeding normal and reasonable photocopying charges per copy.

16. Amendment of a Distribution Licence

- (i) Where in its opinion the public interest so requires, the Commission may, on the application of the Distribution Licensee or of a local authority or otherwise, make such amendments to the terms and conditions of a Distribution Licence as it thinks fit, having regard to the object and purposes of the Act:

Provided that no such amendment, other than an amendment made by virtue of a term or condition of the Distribution Licence or of a term or condition imposed under sub-section (5) of section 23 of the State Act read with Regulation 17 (iv) of these Regulations, shall be made, except with the consent of the Distribution Licensee, unless in the opinion of the Commission, such consent has been unreasonably withheld.

- (ii) Where a Distribution Licensee has made an application for amendment of its Distribution Licence, the Distribution Licensee shall, within fifteen (15) days of making such application, publish a notice in one issue each of a daily news paper in English language and two daily news papers in Gujarati language having wide circulation in the area of operation of distribution licence sought to be amended giving following particulars:
- (a) Brief details of existing Distribution Licence;
 - (b) Proposed amendments to the existing Distribution Licence; and
 - (c) Reasons for the amendment.
 - (d) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed distribution licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
 - (e) A statement that any person, desirous of making any suggestion or objection with reference to the application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within within thirty days from the date of the first publication of the notice.”
- (iii) All objections to an application for amendment pursuant to publication of notice under clause (ii) above shall be considered by the Commission if received within thirty (30) days from the date of first publication of the notice.

- (iv) Where an amendment to a Distribution Licence is proposed by the Commission suo motu, the Commission shall publish a notice in one issue each of a daily news paper in English language and two daily news papers in Gujarati language having wide circulation in the area of operation of distribution licence sought to be amended giving following particulars:
- (a) Name of the Distribution Licensee and address of main office in the area of supply;
 - (b) Description of alteration or amendment proposed to be made by the Commission;
 - (c) Brief Reasons for proposed alteration or amendment;
 - (d) A statement that any person, desirous of making any suggestion or objection with reference to application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within within thirty days from the date of the first publication of the notice.

All objections to the proposed amendment, received within one month from the date of first publication of notice, shall be considered by the Commission before effecting or rejecting the proposed amendment.

- (v) The provisions of these Regulations relating to grant of Distribution Licence shall, as far as may be practicable and necessary, apply to consideration and disposal of an application for amendment of Distribution Licence.
- (vi) In the case of an application proposing an amendment in an Area of Licence comprising the whole or any part of the cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central

Government for defence purposes, the Commission shall not make the amendment except with the consent of the Central Government.

17. Revocation of the Distribution Licence

- (i) The Commission may revoke a Distribution Licence in accordance with the applicable provisions of the Act and the State Act, in any of the following circumstances, namely:-
 - (a) where the Distribution Licensee, in the opinion of the Commission, makes wilful and prolonged default in doing anything required of it by or under the Act or the State Act or the rules or regulations made thereunder;
 - (b) where the Distribution Licensee has breached any of the terms or conditions of its Distribution Licence, the breach of which is expressly declared by such Distribution Licence to render it liable to revocation;
 - (c) where the Distribution Licensee fails, within the period fixed in this behalf by its Distribution Licence, or any longer period which the Commission may have granted therefor –
 - (1) to show, to the satisfaction of the Commission, that it is in a position fully and efficiently to discharge the duties and obligations imposed on it by its Distribution Licence; or
 - (2) to make the deposit or furnish the security, or pay the fees or other charges required by its Distribution Licence;
 - (d) where, in the opinion of the Commission, the financial position of the Distribution Licensee is such that it is

unable fully and efficiently to discharge the duties and obligations imposed on it by its Distribution Licence.

- (e) where the Distribution Licensee, in the opinion of the Commission, has made default in complying with a direction given by the Commission.

Provided that the licence shall not be revoked except after an enquiry by the adjudicating officer appointed by the Commission under Section 143 of the Act in the manner prescribed by the State Government.

- (ii) Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Distribution Licensee, revoke its Distribution Licence as to the whole or any part of its Area of Licence upon such terms and conditions as it thinks fit.
- (iii) On receipt of report of inquiry made under sub-section (i), the Commission may pass appropriate orders, including revocation of Distribution Licence, after giving opportunity to the Distribution Licensee to make representation in connection with the report.
- (iv) No Distribution Licence shall be revoked under clause (i) above, unless the Commission has given to the concerned Distribution Licensee, not less than three months' notice, in writing, stating the grounds on which it proposes to revoke the Distribution Licence, and has considered any cause shown by the concerned Distribution Licensee within the period of that notice, against the proposed revocation.

Where the Commission revokes a Distribution Licence under this Regulation 17, it shall serve a notice of revocation upon the concerned Distribution Licensee and fix a date on which the revocation shall take effect.

- (iv) The Commission may, instead of revoking a Distribution Licence under clause (i) above, permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be observed by the Distribution Licensee and shall be of like force and effect as if they were contained in the Distribution Licence.
- (v) Where the Commission revokes a Distribution Licence under these Regulations, it shall serve a notice of revocation upon the Distribution Licensee and fix a date on which the revocation shall take effect.
- (vi) Where the Commission has given notice for revocation of a Distribution Licence under clause (v) above, without prejudice to any penalty which may be imposed, or prosecution proceeding which may be initiated, under the Act and/or the State Act, the Distribution Licensee may, after prior approval of the Commission, sell its utility/business to any person who is found eligible by the Commission for grant of a Distribution Licence.

18. Suspension of Distribution Licence and sale of utility

- (i) If at any time the Commission is of the opinion that the Distribution Licensee-
 - (a) has persistently failed to maintain uninterrupted supply of electricity conforming to standards regarding quality of electricity to the consumers; or
 - (b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of the Act or the State Act; or
 - (c) has persistently defaulted in complying with any direction given by the Commission under the Act or the State Act; or

(d) has breached any of the terms and conditions of the Distribution Licence,

and circumstances exist which render it necessary for the Commission in public interest so to do, the Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the Distribution Licence of the Distribution Licensee and appoint an Administrator to discharge the functions of the Distribution Licensee in accordance with the terms and conditions of the Distribution Licence.

Provided that before suspending a Distribution Licence under this section, the Commission shall give a reasonable opportunity to the Distribution Licensee to make representations against the proposed suspension of the Distribution Licence and shall consider the representations, if any, of the Distribution Licensee.

(ii) Upon suspension of the Distribution Licence as mentioned above, the provision of Section 24 of the Act would apply.

19. Payment of Licence Fees

(i) Within 30 days, or such other period as the Commission may allow after the commencement of the Licence, the Licensee shall pay an Initial Licence fee as may be specified.

(ii). For each subsequent Year that the Licence remains in force, the Licensee shall, pay to the Commission Annual Licence Fee as may be specified.

(iii) Where the Distribution Licensee fails to pay any of the fees due under sub-clauses (i), or (ii) above by the dates specified:

- (a) The Distribution Licensee shall be liable to pay interest on the outstanding amount at the prevailing bank rate, the interest being payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made; and
- (b) The Distribution Licensee shall be subject to proceedings for the recovery of the fees; and
- (c) The Commission may revoke the Distribution Licence pursuant to the applicable provisions of the Act and the State Act.

Provided that nothing contained in this clause shall be deemed to discharge any liability that the Distribution Licensee may be subject to under the Act and/or the State Act or any other law for the time being in force.

CHAPTER-4

General Conditions of Distribution Licence

20. Development and Maintenance of Distribution System

The Distribution Licensee shall have the duty to develop and maintain an efficient, co-ordinated and economical distribution system in its Area of Licence for the purpose of supplying electricity.

21. Obligation to supply on demand

- (i) Subject to the provisions of the Act, the Distribution Licensee shall, on the application of the owner or occupier of any premises within the Area of Licence, give supply of electricity to such premises within one month of the receipt of such application or within such period as may be specified

by the Commission if such supply requires extension of distribution mains or new substations.

- (ii) Where the owner or occupier of any premises requires supply of electricity under the terms of clause (i) above, the application shall be made in a form prescribed by the Commission and the procedure for responding to that application shall be in accordance with the procedure approved by the Commission.
- (iii) The Distribution Licensee shall have the duty to provide, if required, any electric plant or electric line for providing the electric supply to the premises in terms of clause (i) above.

Provided that no person shall be entitled to demand, or to continue to receive, from a Licensee (including a Distribution Licensee) a supply of electricity for any premises having a separate supply unless he has agreed with the Licensee (including the Distribution Licensee) to pay to it such price as determined by the Commission.

- (iv) The Distribution Licensee shall always endeavour to procure adequate power of appropriate quality for supply to consumers.

22. Power to recover expenditure

The Distribution Licensee may charge from a person requiring a supply of electricity in pursuance of Regulation 21 above, any expenses reasonably incurred and approved by the Commission, in providing any electric line or electrical plant used for the purpose of giving that supply.

23. Power to require security

(i) Subject to the provisions of Section 47 of the Act, a Distribution Licensee may require any person, who requires a supply of electricity in pursuance of Regulation 21 above, to give it reasonable security, as specified by the Commission, for the payment to it of all monies, which may become due to it -

(a) in respect of the electricity supplied to such persons;
or

(b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to person, in respect of the provision of such line or plant or meter;

and if that person fails to give such security, the Distribution Licensee may, if it thinks fit, refuse to give the supply or to provide the line or plant or meter for the period during which the failure continues.

(ii) Where any person has not given such security as is mentioned in clause (i) above or the security given by any person has become invalid or insufficient, the Distribution Licensee may, by notice, require that person, within thirty days after the service of the notice, to give it reasonable security for the payment of all monies which may become due to it in respect of the supply of electricity or provision of such line or plant or meter.

(iii) If the person referred to in clause (ii) above fails to give such

security, the Distribution Licensee may, if it thinks fit, discontinue the supply of electricity for the period during which the failure continues.

- (iv) The Distribution Licensee shall pay interest equivalent to the bank rate or more, as may be specified by the Commission, on the security referred to in clause (i) above and refund such security on the request of the person who gave such security.
- (v) The Distribution Licensee shall not be entitled to require security in pursuance of clause (i)(a) above if the person requiring the supply is prepared to take the supply through a pre- payment meter.

24. Open Access

Subject to the various phases of introduction of open access under Section 42(2) of the Act, the Distribution Licensee shall arrange for the provision of non-discriminatory open access to its distribution system to any persons in accordance with the Open Access Regulations issued by the Commission.

25. Prohibition of subsidies

The Distribution Licensee shall not give any subsidy or subvention to any person or any Other Business of the Distribution Licensee, except a subsidy granted by the State Government pursuant to Section 65 of the Act.

26. Prohibition of Undue Preference

- (i) The Distribution Licensee shall not, in providing services required of it under the Distribution Licence and in general conduct of the Licensed Business, show undue preference to any person or class of persons and shall not unreasonably discriminate against any person or class of persons or Licensee or generating company or its consumers or other Licensee's consumers.

Provided that the Distribution Licensee shall not be deemed to be in breach of its obligations under the Distribution Licence if any undue preference results from compliance with any directions of the State Government under the Act or the State Act or in the implementation of any order passed by the State Commission.

- (ii) Any question as to the meaning of undue preference or unreasonable discrimination shall be decided by the Commission, whose decision in this regard shall be final.

27. Acts Requiring Prior Consent

- (i) The Distribution Licensee shall not do the following acts without the prior written approval of the Commission -
 - (a) undertake any transaction to acquire, by purchase or takeover or otherwise, the utility of any other Licensee;
 - (b) merge its utility with the utility of other Licensee; or
 - (c) assign the Distribution Licence or transfer its utility or any part thereof, by sale, lease, exchange or otherwise

Provided that approval shall not be required if the utility referred to in sub-clause (a) or sub-clause (b) above is situated in a State other than the State of Gujarat.

- (ii) Any agreement relating to any transaction specified under clause (i) above, unless made with the prior approval of the Commission, shall be void.
- (iii) The Distribution Licensee shall, before obtaining the approval under clause (i) above from the Commission, give not less than one month's notice to every other Licensee who transmits or distributes electricity in its Area of Licence.
- (iv) Where such prior approval is required, the Distribution Licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf. The Commission may within 3 months of the application being filed, approve the arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same for reasons to be recorded in writing.

28. Other Business of the Distribution Licensee

- (i) The Distribution Licensee, with prior intimation to the Commission, may engage in any Other Business, only so long as such activity is likely to result in the optimum utilisation of the assets and infrastructure comprising the distribution system and subject to the following conditions:
 - (a) that the Licensed Business and the conduct thereof by the Distribution Licensee is not prejudiced and/or adversely affected in any manner;
 - (b) that a proportion of the revenues derived from such Other Business, as may be specified by the Commission, shall be utilised for reducing the wheeling charges of the Distribution Licensee;

- (c) that the Distribution Licensee shall maintain separate accounts for each of such Other Business to ensure that the Licensed Business neither subsidises such Other Business undertaking in any way nor encumbers its distribution assets in any way to support such business;
 - (d) the Distribution Licensee shall always comply with such guidelines as the Commission may specify in this regard.
- (i) The Distribution Licensee shall seek approval of the Commission before contracting any loans to, or issuing any guarantee for any obligation of any person, where the same is either beyond the permissible limits imposed by the Companies Act, 1956, or cannot be construed as being an exception and/or exemption under the Companies Act, 1956. Loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.
 - (ii) Nothing contained in this Regulation 28 shall apply to a local authority engaged, before the commencement of the Act, in the business of distribution of electricity.

29. Franchisee

The Distribution Licensee may authorise any other person to undertake distribution of electricity for a specified area within its Area of Supply

Provided always that:

- (a) any such person shall operate under the overall supervision and control of the Distribution Licensee and in accordance with the terms and conditions of the Distribution Licence; and
- (b) the Distribution Licensee shall have, prior to delegating any function, informed the Commission of such action and taken its written approval; and
- (c) the Distribution Licensee shall be responsible for all actions of such person in relation to the delegated functions.

30. Anti-competitive practices

The Commission may issue such directions as it considers appropriate to a Distribution Licensee if such Distribution Licensee enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry.

31. Compliance with Regulations, Codes, Orders and Directions

- (i) The Distribution Licensee shall always comply with the Regulations, Codes (including the State Grid Code, the Distribution Code, the Supply Code and the Standards of Performance of Licensees), Orders, Guidelines and Directions issued by the Commission from time to time as may be considered appropriate by the Commission for achieving the purposes of the Act and the State Act and shall act in accordance with the conditions of its Distribution Licence, except where the Distribution Licensee obtains the approval of the Commission for any deviation from such directions and conditions.

- (ii) The Distribution Licensee shall monitor its compliance with the terms of the Distribution Licence and any order, code, guideline or regulations it is required to comply with, and if the Distribution Licensee becomes aware of a material breach, on its part, of the Distribution Licence or any order, code, guideline or regulations, the Distribution Licensee shall notify the Commission of the material breach as soon as possible.

32. Standards of Performance

- (i) If a Distribution Licensee fails to meet the standards specified by the Commission in ‘Standards of Performance of Licensees’ as applicable to the Distribution Licensee, then, without prejudice to any penalty that may be imposed or prosecution that may be initiated, such Distribution Licensee shall be liable to pay such compensation to the person affected as may be determined by the Commission

Provided that before determination of compensation, the concerned Distribution Licensee shall be given a reasonable opportunity of being heard.

- (ii) The compensation determined under clause (i) shall be paid by the concerned Distribution Licensee within ninety (90) days of such determination.

- (iii) The Distribution Licensee shall, within the period specified by the Commission, furnish to the Commission the following information, namely:-
 - (a) the level of performance achieved under clause (i) above;
 - (b) the number of cases in which compensation was paid under clause (ii) above and the aggregate amount of the compensation.
- (iv) The Commission shall at least once every year publish, in such form and manner as it considers appropriate, such of the information furnished to it under clause (iii) above.

33. Co-operation with State Transmission Utility, State Load Despatch Centre and other Licensees

- (i) The Distribution Licensee shall provide to the State Load Despatch Centre and State Transmission Utility and/or other Licensees, such information as may reasonably be required by them to perform their functions and exercise their powers under the Act and/or the State Act.
- (ii) The Distribution Licensee shall always comply with the directions of State Load Despatch Centre and State Transmission Utility issued under the Act and/or the State Act.
- (iii) The Distribution Licensee shall co-operate with generating companies, other Licensees and State Load Despatch Centre for the efficient and co-ordinated operation of the power system.

34. Obligation to install meter

- (i) No Distribution Licensee shall supply electricity, after the expiry of Two years from the Appointed Date, except through installation of a correct meter in accordance with regulations made in this behalf by the Central Electricity Authority:

Provided that the Distribution Licensee may require the consumer to give it security for the price of a meter and enter into an agreement for the hire thereof, unless the consumer elects to purchase a meter:

Provided further that the Commission may, by notification extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification.

- (ii) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Central Electricity Authority may direct the installation of meters by a Distribution Licensee at such stages of distribution or trading of electricity and at such location of distribution or trading of electricity, as it may deem necessary.

35. Power to disconnect supply in case of default of payment

- (i) Where any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from him to a Distribution Licensee (or to the generating company) in respect of supply, transmission or distribution or wheeling of electricity to him, the Distribution Licensee (or the generating company) may, after giving not less than fifteen (15) clear days notice in writing, to such person and without prejudice to its rights to recover such charge or other sum by suit, cut off the supply of electricity, and for that purpose,

cut or disconnect any electric supply line or other works, being the property of such Distribution Licensee (or the generating company), through which electricity may have been supplied, transmitted, distributed or wheeled, and may discontinue the supply until such charge or other sum, together with any expenses incurred by it in cutting off and reconnecting the supply, are paid, but no longer.

(ii) Provided that the supply of electricity shall not be cut off if such person deposits, under protest, -

(a) an amount equal to the sum claimed from him, or

(b) the electricity charges due from him for each month calculated on the basis of average charge for electricity paid by him during the preceding six months,

whichever is less, pending disposal of any dispute between him and the Distribution Licensee.

(iii) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, as referred to in this Regulation 34 shall be recoverable after the period of two years from the date when such sum became first due, unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied, and the Distribution Licensee shall not cut off the supply of the electricity.

(iv) Where –

(a) any person neglects to pay any charge for electricity or any sum other than a charge for electricity due from

him to the Board, or a Licensee in respect of the supply of electricity to him, and

- (b) the Board or the Licensee to whom such charge or other sum is due is a Government company or a corporation owned or controlled by the State Government.

Such charge or other sum or the aggregate of such charge and other sum due to the Board or the Licensee shall be recoverable as arrears of land revenue.

36. Protection of Railways, Highways, Telegraphic Lines etc.

- (i) The Distribution Licensee shall not, in the course of distribution, supply or use of electricity, in any way injure any railway, highway, airport, tramway, canal or water-way or any dock, wharf or pier vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way.
- (ii) The Distribution Licensee shall take all reasonable precautions in constructing, laying down and placing its electric lines, electrical plant and other works and in working its system, so as not to injuriously affect, whether by induction or otherwise, the working of any wire or line used for the purpose of telegraphic, telephone or electric signaling communication, or the currents in such wire or line.
- (iii) Where any difference or dispute arises between the Distribution Licensee and the telegraph authority as to whether the Distribution Licensee has constructed, laid down or placed its electric lines, electrical plant or other

works, or worked its system, in contravention of clause (ii) above or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government.

- (iv) The Central Government, unless it is of the opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the Distribution Licensee after the construction of such lines, plant or works, may direct the Distribution Licensee to make such alterations in, or additions to, its system as may be necessary in order to comply with the provisions of this Regulation 35, and the Distribution Licensee shall make such alterations or additions accordingly:

Provided that nothing in clause (iii) above and this clause (iv) shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

- (v) Where the Distribution Licensee makes default in complying with the requirements of this section, it shall pay full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration conducted in accordance with section 158 of the Act.

Explanation - For the purposes of this Regulation 35, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signaling communication by means of such line is, whether through induction or

otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof.

37. Power to enter premises and remove fittings

- (i) The Distribution Licensee or any person duly authorised by a Distribution Licensee may, at any reasonable time, and on informing the occupier of its intention, enter any premises to which electricity is, or has been, supplied by it, or any premises or land, under, over, along, across, in or upon which the electric supply-lines or other works have been lawfully placed by it for the purpose of –
 - (a) inspecting, testing, repairing or altering the electric supply lines, meters, fittings, works and apparatus for the supply of electricity belonging to the Distribution Licensee; or
 - (b) ascertaining the amount of electricity supplied or the electrical quantity contained in the supply; or
 - (c) removing, where a supply of electricity is no longer required, or where the Distribution Licensee is authorised to take away and cut off such supply, any electric supply-lines, meters, fittings, works or apparatus belonging to the Distribution Licensee.
- (ii) The Distribution Licensee or any person authorised as aforesaid may also, in pursuance of a special order in this behalf made by an Executive Magistrate and after giving not less than twenty-four hours notice in writing to the occupier,

-

- (a) enter any premises or land referred to in clause (i) above for any of the purposes mentioned therein;
 - (b) enter any premises to which electricity is to be supplied by it, for the purpose of examining and testing the electric wires fittings, works and apparatus for the use of electricity belonging to the consumer.
- (iii) Where a consumer refuses to allow the Distribution Licensee or any person authorised as aforesaid to enter his premises or land in pursuance of the provisions of clauses (i) or (ii) above or when such Distribution Licensee or person has so entered, refuses to allow it to perform any act which it is authorised by those clauses to perform, or fails to give reasonable facilities for such entry or performance, the Distribution Licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.

38. Information to the Commission

- (i) The Distribution Licensee shall furnish to the Commission, without delay, such information, documents and details related to the Licensed Business or any Other Business of the Distribution Licensee, as the Commission may require from time to time, for its own purposes or for the purposes of the Central Government, State Government, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Regional Load Dispatch Centre, State Load Dispatch Centre, the Central Transmission Utility and the State Transmission Utility. The information shall be

furnished in such form as may be specified by the Commission.

- (ii) The Distribution Licensee shall notify the Commission as soon as possible and in no case later than one week after the occurrence of any Major Incident (as defined under the 'Distribution Code') affecting any part of the distribution system and shall, within one month of the date of such Major Incident:
 - (a) submit a report giving full details of the facts within the knowledge of the Distribution Licensee regarding the Major Incident and its cause. The Commission in its own discretion may require the submission of a report to be prepared by an independent person at the expense of the Distribution Licensee; and
 - (b) give copies of the report to the Commission and to all parties involved in the Major Incident as the Commission may direct.
- (iii) The Commission may by order direct the Distribution Licensee to provide such amount of compensation as the Commission may specify to any person who suffers substantial injury or to the heirs of those who have lost their lives, where a Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Distribution Licensee.
- (iv) The decision of the Commission as to what constitutes a Major Incident shall be final.

- (v) The Distribution Licensee shall, as soon as practicable, report the following to the Commission:
 - a. Any significant change in circumstances which may affect the Distribution Licensee's ability to meet its obligations;
 - b. Any material breach of the provisions of the Act, the State Act, the rules, regulations and codes made thereunder, directives and orders issued by the Commission and the terms of agreements/arrangements entered into by the Distribution Licensee with other Licensees or generating companies or consumers; and/or
 - c. Any major change in the shareholding pattern or in the ownership, control or management of the Distribution Licensee.

39. Other obligations of the Distribution Licensee

- (i) The Commission may additionally require the Distribution Licensee to:
 - (a) enter into an agreement with another person permitting such person to use electric lines, electrical plants and associated equipment operated by the Distribution Licensee;
 - (b) furnish information and documents which the Commission may require for its purpose;

- (c) inform the Commission of any scheme permitted by the Distribution Licence which the Distribution Licensee proposes to undertake;
- (d) undertake such functions and obligation of the Board under the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 as the Commission may, through a separate order, specify;
- (e) refer a dispute arising under the Distribution Licence for determination by the Commission or by an arbitrator appointed by the Commission;
- (f) supply electricity in bulk to other Licensees or exemption holder or sanction holder in the State or to any person outside the State;
- (g) comply with any direction given by the Commission;
and
- (h) act in accordance with the terms and conditions of the Distribution Licence.

40. Accounts of the Distribution Licensee

- (i) The Distribution Licensee shall:
 - (a) Maintain separate information and statement of accounts for the Licensed Business;
 - (b) Maintain the statement of accounts in such form and containing such particulars as may be specified by the Commission and till such time as these are specified by the Commission, the accounts shall be maintained in accordance with the Companies Act, 1956 (1 of 1956) as amended from time to time, where applicable,

and in accordance with standard accounting practice in all other cases;

- (c) Keep the accounts of the Licensed Business separate from the accounts of any Other Business carried on by the Distribution Licensee, whether licensed or otherwise;
- (d) Prepare on a consistent basis from such records, accounting statements for each Year comprising a profit and loss account, a balance sheet and a statement of source and application of funds together with notes thereto and showing separately the amounts of any revenue, cost, asset, liability, reserve, or provision which has been either:
 - 1. Charged from or to any Other Business together with a description of the basis of that charge; or
 - 2. Determined by apportionment or allocation between the various business activities of the Distribution Licensee together with a description of the basis of such apportionment or allocation.
- (e) Provide in respect of the accounting statements prepared in accordance with the foregoing clauses, a report by the auditors in respect of each Year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenues, costs, assets, liabilities and reserves attributable to the business to which the statements relate, and

- (f) Submit to the Commission copies of the accounting statements and auditor's report not later than six months after the end of the Year to which they relate.
- (ii) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the Distribution Licensee and the Distribution Licensee shall render all necessary assistance to such person.

Certain powers of the Commission

41. Regulating supply, distribution, consumption and use of electricity

If the Commission is of the opinion that it is necessary or expedient so to do for maintaining the efficient supply, securing the equitable distribution of electricity and promoting competition, it may, by order, provide for regulating the supply, distribution, consumption or use thereof.

42. Investigation and Inspection

- (i) The Commission may, on being satisfied that the Distribution Licensee has failed to comply with any of the conditions of Distribution Licence or has failed to comply with any of the provisions of the Act or the State Act or rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as "Investigating Authority") specified in the order to investigate the affairs of the Distribution Licensee and to report to the Commission on any investigation made by such Investigating Authority.

- (ii) The Investigating Authority shall conduct the investigation in accordance with the provisions of the Act.
- (iii) On receipt of investigation report from the Investigating Authority, the Commission may, in accordance with the provisions of the Act and after giving such opportunity to the Distribution Licensee to make a representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-
 - a) require the Distribution Licensee to take such action in respect of any matter arising out of the report as the Commission may think fit; or
 - b) cancel the Distribution Licence.

The Commission may also take any other action in accordance with the provisions of the Act

- (iv) The Commission may specify the minimum information to be maintained by the Distribution Licensee in its books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by the Distribution Licensee in that connection and all other matters incidental thereto, as are, in its opinion, necessary to enable the Investigating Authority to discharge satisfactorily its functions under this Regulation 42.
- (v) For the purposes of this Regulation 41, the expression “Distribution Licensee” shall include, in the case of a Distribution Licensee incorporated in India—

- (a) the subsidiaries of such Distribution Licensee formed for the purpose of carrying on the business of distribution of electricity exclusively outside India; and
 - (b) all its branches whether situated in India or outside India.
- (vi) All expenses of, and incidental to, any investigation made under this Regulation 42 shall be defrayed by the Distribution Licensee and shall have priority over other debts due from the Distribution Licensee and shall be recoverable as arrears of land revenue.
- (vii) For the purposes of preventing the contravention of any term of the Distribution Licence or provision of the Act or the State Act or rules or regulations made thereunder, the Commission may, in accordance with Sections 34, 35, 36, 37 and 38 of the State Act, pass an interim order or a final order or convert an interim order into a final order.

43. Introduction of Competition

- (i) Subject to the provisions of the Act, the Commission may grant a Distribution Licence to any person(s) in the same Area of Licence as that of the existing Distribution Licensee,
- (ii) For the purposes of introducing competition, and in order to ensure co-operation and co-ordination between the different Distribution Licensees in the same Area of Licence, the Commission may issues such appropriate orders modifying or amending the Distribution Licence as it may deem fit:

Provided that no such order shall be passed unless the Commission provides reasonable opportunity to the Distribution Licensee of being heard on the proposed modification or amendment.

44. Expected Revenue Calculation and Tariffs

- (i) The Distribution Licensee shall follow the methodology, procedures and directions included in the Tariff Regulations and in other orders of the Commission as may be issued from time to time, while filing the statement of Annual Revenue Requirement (ARR) from charges and for proposing or amending any or all of its tariffs.
- (ii) The amount that the Distribution Licensee is permitted to recover in the form of its tariffs in any financial year is the amount that the Commission determines in accordance with Section 62 of the Act.

45. Provisions applicable to Deemed Licensees

The general conditions of Distribution Licence specified in these Regulations shall be applicable to a deemed licensee under the first, third and fifth proviso to Section 14 of the Act.

CHAPTER - 5

Miscellaneous

46. Savings

- a. Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make

such orders as may be necessary to meet the ends of justice or to prevent abuse of process of the Commission.

- b. Nothing in these Regulations shall bar the Commission from adopting a procedure at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient in order to deal with such a matter or class of matters.
- c. Nothing in these Regulations shall, expressly or impliedly, bar the Commission from dealing with any matter or exercising any power under the Act, and the Commission may deal with such matters, and exercise such powers and functions in such manner as it thinks fit.

47. Power to remove difficulties

If any difficulties arise in giving effect to any provisions of these Regulations, the Commission may, by general or special order do any thing, not being inconsistent with the provisions of the Act or the State Act or the rules, regulations or codes made thereunder, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

**P. S. SHAH
SECRETARY**

AHMEDABAD
30th March 2005

SCHEDULE-I

Application form for grant of Distribution Licence

Particulars of the Applicant

1. Name of the Applicant:
2. Form of Incorporation, if any:
3. Address:
4. Name, Designation & Address of the contact person:
5. Contact Tel. Nos.:
6. Fax No.:
7. E-mail ID:
8. Place of Incorporation/Registration:
9. Year of Incorporation/Registration:
10. Geographical Area within which Applicant proposes to undertake distribution:
11. Following documents are to be enclosed
 - a) Certificate of registration/incorporation:
 - b) Certificate for commencement of business:
 - c) Memorandum of Association and Articles of Association:
 - d) Original power of attorney of the signatory to commit the Applicant or its promoter
 - e) Details of Income tax Registration:
 - f) Draft licence
 - g) All the documents mentioned in Regulation 3(ii) of the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2004.

Details of Financial Data of Applicant

12. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each Year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

<i>(DD/MM/YY)</i> to <i>(DD/MM/YY)</i>	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

13. Annual turnover (in equivalent Indian Rupees - conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

<i>(DD/MM/YY)</i> to <i>(DD/MM/YY)</i>	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

14. Certificate of Credit Rating
15. Certificate of 'Standard' borrowal account
16. Certificate stating that RBI has not classified the Applicant as a 'wilful defaulter'.
17. List of documents enclosed in support of Sl. Nos. (10) and (11) above:

Name of the documents:

- (a)
- (b)
- (c)
- (d)

18. (a) Whether Applicant himself shall be financing the proposed distribution of electricity fully on its own balance sheet

(b) If, yes, proposed equity from the Applicant

- (i) Amount:
- (ii) Percentage:

19. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency:

(a) Name, designation & Address of reference person of the other Agency:

(b) Contact Tel. No.:

(c) Fax No.:

(d) E-mail ID:

(e) Proposed equity from the other Agency

- (i) Amount:
- (ii) Percentage of total equity:
- (iii) Currency in which the equity is proposed:

(f) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed.

- (g) Nature of proposed tie-up between the Applicant and the other agency.
20. Details of debt proposed for the distribution activity:
- (a) Details of lenders:
 - (b) Amount to be sourced from various lenders:
 - (c) Letters from the lenders in support of the above to be enclosed.
21. Organisational & Managerial Capability of the Applicant:
(The Applicant is required to enclose proof of their Organisational & Managerial Capability, in terms of the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2004, in form of proposed organisational structure & curricula vitae of various executives, proposed office and communication facilities, etc.)
22. Approach & Methodology:
(The Applicant is required to describe approach & methodology for setting up its distribution system and conduct of the business of distribution of electricity as proposed by it. This should contain a statement of the Applicant's plan on conduct of the business of distribution of electricity during the first year after the grant of licence and future plans for the said business during the next five years.)
- 23. Data relating to the applicant's future business**
- (i) Five year Business Plan for transmission or distribution of electricity for which the application is being made and funding arrangements for meeting its obligations under proposed licence for maintenance, operation, improvement and expansion for future load growth.

(ii) Five year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

(Signature of the Applicant)

Dated:

SCHEDULE-2

GUJARAT ELECTRICITY REGULATORY COMMISSION

AHMEDABAD

DISTRIBUTION LICENCE

1. The Gujarat Electricity Regulatory Commission (hereinafter referred to as “the Commission”), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003 and Section 20 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (hereinafter referred to as “the Acts”), hereby grants this licence to M/s (hereinafter referred to as the licensee) to distribute electricity in the area of distribution as specified below, subject to the provisions made in the Acts, the rules, general conditions of Distribution Licence specified under the Gujarat Electricity Regulatory Commission (Distribution Licence) Regulations, 2005 and other Regulations specified by the Commission (herein after referred to as “Regulations”), including statutory amendments, alterations, modifications, reenactments thereof, which shall be read as part and parcel of this licence.

2. Area of Distribution

The area of Distribution shall be the whole of the area bounded as follows:

North – By

East – By

South – By

West – By

3. This licence is not transferable, except in accordance with the provisions of the Acts, the Rules and the Regulations.

3. (1) The licensee shall not without prior approval of the Commission—

(a) undertake any transaction to acquire by purchase or take over or otherwise, the utility of any other licensee; or

(b) merge its utility with utility of any other licensee;

(2) The licensee shall not at any time assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission

(3) Any agreement relating to any transaction referred to in sub-clause (1) and sub-clause (2) unless made with the approval of the Commission, shall be void.

4. The grant of this licence to the licensee shall not in any way hinder or restrict the right of the Commission to grant a licence to any other person within the same area for Distribution of electricity. The licensee shall not claim any exclusivity.

5. This licence shall commence on the date of its issue and unless revoked earlier, shall continue to be in force for a period of 25 (twenty five) years.

6. The licensee may with prior intimation to the Commission, engage in any business for optimum utilisation of its assets. Provided that the licensee shall not engage in the business of transmission of electricity.

7. The licensee shall pay license fee as specified by the Commission.

8. The provisions contained in the Acts shall apply to the licensee with regard to revocation of licence and sale of his utility.

Sd/-

**SECRETARY
GUJARAT ELECTRICITY REGULATORY COMMISSION**