

Joint Electricity Regulatory Commission for the State of Goa and Union Territories
2nd Floor, HSIIDC Office Complex, Vanijya Nikunj, Udyog Vihar, Phase-V,
Gurgaon - 122016, (Haryana)

Draft Regulations

In exercise of powers vested under Section 181 read with Section 52 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, the Joint Electricity Regulatory Commission for the State of Goa and Union Territories hereby makes the following Regulations specifying the eligibility criteria for grant of intra-State trading licence, the duties of the electricity trader and other related matters:

1. Short title, extent and commencement

- i. These Regulations may be called the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Electricity Trading) Regulations, 2010.
- ii. These Regulations extend to the whole of the state of Goa and the Union Territories of Andaman & Nicobar Islands, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry;
- iii. These Regulations shall come into force on the date of their publication in the Official Gazette.

2. Definitions and interpretation

- i. In these Regulations, unless the context otherwise requires:
 - (a) “Act” means the Electricity Act, 2003 (36 of 2003);
 - (b) “Agreement” means agreement(s) entered into by the electricity trader with the seller of electricity, buyer of electricity, other licensees etc., that enable(s) the trading transactions;
 - (c) “Applicant” means a person who has made an application to the Commission for grant of licence for trading in electricity;
 - (d) “Commission” means the Joint Electricity Regulatory Commission for the State of Goa and the Union Territories.

- (e) “Conduct of Business Regulations” means the Joint Electricity Regulatory Commission for the state of Goa and Union Territories (Conduct of Business) Regulations, 2009, as amended from time to time;
 - (f) “Customer” means any person purchasing electricity from the trader and includes distribution licensee, any other Trader and any consumers;
 - (g) “Net worth” at any point in time is defined as Paid-up capital (including Share Premium) *plus* Free Reserves (exclusive of intangible assets and revaluation, if any) *minus* Deferred Revenue Expenditure.
 - (h) “Other Business” means any business of the trader other than the licenced business of trading;
 - (i) “Quarter” means a three-month period starting from 1st day of April, July, October or January and ending respectively on the last day of June, September, December or March of a financial year;
 - (j) “Trader” means a person who has been granted a licence under this Regulation for undertaking trading in electricity.
- ii. Words and expressions used in these Regulations but not defined, unless the context otherwise requires, shall have the same meaning as assigned to them in the Act.

3 Technical requirements to qualify as an Electricity Trader

3.1 The applicant must have at least the following resources:

- 1) Experts and skilled staff with relevant qualifications and experience and having knowledge of (a) Power system operations, and (b) Finance and commerce;
- 2) Adequate office area with adequate communication facilities like telephone, fax, computer, and internet facilities; and
- 3) A website of his own to post all necessary information about his trade.

3.2 The applicant shall submit along with the application, the following information to the Commission for assessment of his technical capability with regard to the resources deployed as outlined in regulation 3.1 above:

- (1) number of experts, summary of their educational qualifications and experience in and knowledge of electricity industry/market as well as understanding of the

operation of the system and commercial transactions, and number of years of experience of each personnel;

- (2) details of key staff, their educational qualifications and business skills; and
- (3) details of office and communication facilities and website.

The aforesaid information shall be filed along with the supporting documents.

3.3 The applicant shall justify to the satisfaction of the Commission that the technical capability and resources exhibited by the applicant are adequate to manage the intended volume of trading.

3.4 The applicant shall comply with the technical requirements when applying for the licence for trading:

Provided that the Commission may grant the trading licence to the applicant subject to the trader furnishing the details and exhibiting compliance to the technical requirements, in accordance with regulations 3.1 and 3.2 above, before undertaking the trading.

4 Financial requirements to qualify as a Trader

4.1 At the time of application, the applicant shall submit to the Commission the applicant's earnings history, balance sheet, cash flow, funding arrangements and risk management strategy which will demonstrate that the applicant has met the net worth requirement as per regulations 4.3 below.

4.2 The financial requirements shall be complied with before applying for the licence for trading.

4.3 The net worth requirement of the trader/applicant at any time shall not be less than the following amounts:

S.No.	Category	Annual volume (MU)	Trading	Maximum capacity (MW)	Net worth* (Rs. in crores)
1.	A	Upto 80		Up to 25	2.50
2.	B	>80 and up to 160		>25 and up to 50	5.00
3.	C	>160 and up to 320		>50 and up to 100	10.00
4.	D	>320 and up to 480		>100 and up to 150	15.00
5.	E	>480 and up to 640		> 150 and up to 200	20.00
6.	F	>640		> 200	25.00

* Net worth shall be construed as paid-up capital and free reserves (without considering revaluation, if any) less carried forward losses and miscellaneous expenditure not written off.

The applicable amount of net worth shall be determined on the basis of volume of trading in energy or capacity whichever is higher.

5. Procedure for grant of licence for trading

The procedure for grant of licence to a trader by the Commission shall be governed by these Regulations, read with the provisions of the conduct of business regulations of the Commission in force. In the case of variations between the two, the provisions of those Regulations shall prevail in so far as licensing for the trading is concerned.

5.1 Application for Licence

- 1) Any person intending to engage in Trading shall apply to the Commission for the grant of licence in the form specified at Appendix-2 and in the manner as directed by the Commission and accompanied by such fees as may be prescribed for the purpose by “the Appropriate Government”:
- 2) The General Conditions subject to which the licence shall be issued are contained in Appendix 3 to these Regulations and the Licensee shall be bound by such conditions, except to the extent specifically exempted by the Commission.
- 3) The General Conditions specified in Appendix – 3, shall apply to all applicants for grant of Trading Licence including the deemed Licensees under provisos third and fifth to Section 14 of the Act.
- 4) The Commission may, in addition to the General Conditions, decide on the Specific Conditions subject to which licence shall be issued to the applicant.
- 5) Any person intending to apply for a licence shall duly comply with the conditions and requirements laid down by the Commission, in these Regulations.
- 6) The application for Licence shall be made in accordance with the provisions of the Act and these Regulations and in the form enclosed as Appendix -2 (Conduct of Business), Regulations 2009 of the Commission and shall be supported by affidavit of the authorized person.
- 7) The application for Licence shall be accompanied by documents and particulars required to be provided as per Part-B of the application form (Appendix- 2).

- 8) The application for Licence shall specifically detail the deviations, if any, proposed from the General Conditions of Licence as contained in Appendix 3 to these Regulations and reasons in support thereof.
- 9) The Applicant shall duly fulfil the conditions of technical requirement, capital adequacy requirement and creditworthiness and further shall agree to discharge such duties as specified in these Regulations.
- 10) The application, along with all annexure and enclosures thereto, shall be submitted to the Commission in hard copy as well as in electronic form.

5.2 Acknowledgment of application: On receipt of the application, the Receiving Officer of the Commission shall note thereon the date of its receipt and shall send to the applicant an acknowledgment stating the date of receipt.

5.3 Facilitating public inspection of documents, etc:

- (1) The applicant shall maintain at his office and at such other place as may be designated by the Commission, the copies of the application and the documents accompanying the application, referred to in Appendix 2, for public inspection and furnish to persons applying for them the copies thereof at a price not exceeding the normal photocopying charges
- (2) The applicant shall post complete application along with annexure and enclosures thereto on his website.

5.4 Calling for additional information:

The Commission or its Secretary or any Officer designated for the purpose by the Commission may, upon scrutiny of the application, require the applicant to furnish, within a specified period, such additional information or particulars or documents as the Commission may consider necessary for the purpose of processing the application.

5.5 Publication of notice of application:

- (1) The applicant shall within 7 days after making such application, publish a notice of his application along with the particulars as mentioned in Appendix 1, in at least two newspapers by public advertisement, having wide circulation in the State of Goa or the Union Territory(ies), as the case may be.

- (2) The publication shall be headed by a short title corresponding to that given in the application and shall give the addresses of the offices at which the application and the documents accompanying it can be inspected and the copies of same can be purchased and shall also state that any person, desirous of making any representation or objections with reference to the said application, to the grant of licence may do so by letter addressed to the Secretary to the Commission, with a copy to the applicant, within thirty days from the date of publication.
- (3) The applicant shall endeavour to publish the aforementioned notice in all the newspapers simultaneously, on the same day. In case the notice is published on different days in different newspapers, the date of last published notice will be deemed to be the date of publication of the notice.

5.6 Objections

- (1) Any person intending to object to the grant of the licence shall file objections with the Secretary to the Commission, with a copy to the applicant within thirty (30) days from the date of publication of the notice by the applicant.
- (2) The Commission will post all the objections received in response to the said publication, on its website.

5.7 Applicant's response to the objections:

The applicant can also access the objections through Commission's website. The applicant shall file his comments, if any, to the Commission on the objections or suggestions received in response to the notice, within 45 days from the date of publication of the notice.

5.8 Grant of Licence:

- (1) The applicant shall within 7 days from the date of publication of the notice as aforesaid submit to the Commission, on affidavit, the details of the notice published along with the copies of the newspapers in which the notice is published.
- (2) After the applicant has published the notice of the application and after considering the objections received, if any, the Commission may decide, provisionally, to grant or refuse the licence and if it decides to grant the licence it may do so on such specific terms and conditions and with such modifications to the general conditions as the Commission may decide.

- (3) When the Commission decides to grant the Licence, the Commission shall publish notice informing the name and address of the person to whom it intends to grant the Licence and other details as considered necessary and seek suggestions/objections from public and also indicate a date for hearing those who desire to be heard in person.
- (4) After considering all suggestions/objections and after hearing those desiring to be heard in person, the Commission may finally decide either to grant or refuse the Licence.
- (5) If the Commission grants the Licence, the Secretary of the Commission shall immediately after issue of a licence, forward a copy of the licence to the State Government, Central Electricity Authority, Central Electricity Regulatory Commission, and to such other persons as the Commission considers necessary.

5.9 Refusal of Licence:

If the Commission is not inclined to grant the Licence, the Commission shall give an opportunity to the Applicant for being heard in person before rejecting the application.

5.10 Date of commencement of licence:

The licence shall commence from the date the Commission may direct as the date of commencement of Licence.

5.11 Revocation of a Licence:

- (1) The proceedings for revocation of a Licence and/or for issuing any other orders under section 19 of the Act shall be initiated by the Commission by means of an order. The Commission may initiate such proceedings *suo motu* or on application of the licensee or on receiving any complaint or information from any person.
- (2) The Commission shall give notice of the proceedings for the revocation of the licence to the licensee and to such other person, authority or body as the Commission may consider appropriate.
- (3) Subject to the provisions of the Act and the procedure prescribed therein, the inquiry by the Commission for revocation of the licence, in so far as it is applicable, shall be in the same manner as provided in the Conduct of Business Regulations, 2009 of the Commission in force.

- (4) If the Commission decides to revoke the licence, the Commission shall communicate the order of revocation to the licensee stating the date from which such revocation shall take effect.
- (5) The Commission may instead of revoking the licence pass any other order imposing such terms or conditions subject to which the Licensee is permitted to operate thereafter.

5.12 Amendment of the licence:

- (1) The application for amendment to the terms or conditions of the licence under section 18 of the Act may be made by the Licensee in the form of a petition as provided for in the Conduct of Business Regulations, 2009 of the Commission in force, duly accompanied by a statement of the proposed amendments and the applicable fee.
- (2) The applicant shall, within seven days from the date of the application for amendment, publish a notice giving a brief statement of admission and number of the amendment(s) proposed, the reason for the proposed amendment(s), the effect of the amendment(s) proposed on the discharge of the functions of the Licensee under the Licence granted, the alternate arrangement, if any, proposed for discharge of such functions and such other particulars as the Commission may direct.
- (3) The publication under regulation 5.12(2) above shall give the addresses of the offices at which the application for amendments can be inspected and the copies of documents can be purchased and shall state that every local authority, utility or person, desirous of making any representation with reference to application to the Commission, may do so by letter addressed to the Secretary to the Commission within thirty days from the date of publication.
- (4) In the event the Commission proposes to amend the terms or conditions of the Licence granted to a licensee, *suo motu*, the Commission shall publish a notice of the proposed amendment(s) giving a brief statement of the amendment (s) proposed, the reason for the proposed amendment (s), the effect of the amendment (s) proposed on the discharge of the functions of the Licensee under the Licence granted, the alternate arrangement, if any, proposed for discharge of such functions and such other particulars as the Commission may consider appropriate.
- (5) Unless otherwise decided in writing by the Commission, the procedure specified in these Regulations for grant of licence, insofar as it can be applied, shall be followed while dealing with an application for amendment of the licence.

6. Duties and obligations of a Trader

6.1 Duties relating to trading Transactions

- (1) The trader shall have in place all agreements for the purchase and sale of electricity, and any necessary related authorisations and arrangements as required for the discharge of his obligations under the Licence. Necessary safeguards with regard to supply of electricity through trading, or payment for electricity traded shall be included in the agreements between the parties.
- (2) The trader shall have in place the open access agreements with each transmission licensee and distribution licensee concerned for the conveyance of electricity, unless the trader's customer or power supplier has entered into such access agreements.
- (3) Such agreements shall *inter alia* provide that the energy exchanges, billing and payment shall be as per the Billing and Settlement Code to be approved by the Commission from time to time
- (4) The trader shall have in place a well-structured payment security mechanism, i.e., through letters of credit or any other superior instrument mutually acceptable to the parties concerned.
- (5) The trader shall maintain an up-to-date register or record of his customers and all the business transactions.
- (6) The Trader may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services relating to electricity and electricity supply to the Trader in connection with the Licensed Business, subject to the following conditions:
 - a. that the transaction shall be undertaken on an "arms-length basis" and at a value that is fair and reasonable in the circumstances,
 - b. that the Trader shall report to the Commission, for each financial year, the details of all transactions of the nature referred to in this Regulation entered into during the financial year;
 - c. that the Trader shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of regulation 6.1(6)(c) above and
 - d. The Trader shall post on his website details of all such transactions within a week of each such transaction taking place, and keep such details so posted for a minimum period of three months.
- (7) The Trader shall render all assistance to any person authorized by the Commission for carrying out his duties relating to licence;

- (8) The Trader shall not enter into any agreement leading to abuse of his dominant position or enter into a combination which is likely to cause an adverse effect on competition in electricity industry;

6.2 Duties relating to supply to consumers

- (1) The trader shall always keep in his office adequate number of copies of the updated Electricity Supply Code and the Terms and Conditions of Supply and shall, on demand, sell such copies to any applicant at a price not exceeding the normal photocopying charges.

6.3 Technical resources, Capital adequacy and Creditworthiness

- (1) The trader shall maintain the technical resources specified in regulation 3 above and provide to the Commission the details of any changes justifying that the capability is, and continues to remain, adequate to cater to the volume of his trade.
- (2) If the trading volume of the trader exceeds the specified volume of trade in any financial year then the trader shall immediately intimate the Commission of his moving to the higher category and increase his net worth to the applicable level as specified in regulation 4.3 and pay the balance license fee prorated for the rest of the year by the following 30th April.
- (3) In case of non-reporting of such an event, the Commission may levy penalty on the trader in terms of Section 142 of the Act, in addition to levy of late payment surcharge / interest for non-payment / delayed payment of the additional licence fee due from the Trader as per regulation 6.3(2) above, in the manner and at the rate specified in regulation 6.5(1) below, apart from suspension of his licence.
- (4) The trader shall make reasonable endeavours to maintain investment grade credit rating (obtained from a leading independent Credit Rating Agency) for all debts throughout the period they remain on the books of the trader:

6.4 Compliances and information submission

- (1) At the end of every quarter, the trader shall provide information to the Commission in such form and manner as may be directed by the Commission from time to time to demonstrate that he has complied with the net worth criteria mentioned in regulation 4.3 above.

- (2) The trader shall comply with Regulations, codes, orders and directives such as Regulations on phasing of open access in electricity distribution, standards of performance, supply code, billing code, and balancing and settlement code, etc.
- (3) The trader shall furnish to the Commission such information as may be required to monitor the trader's performance, compliance with the terms and conditions of the licence and any other legislative or regulatory requirement.
- (4) The trader shall comply with any direction issued by the State Load Dispatch Centre (SLDC).
- (5) The trader shall provide data and his business plan to the Commission, the State Transmission Utility and the SLDC, annually, as well as on request.
- (6) Until modified by this Commission, the trading margin fixed by the Central Electricity Commission under Section 86 (1) (j) of the Act for the Inter-State Trading shall also be applicable to any Trader granted licence under these Regulations.
- (7) To enable the Commission to determine the trading margin, the trader shall file the details in such form and in such manner as may be required by the Commission from time to time.
- (8) The trader shall as soon as practicable report to the Commission: (a) any significant changes in his circumstances which may affect the trader's ability to meet his obligations under the Act, rules and regulations directions/orders issued by the Commission, the State Grid Code, agreements or the licence; (b) any material breach of the provisions of the Act, rules and the regulations, directives/orders issued by the Commission, the State Grid Code, agreement or the licence; and (c) any major change in shareholding pattern, ownership or management of the trader.

6.5 Payment of Annual Licence Fee

- (1) The trader shall pay to the Commission the following non-refundable annual (April to March) licence fee by means of a demand draft/pay order drawn on Gurgaon (Haryana) branch of a scheduled bank in favour of the Joint Electricity Regulatory Commission, Gurgaon,

Category of the Trading License	Annual volume of electricity to be traded	Annual Licence Fee
A	Up to 50 MU	Rs. 50,000
B	Greater than 50 MU and up to 100 MU	Rs. 75,000
C	Greater than 100 MU and up to 200 MU	Rs. 1.00 Lakh
D	Greater than 200 MU and up to 300 MU	Rs. 1.50 Lakhs
E	Greater than 300 MU and up to 400 MU	Rs. 2.00 Lakhs
F	Greater than 400 MU and up to 500 MU	Rs. 2.50 Lakhs
G	Greater than 500 MU	Rs.3.00 Lakhs

- (2) Such fee for the first year or a part thereof shall be paid before the commencement of operations, provided that for a part of the year, the licence fee shall be payable *pro rata* on the basis of number of days.
- (3) The licence fee for the subsequent years starting from the first day of April shall be paid in full before the start of the year. In case the trader fails to pay the licence fee in time, the trader shall be liable to pay late payment surcharge / interest on the outstanding amount at the rate of 1.25% of the licence fee payable per month (a part of the month shall be treated as full month for the purpose) and for the period the licence fee remains unpaid and such other particulars in details in the manner as the commission may direct from time to time.
- (4) Notwithstanding the liability of the trader to pay the late payment surcharge as aforesaid, the delay in payment of licence fee, shall be construed as breach of the terms and conditions of the licence rendering the licence liable to be revoked on this ground alone.

6.6 Accounts of the Electricity Trader

- (1) The trader shall maintain separate accounts for his trading business, prepare and maintain the same in accordance with the provisions of the Companies Act, 1956, as amended from time to time and such other particulars in details in the manner as the Commission may direct from time to time. Till such time guidelines in this respect are issued by the Commission.

- (2) The trader shall prepare on a consistent basis from such records accounting statements for each financial year comprising a profit and loss account, a balance sheet and a statement of sources and application of funds together with notes thereto and showing separately the amounts of any revenue, costs, assets, liabilities, reserves or provisions which have been:
 - a. Charged from or to any other business together with a description of the basis of that charge, and / or
 - b. Determined by apportionment or allocation between the various business activities together with a description of the basis of the apportionment or allocation.
- (3) The trader shall provide, in respect of the accounting statements prepared in accordance with foregoing provisions, a report by the Auditors in respect of each financial year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenue, costs, assets, liabilities, reserves and provisions reasonably attributable to the trading business.
- (4) The trader shall submit to the Commission copies of the accounting statements and Auditor's report thereon not later than six months after the close of the financial year to which they relate.
- (5) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the trader and the trader shall render all necessary assistance to such person.

6.7 Prohibitions

- (1) The trader shall not engage in the business of transmission of electricity.
- (2) The trader shall not, without prior approval of the Commission assign or transfer his licence to any person, by sale, lease, exchange or otherwise.

6.8 Wherever prior approval of the Commission is required, the trader shall file an appropriate petition before the Commission, in accordance with the Conduct of Business Regulations.

7 Contravention of terms and conditions of licence

The Commission may pass such orders as it deems fit in accordance with the provisions of the Act, if there is a contravention or the likelihood of a contravention of the terms and conditions of licence by the Licensee.

8 Redressal mechanism

- (1) All disputes and complaints relating to energy billing and accounting in electricity shall be referred to the State Load Dispatch Centre, which may investigate to resolve the grievance within a period of 30 days.
 - i. If the State Load Dispatch Centre is unable to redress a grievance, within the 30 days' period, it would stand automatically referred to the State Power Committee as created under the State Grid Code, which shall resolve the grievance within another 30 days period.
 - ii. If the disputes and complaints are not resolved as above, the grievance shall be placed before the Commission by the State Power Committee
- (2) All other disputes amongst the licensees shall be directly referred to the Commission.

9 Power to amend

The Commission may, at any time, add, vary, alter, modify, amend or suspend any provisions of these Regulations.

10 Issue of orders and practice directions

Subject to the provisions of the Act, and these Regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of these Regulations, the procedure to be followed etc., and other matters, which the Commission has been empowered by these Regulations to specify or direct.

11 Power to remove difficulties

In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may remove such difficulty by general or special order, not being inconsistent with the provisions of the Act, as may appear to be necessary for the purpose of removing the difficulty.

- 12 Saving:** Nothing contained in these Regulations shall affect the rights and privileges of a consumer under any other law for the time being in force, including the Consumer Protection Act, 1986 (68 of 1986).

(BY ORDER OF THE COMMISSION)

J.S. Sehrawat
Secretary
Joint Electricity Regulatory Commission

APPENDIX - 1

- 1) Name of the applicant in bold at the top clearly bringing out whether the applicant is an individual, a partnership firm, private limited company or a public limited company incorporated under the Companies Act, 1956, giving full particulars of its office address, and the registered office address in case of a Company incorporated under the Companies Act, 1956.
- 2) A statement that the applicant has made an application for grant of licence for trading under sub-section (1) of Section 15 of the Act, to the Joint Electricity Regulatory Commission.
- 3) Shareholding pattern, technical and financial strengths and management profile of the applicant.
- 4) Volume of power intended to be traded during the first year after grant of licence and the future plans for trading during the next 5 years.
- 5) Details of past experience of the applicant and the personnel under his employment and control in same or similar activity.
- 6) Geographical areas within which the applicant shall undertake trading in electricity as stated in the application made to the Commission
- 7) A statement to the effect that the application and other documents filed before the Commission from time to time, are available for inspection with the applicant by any person.
- 8) Name, address and other relevant details of the person, under the control of the applicant, with whom the application and documents are kept for inspection by any person.
- 9) A statement to the effect that completes application is available on the website of the applicant along with the website address.
- 10) Specific mention that objections, if any, to the grant of licence to the applicant be filed with/sent to the Secretary, Joint Electricity Regulatory Commission for the State of Goa and UTs, with a copy to the applicant within 30 days from the date of publication of the notice.

APPENDIX -2

JOINT ELECTRICITY REGULATORY COMMISSION for the State of Goa and Union Territories

Application form for the grant of Trading Licence in the State of Goa or the UTs

The applicant must submit the completed application in six (6) copies to the Secretary, Joint Electricity Regulatory Commission for Goa & UTs, 2ⁿ floor, HSIIDC Office Complex, Vanijya Nikunj Complex, Udyog Vihar, Phase-V, Gurgaon-122016 along with application fee of Rs..... (Rupees only) as prescribed by Appropriate Government in the form of DD /Pay Order drawn in favour of Joint Electricity Regulatory Commission for Goa and Union Territories, and payable at Gurgaon,(Haryana).

PART-A: GENERAL INFORMATION ON APPLICANT

1. Details of Applicant

- a. Full Name of the Applicant :
- b. Full Address of the Applicant :
- c. Name, Designation & Address of the Contact Person :
- d. Contact Telephone Numbers :
Fax Number(s) :
Email ID :

2. Details of Ownership

- a. Company/ Firm/ Co-op Society/ Individual/ Others(specify):

b. Particulars of Incorporation/ Registration

Place of Incorporation/ Registration :

Year of Incorporation/Registration :

Registration Number :

c. Names and Addresses of Directors

3. Principal Shareholders/ Partners/ Members

4. (a). Details of the area of operation

(b). Nature of other electricity licenses / authorisation, if any, of the applicant for electricity transmission, distribution or trading already granted:

5. Details of Operation

Maximum trading volume proposed to be undertaken by the applicant on a monthly basis for the first five years;

6. Funding arrangements (sources and application) to meet the obligations :

7. Arrangement for purchase of energy

8. Arrangement, if any, proposed with other existing licensees

a. Resume of the Organisation with details of

b. Management capability

c. Financial strength

d. Ability to attend to the activities activities in a sustainable manner

9. Prior experience (Past 5 years' details for related business)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (as applicable)]

General Information	
Name & Address of the project(s) developed	
Brief description of project(s) developed	
Cost of the project(s) developed – Rs. Lakhs	
Name(s) & Address(s) of the client(s) for whom the project(s) were developed	
Name(s), Designation(s) & Address(es) of reference persons of client(s)	

10. Financial details of other business ventures of the applicant)

[To be filled in by the applicant or by each participant separately in case of JVC/ consortium (as applicable)]

General Information	
Names of Subsidiary Business Units	Products manufactured/ services provided
1.	1.
2.	2.
3.	3.

4.	4.				
5.	5.				
Financial Indicators	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters'					
Government/ Financial Institutions					
Public					
Others (specific)					
Liabilities					
Long Term					
Short Term					
Income					
Sale of Power					
Others					
Expenses					

Admin. & General Expenses					
Repairs & Maintenance Expenses					
Employee costs					
Interest & Financial Charges					
Long Term					
Short Term					
Others					
Financial Indicators	Year 1	Year 2	Year 3	Year 4	Year 5
Overall turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					

Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy & Creditworthiness					
Debt/ Net worth					
Debt/ Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

11. Baseline Information (Business for which Licence is sought)

General Information	

PART B LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION

1. Information relating to pre-existing licence (if any), with copy of licence / sanction
2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents.
3. Certification of incorporation/registration.

4. Certification for commencement of business.
5. Original Power of Attorney of the Signatory to commit the Applicant or its Promoters.
6. Details of Income Tax registration.
7. Data relating to Management and Financial capability
 - a. Managerial
 - i. Senior management's curriculum vitae
 - ii. Cadre strength for different categories (technical and non-technical)
 - b. Financial
 - i. Bank references asserting that the Applicant is financially solvent
 - ii. Most recent Annual Financial Statements (Balance Sheet)
 - iii. Annual Audited Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or affiliated company
 - iv. Any accompanying notes and certifications on the above statements from reputable chartered accountant
 - c. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.
8. Data relating to the Applicant's Business proposals
9. Five-year Business Plan (with projections) for the proposed business for which the application relates
10. Five-year annual forecasts of costs, , revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
11. An affidavit that the Applicant is not engaged in the business of transmission of electricity

Date

Signature of the Applicant

APPENDIX -3

GENERAL CONDITIONS OF TRADING LICENCE

1 DEFINITIONS

1.1 Unless the context otherwise requires:

“Accounting Statement” means for each financial year, accounting statements for the Licensed Business comprising a profit and loss account, balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Trading Licensee engages in any business or activity in addition to the Licensed Business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of Other Business of Trader and show specifically the amounts of any revenue, costs, assets, liabilities, reserves or provisions, which have been either:

- a. charged from the Licensed Business to any Other Business or *vice versa* together with a description of the basis of that charge; or
- b. determined by apportionment or allocation between the Licensed Business and any Other Business of the Trader together with a description of the basis of the apportionment or allocation.

“Annual Accounts” means the accounts of the Trader prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act;

“Area of Activity” means the area of activity stated in the Trading Licence within which the Trader is authorised to trade;

“Auditors” means the Trader’s auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619, as appropriate, of the Companies Act 1956 (1 of 1956);

“Authorised”, in relation to any Person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth provisos to Section 14 of the Act or exemption granted under Section 13 of the Act;

“Deemed Licensee” means a person authorised under the first, second, third and fifth proviso to section 14 of the Act.

“Force Majeure” means events beyond the reasonable control of the Licensee, including, but not limited to earthquakes, cyclones, floods, storms, adverse weather conditions, war, terrorist attacks, civil commotion or other similar occurrences that lead to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;

“Licensed Business” means the business of Intra-state Trading in electricity in the State/Union Territory as authorised under the licence;

“Other Business” means business of the Trader other than the Licensed Business;

“Specific Conditions” means the conditions in addition to or in variation of the General Conditions, which the Commission may lay down, specifically for a Trader;

“Trading Business” means the Authorised business of a Trader;

“Transmission Licensee” means the entity, which has been granted a Transmission Licence or is a deemed Licensee under the first, second, third or fifth proviso of Section 14 of the Act authorised to transmit electricity;

“Transfer” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist.

2 TERM:

- 2.1 The Trading Licence shall come into force on the date specified by the Commission in the order granting the licence and subject to the terms and conditions of the grant of licence, shall remain in force for the period mentioned in the Order

3 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

3.1 The Trader shall comply with the provisions of the Act, Rules, Regulations, orders and directions issued by the Commission from time to time and all other applicable laws.

3.2 The Trader shall act in accordance with these General Conditions except where the Trader is exempted from any provisions of these general conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation there from.

- 3.3 The Trader shall duly comply with and undertake the activities consistent with the State Grid Code, Distribution Code, Regulations and other codes and standards, order and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions.

4 ACTIVITIES OF THE TRADER

- 4.1 The Trader may engage in trading in the State...../ Union Territory of..... (Name of the Union Territory or the State Goa, as the case may be for which the License is granted).

Provided that in the event of sale or supply of electricity to consumer besides others the sales by the Trader shall be subject to payment of surcharge to meet the current level of cross-subsidy as provided in sub-section (2) of section 42 of the Act.

- 4.2 The Trader should have in place all agreements for the purchase and sale of electricity, and all necessary authorisations as required by the Trader to be able to perform its obligations under such agreements.
- 4.3 The Trader shall not undertake transmission and distribution of electricity to any Person in the State /Union Territory for which license has been granted to him. .
- 4.4 The Trader shall have in place the necessary agreements with the Transmission Licensees and Distribution Licensees for the transmission or wheeling of electricity, as the case may be.
- 4.5 The Trader shall not without the prior approval of the Commission:
- (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee;
 - (b) acquire any beneficial interest in any Generating Company or Generating Station; or
- 4.6 The Trader shall have in place Billing and Settlement Agreements between him and supplier(s) of energy including the generating companies; or between him and other Licensees, who are purchasers of electricity and also between him and the customers, who are traders or consumers.

- 4.7 The Trader shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any person, except when made or issued for the purposes of the Licenced Business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.
- 4.8 The Trader shall not at any time transfer or assign his License in any manner without the prior approval of the Commission.
- 4.9 If the contract of the Trader with his customer is for a fixed term, then prior to the expiry of the fixed term, the Licensee shall inform the customer as to when the expiry will occur and the tariffs and terms and conditions applicable to the customer beyond the expiry of the contract if the arrangement is continued.
- 4.10 The Trader shall maintain an up-to-date register or record of all the business transactions.

5 ACCOUNTS

- 5.1 Unless otherwise permitted by the Commission, the financial year of the Trader for the purposes of these General Conditions and matters relating to the licensed business shall run from the first of April in a year to the thirty-first of March in the succeeding year.
- 5.2 The Trader shall, in respect of the licensed business and any Other Business engaged in by the Trader:
 - a. keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Trader , from those of Other Business in which the Trader may be engaged;
 - b. prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statement, namely,
 - i. in respect of the first six months of each financial year, a half-yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may direct from time to time. Such statements and documents shall be published in the manner directed by the Commission;

- ii. in respect of the Accounting Statements prepared, an Auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and
 - iii. a copy of each half-yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate.
- 5.3 The Trader shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards or Rules and any guidelines issued by the Commission in this regard.
- 5.4 Where, in relation to the Accounting Statements in respect of a financial year, the Trader has changed the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Trader shall, if requested by the Commission, (in addition to preparing Accounting Statements on those bases which it has adopted), prepare such Accounting Statements on the basis which it applied in respect of the immediately preceding financial year.
- 5.5 The Accounting Statements under clause 5.2. above shall unless otherwise approved or directed by the Commission:
 - (a) be prepared and published with the Annual Accounts of the Trader, in the manner provided in these General Conditions or in the Specific Conditions;
 - (b) state the accounting policies adopted;
 - (c) be prepared in accordance with generally accepted Indian accounting standards; and
 - (d) be prepared in the form as the Commission may stipulate from time to time;
- 5.6 The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation and capital liabilities which do not relate principally to such Business and interest thereon.

5.7 The Trader shall ensure that the Accounting Statements in respect of each financial year prepared under clause 5.2. and the Auditor's report in respect of each financial year are publicised in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

6 FURNISHING OF INFORMATION TO THE COMMISSION

6.1 The Trader shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any Other Business of the Trader, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, the State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority. The Trader shall duly maintain the information as the Commission may direct under section 128 of the Act.

6.2 The Trader shall within 3 months of the end of each financial year submit to the Commission a report indicating the activities undertaken during such financial year. The Trader shall, if so required by the Commission, publish a summary of the report in a manner approved by the Commission.

6.3 The Trader shall duly inform the Commission about any incident restricting it from meeting its obligations under the licence including any act of omission or commission by others and steps taken by the Trader to mitigate the effect of such incident. The Trader shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its Trading activities, and

(a) by not later than two months from the date of such occurrence submit a report to the Commission giving full details of the facts within the knowledge of the Trader regarding the incident and its cause; and

(b) if the Trader requires more time to prepare the above said report, then the trader may furnish and state reasons as to why it requires more than two months for giving full report of such incident.

6.4 The Commission may by order, after providing an opportunity of hearing direct the Trader to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Trader .

6.5 The Trader shall also undertake such studies as the Commission may direct it to undertake from time to time in regard to the trading activities and any other matter concerning the licensed Business that the Commission considers necessary in the public interest. The Commission at its own discretion may require the submission of a report to be prepared by an independent person on the activities of the Trader at the cost and expense of the Trader.

7 CAPITAL ADEQUACY AND CREDITWORTHINESS

7.1 The Trader shall duly comply with the Regulations, Guidelines, Directions and Orders the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the Trader .

7.2 The non-maintenance of the technical and financial parameters as per sub-clause (1) above shall amount to a material breach of the obligations of the Trader

8 PAYMENT OF LICENCE FEES

8.1 Within such period as the Commission may direct, the Trader shall pay to the Commission the Licence Fees, initial and also periodic, mentioned in the Specific Condition and in such manner as the Commission may direct in the said Specific Condition

8.2 Where the Trader fails to pay to the Commission any of the fees due under clause 8.1 by the due dates:

(a) without prejudice to other obligations, the Trader shall be liable to pay late payment surcharge /interest on the outstanding amount at the rate of 1.25 per cent per month part of the month shall be later as full month for the purpose, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission in cleared funds; and

(b) in the event of continued default by the Trader , the Commission may revoke the Trading Licence.

8.3 The Trader shall be entitled to take into account any fee paid under this clause 8, excluding however any interest paid for delayed payment, as an expense in the determination of aggregate revenues to be charged to the Tariffs.

9 TERMS OF REVOCATION

9.1 Subject to the provisions of section 19 of the Act and the provisions of the Joint Electricity Regulatory Commission for Goa & UTs (Electricity Trading) Regulations, 2010, the Commission may, at any time initiate proceedings against the Trader for revocation of the Trading Licence and if satisfied after such proceedings that the grounds exist for revocation, duly considering the public interest, revoke the Trading Licence:

- (a) where the Trader in the opinion of the Commission, makes material breach or wilful default in doing anything required of him by or under the Act or the rules or regulations made there under;
- (b) where the Trader violates any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;
- (c) where the Trader fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted therefore -
 - i. to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his licence; or
 - ii. to make deposits or furnish the security, or pay the fees or other charges required by his licence;
- (d) where in the opinion of the Commission the financial position of the Trader is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him;
- (e) where the Trader has failed to maintain the technical requirements, capital adequacy and creditworthiness specified by the Commission; and
- (f) has failed to comply with all the Regulations, codes, and standards and also orders and directions of the Commission or otherwise has committed an act which renders the Trading Licence revocable on any other grounds specified in the Act or the Rules or Regulations framed there under.

9.2 Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Trader, revoke his licence as to the whole or any part of his area of Trading upon such terms and conditions as it thinks fit.

- 9.3 While revoking a Trading Licence the Commission may make such arrangement for discharging the duties of the Trader which the Commission considers necessary in public interest and all such arrangement shall be at the cost and risk of the Trader.

10 AMENDMENT OF LICENSE CONDITIONS

- 10.1 These General Conditions of License may be altered or amended by the Commission at any time it deems fit if it is in public interest in exercise of powers under Section 18 of the Act. For any such alteration or amendment, before any alterations or amendments in the Trading License are made, the following provisions shall have effect:
- (a) where the Trader has made an application under Section 18, sub-section (1) of the Act proposing any alteration or amendment in the General Conditions of License, the Trader shall publish a notice of such application with such particulars and in such manner as may be directed by the Commission;
 - (b) where any alterations or amendments in a license are proposed to be made otherwise than on the application of the Trader, the Commission shall publish the proposed alterations or amendments with such particulars and in such manner as may be directed by the Commission; and
 - (c) the Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered.

11 DISPUTE RESOLUTION

- 11.1 The Commission shall be entitled to adjudicate upon the disputes or at its discretion nominate person(s) as arbitrator(s) to settle disputes between the Trader and any other licensees or between the Trader and generating companies in pursuance of clause (f) of sub-section (1) of section 86 read with section 158 of the Act.

12 TARIFF AND TRADING MARGINGS EXPECTED REVENUE CALCULATION AND TARIFFS

- 12.1 The Trader shall charge trading margin, in accordance with the provisions of the Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

13 MISCELLANEOUS

- 13.1 All issues arising in relation to interpretation of these General Conditions and as to the terms and conditions thereof shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under section 111 of the Act.
- 13.2 The Commission may at the time of grant of Trading Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a specific Trader
- 13.3 These General conditions shall apply to all Traders and also apply to all deemed Trading Licensees under Section 14 of the Act..