

THE DISTRIBUTION OF ELECTRICITY LICENCE (ADDITIONAL REQUIREMENTS OF CAPITAL ADEQUACY, CREDITWORTHINESS AND CODE OF CONDUCT) RULES, 2005¹

In exercise of the powers conferred by sub-section (1) of, and clause (b) of sub-section (2) of, section 176 of the Electricity Act, 2003 (36 of 2003), the Central Government hereby makes the following rules, namely:—

1. Short title and commencement.—(1) These rules may be called the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definition.—In these rules, unless the context otherwise requires,—

(a) 'Act' means the Electricity Act, 2003 (36 of 2003);

(b) Words and expression used and not defined in these rules but defined in the Electricity Act, 2003 (36 of 2003), shall have the meanings respectively assigned to them in that Act.

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

(2) The applicant for grant of licence shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of the networth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments.

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

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

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

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

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

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

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

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

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

1. *Vide* G.S.R. 188(E), dated 23rd March, 2005, published in the Gazette of India, Extra., Pt. II, Sec. 3(i), dated 23rd March, 2005.



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असाधारण
EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (i)
PART II—Section 3—Sub-section (i)

प्राधिकार से प्रकाशित
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अधिसूचना

नई दिल्ली, 8 सितम्बर, 2022

सा.का.नि. 690(अ).—केंद्रीय सरकार, विद्युत अधिनियम, 2003 (2003 का अधिनियम 36) की धारा 176 की उप-धारा (1) और उप-धारा (2) के खंड (ख) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए विद्युत वितरण की अनुज्ञप्ति (पूँजी पर्याप्तता, उधार पात्रता की अतिरिक्त अपेक्षाएं और आचार संहिता) नियम, 2005 का संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात्:-

- संक्षिप्त नाम और प्रारंभ- (1) इन नियमों का संक्षिप्त नाम विद्युत वितरण की अनुज्ञप्ति (पूँजी उधार पात्रता की अतिरिक्त अपेक्षाएं और आचार संहिता) (संशोधन) नियम, 2022 है।
(2) ये नियम राजपत्र में प्रकाशन की तारीख से लागू होंगे।
- विद्युत वितरण की अनुज्ञप्ति में (पूँजीगत उधार पात्रता की अतिरिक्त अपेक्षाएं और आचार संहिता) नियम, 2005 (जिसे इसके पश्चात् उक्त नियम के रूप में कहा गया है), नियम 3 में,
(क) उप-नियम (2) के 'स्पष्टीकरण' के स्थान पर, निम्नलिखित स्पष्टीकरण रखा जाएगा, अर्थात्:

"स्पष्टीकरण - अधिनियम की धारा 14 के छोटे परंतुक के संदर्भ में एक ही क्षेत्र के भीतर बिजली के वितरण के लिए अनुज्ञप्ति प्रदान करने हेतु, या तो संविधान के अनुच्छेद 243थ में यथा-परिभाषित नगर निगम के अंतर्गत आने वाला क्षेत्र या तीन निकटवर्ती राजस्व जिले, या कोई उपयुक्त सरकार द्वारा यथा अधिसूचित एक छोटा क्षेत्र न्यूनतम आपूर्ति क्षेत्र होगा।"

[फा. सं. 23/08/2022-आरएंडआर]

पीयूष सिंह, संयुक्त सचिव

टिप्पण : मूल नियम भारत के राजपत्र, असाधारणकी अधिसूचना संख्या सा.का.नि.188 (अ) तारीख 23 जून, 2005 द्वारा प्रकाशित किए गए थे।

MINISTRY OF POWER

NOTIFICATION

New Delhi, the 8th September, 2022

G.S.R. 690(E).—In exercise of the powers conferred by sub-section (1) of, and clause (b) of sub-section (2) of, section 176 of the Electricity Act, 2003 (Act 36 of 2003) the Central Government hereby makes the following rules, to amend the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, namely:--

1. **Short title and commencement.** – (1) These rules may be called the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) (Amendment) Rules, 2022.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 (hereinafter referred to as the said rule), in rule 3, (a) for ‘Explanation’ to the sub-rule (2), the following Explanation shall be substituted, namely:-

“Explanation.- For grant of a license for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within either a Municipal Corporation as defined in article 243Q of the Constitution or three adjoining revenue districts, or a smaller area as may be notified by the Appropriate Government shall be the minimum area of supply.”

[F. No. 23/08/2022-R&R]

PIYUSH SINGH, Jt. Secy.

Note : The principal rules were published in the Gazette of India, Extraordinary *vide* notification number G.S.R. 188(E), dated the 23rd June, 2005.