

Re-Organization of Electricity Industry

Constitution and functions of the Corporation.-

(1) Within sixty days of coming into force of this Act, the State Government shall establish Rajasthan Rajya Vidyut Prasaran Nigam Ltd. under the provisions of the Companies Act, 1956 (Central Act No. 1 of 1956), with the principal objects of engaging in the business of procurement, transmission, distribution and supply of electric energy.

(2) The Corporation established by the State Government in terms of sub-section (1) shall be the principal company to undertake all planning and co-ordination in regard to transmission; undertaking the works connected with transmission, determining the electricity requirements in the State in co-ordination with the Generating companies, State Government, the Commission, the Regional Electricity Boards, and the Central Electricity Authority; the operation of the power system.

(3) The Corporation shall undertake the functions specified in this section and such other functions as may be assigned to it by the license to be granted to it by the Commission under this Act.

(4) Upon the grant of license to the Corporation under sub-section (4) of section 17 or sub-section (1) of section 18 of this Act, it shall exercise such powers and perform such duties and functions of the Board including those under the Indian Electricity Act, 1910 (Central Act No. 9 of 1910) and the Electricity (Supply) Act, 1948 (Central Act No. 54 of 1948) or the rules framed there under as the Commission may specify in the license and it shall be the statutory obligation of the Corporation to undertake and duly discharge the powers, duties and functions so assigned.

(5) Subject to the provisions of sub-sections (1) and (2) and to the overall supervision and control of the Corporation a number of subsidiary or associated transmission companies may be established in the State and the Commission may grant licenses under the terms of this Act to such transmission companies, in consultation with the Corporation.

Reorganization of Rajasthan State Electricity Board.-

(1) With effect from the date on which a transfer scheme prepared by the State Government to give effect to the objects and purposes of this Act is published or such further date as may be specified by the State Government (hereinafter in this part referred to as the effective date), any property, interest in property, rights and liabilities which immediately before the effective date belong to the Board shall vest in the State Government on such terms as may be agreed between the State Government and the Board.

(2) Any property, interest in property, rights and liabilities vested in the State Government under sub-section (1) shall be re-vested by the State Government in the Corporation and generating company or companies or distribution company or companies, in accordance with the transfer scheme so published along with such other property, interest in property, rights and liabilities of State Government as may be specified in such scheme, on such terms and conditions as may be agreed between the State Government and the Corporation or generating company or companies or distribution company or companies, as the case may be.

Explanation - For the purposes of this part generating company or companies, shall mean the company or companies to be incorporated to implement the reorganization of the Electricity Industry in the State and distribution company or companies shall mean the or distribution company or companies to be incorporated to implement the reorganization of the Electricity Industry in the State.

(3) Such of the rights and powers exercisable by the Board under the Electricity (Supply) Act, 1948 (Central Act No. 54 of 1948) as the State Government may, by notification specify, shall be exercisable by the Corporation or generating company or companies, or distribution company or companies, as the case may be, for the purpose of discharging the functions and duties with which it is charged.

(4) Notwithstanding any thing in this section, where,-

- The transfer scheme involves the transfer of any property or rights to any person or undertaking not wholly owned by the State Government, the scheme shall give effect to the transfer only for fair value to be paid by the transferee to the State Government;
- A transaction of any description is effected in pursuance of a transfer scheme, it shall be binding on all persons including third parties and even if such persons or third parties have not consented to it.

(5) The State Government may, after consulting the Corporation (the transferor licensee) or generating company or companies, or distribution company or companies, as the case may be, require them to draw up a transfer scheme to vest in a further licensee (the transferee licensee) or any generating companies, or distribution company or companies, any of the functions including distribution function, property, interest in property, rights and liabilities which have been vested in the transferor licensee or generating companies, or distribution company or companies, as the case may be under this section and publish the same as Statutory Transfer Scheme under this Act. The Transfer Scheme to be notified under this sub-section shall have the same effect as the Transfer Scheme under sub-section (2).

(6) A transfer scheme may,-

(a) Provide for the formation of subsidiaries, joint venture companies or other schemes of division, amalgamation, merger, reconstruction or arrangements;

(b) Define the property, interest in property, rights and liabilities to be allocated,-

- By specifying or describing the property, rights and liabilities in question;

- By referring to all the property, interest in property, rights and liabilities comprised in a specified part of the transferor's undertaking; or
- Partly in one way and partly in the other;

(c) Provide that any rights or liabilities specified or described in the scheme shall be enforceable by or against the transferor or the transferee;

(d) Impose on the licensee an obligation to enter into such written agreements with or execute such other instruments in favor of, any other subsequent licensee as may be specified in the scheme;

(e) Make such supplemental, incidental and consequential provisions as the transferor licensee considers appropriate including provision specifying the order in which any transfer or transaction is to be regarded as taking effect; and

(f) Provide that the transfer shall be provisional for a specified period.

(7) All debts and obligations incurred, all contracts entered into and all matters and things engaged to be done by the board, with the Board or for the Board, or the Corporation or generating company or companies or distribution company or companies, before a transfer scheme becomes effective shall, to the extent specified in the relevant transfer scheme, be deemed to have been incurred, entered into or done by the Board, with the Board or for the State government or the transferee and all suits or other legal proceedings instituted by or against the Board or transferor, as the case may be, may be continued or instituted by or against the State government or concerned transferee, as the case may be.

(8) In the event that a licensee is required to vest any part of its undertaking in another licensee pursuant to sub-section (5), the commission shall amend the transferee's license in accordance with section 22 or revoke its license in accordance with section 21.

(9) The Board shall cease to be charged with, and shall not perform, the functions and duties specified in sub-section (3) with regard to transfers made on and after the effective date.

(10) The exercise by a licensee of any of the rights of the Board and powers may be made on such conditions as may be specified in the transfer scheme including a condition that they shall be exercised by the licensee only with the approval of the Commission.

Provisions relating to Personnel.-

(1) The State Government may by a transfer scheme provide for the transfer of the personnel to Corporation, generating company or companies, distribution or other companies hereinafter referred to as the transferee company or companies; on the vesting of properties, rights and liabilities in such transferee companies as provided under section 14.

(2) Upon such transfer under a transfer scheme, the personnel, shall hold office or service under the transferee company on terms and conditions as may be determined in accordance with the transfer scheme:

Provided that such terms and conditions on the transfer shall not in any way be less favorable than those which would have been applicable to them if there had been no such vesting.

Provided further that the transfer can be provisional for a specified period.

Explanation .- For the purposes of this section as well as the transfer scheme the term 'personnel' shall mean all persons who on the effective date are the employees of the Board.

Payment of Compensation or damages on transfer.- Notwithstanding anything in the Industrial Disputes Act, 1947 | (Central Act No 14 of 1947) or any other law for the time being in force and except for the provisions made in this act, the transfer of the employment of the personnel referred to in sub-section (1) of section 15 shall not entitle such personnel to any compensation or any damages under this Act, or any other Central or State law or under the general law, save as provided in the transfer scheme.