



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

### Transmission Licence No. 1 of 2021

### Kharghar Vikhroli Transmission Private Limited

Date: 23 January, 2021

Licence is granted by the Maharashtra Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to Kharghar Vikhroli Transmission Private Limited (KVTPL), having its registered office at Prakashganga, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051, to transmit electricity within the area of transmission (as defined in this License, under Part II, section 3, Alternative 2) and with the powers and upon the terms and conditions specified herein.

#### **Part I: General**

##### **1. Short Title:**

This Licence may be called the Transmission Licence for Kharghar Vikhroli Transmission Private Limited (KVTPL) (Licence No. 1 of 2021).

##### **2. Definitions:**

In these Regulations unless the context otherwise requires:

- (a) "Accounting Statement" means for each financial year, accounting statements separately in respect of the Licensed Business and the Other Business, comprising-
- balance sheet, prepared in accordance with the form contained in the Companies Act, 1956 or Companies Act, 2013, as applicable;
  - profit and loss account, complying with the requirements contained in the Companies Act, 1956 or Companies Act, 2013, as applicable;
  - cash flow statement, prepared in accordance with the applicable Accounting Standards of the Institute of Chartered Accountants of India;
  - report of the statutory auditors of the Transmission Licensee;
  - reconciliation statement, duly certified by the statutory auditors, showing the reconciliation between the total expenses, revenue, assets and liabilities, of the entity as a Company and the expenses, revenue, assets and liabilities, separately for each business regulated by the Commission and unregulated business operations;
  - cost records prescribed by the Central Government under the Companies Act, 1956 or Companies Act, 2013, as applicable;

together with notes thereto, and such other supporting statements and information as the Commission may direct from time to time;

- (b) “Allocation Statement” means for each financial year, a statement in respect of each of the Other Businesses of the Transmission Licensee undertaken for optimum utilisation of its assets, showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:
- i. charged from or to any Other Business together with a description of the basis of that charge; or
  - ii. determined by apportionment or allocation between the Transmission Business and any Other Business of the Transmission Licensee, together with a description of the basis of the apportionment or allocation;
- (c) “Act” means the Electricity Act, 2003 (36 of 2003), as amended from time to time;
- (d) “Commission” means the Maharashtra Electricity Regulatory Commission;
- (e) “Licence” means licence granted under Section 14 of the Act to establish or operate transmission lines;
- (f) “Licensed Business” means the business of establishing or operating transmission lines;
- (g) “Other Business” means such other business as is referred to in Section 41 of the Act;
- (h) “Transmission Licensee” means M/s. Kharghar Vikhroli Transmission Private Limited in its capacity as operator of the Licensed Business.

Words or expressions used herein and not defined shall have the meanings assigned to them in the Act.

## **Part II: General Terms and Conditions**

### **3. Area of transmission:**

The Licence authorizes the Transmission Licensee to build, own, operate and maintain the transmission lines inclusive of related infrastructure strictly as per the scope of work defined in Schedule 2 of TSA dated 14 August, 2019, as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Scheduled COD in months from Effective Date</b>
1	400 kV Kharghar-Vikhroli Double Circuit(DC) & Multi Circuit(M/C) line with bays at Kharghar & Vikhroli (with conductor capacity of 2,000 MW per circuit) along with 400 kV Bus extension at 400 kV Kharghar end.	30 months (12 March, 2022)
2	LILO on 400 kV Talegaon-Kalwa line at 400 kV Vikhroli GIS S/S with bays	

Sr. No.	Particulars	Scheduled COD in months from Effective Date
3	LILO of existing 220 kV Trombay -Salsette I & II and 220 kV Trombay- Salsette III & IV at 400/220 kV Vikhroli S/S	
4	Installation of 1 x 125 MVAR 400 kV Bus Reactor	
5	400/220 kV GIS Substation with 3 x 500 MVA, 400/220 kV ICTs	
	i) Construction of 400 kV GIS & 220 kV GIS Buildings at Vikhroli S/s	
	ii) 220 kV spare Bays - 02 No's (suitable for 220/110 kV ICT's)	
	iii) Bus System: Double Bus (1 Main + 1 Main) for 400 kV Bus & 220 kV Bus	
6	Diversion of existing 110 kV Dharavi-Salsette via Vikhroli lines considering future 220 kV upgradation	

*Scheduled COD in months is considering Effective Date in September 2019. It is clarified that in case there is delay in achieving Effective Date, the schedule shall be compressed accordingly to achieve Scheduled COD by March, 2022.*

**Note:**

The Transmission Licensee shall execute Connection Agreements with the other Licensees regarding the interconnection points of the above lines / bays, defining and documenting therein the exact details of the boundaries and interface points.

**4. Commencement and term of licence:**

The Licence shall come into force from 23 January, 2021 and, unless revoked earlier by the Commission in accordance with the provisions of Section 19 of the Act, shall remain in force for the period of 25 years as specified under sub-section (8) of Section 15 of the Act.

**5. Duties:**

- 5.1 The Transmission Licensee shall comply with all the applicable provisions of the Act, the rules prescribed thereunder, Transmission Service Agreement, all Regulations, Orders and directions issued by the Commission from time to time.
- 5.2 The Transmission Licensee shall as soon as practicable, report to the Commission:
  - (a) any significant change in its circumstances which may affect the Transmission Licensee's ability to meet its obligations under the Act, the Rules and Regulations

thereunder, directions and Orders issued by the Commission, Transmission Service Agreement or the Licence;

- (b) any material breach, or likelihood thereof, of the provisions of the Act, the Rules and the Regulations thereunder, Directions and Orders issued by the Commission, agreement or the Licence, which was reasonably within its knowledge, along with the reasons therefor, as soon as practicable; and
- (c) any change in management control or major change in the shareholding pattern of the Transmission Licensee.

**Explanation I** – for the purpose of this clause, “management control” shall include the right to appoint majority of the directors or to control the management or policy decisions of the Transmission Licensee, including by virtue of shareholding or management rights or shareholders’ agreement or partnership deed or trust deed or voting agreement or in any other manner;

**Explanation II** – for the purpose of this clause, “major change in shareholding pattern” shall mean the acquisition, by such person as specified in Regulation 7 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as in force from time to time, of such per cent of shares or voting rights in the Transmission Licensee as would entail a disclosure under sub-regulation (1) of that Regulation.

- 5.3 The Transmission Licensee shall seek the approval of the Commission before creating any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business.
- 5.4 The Transmission Licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the Transmission Licensee in connection with the Licensed Business, subject to the following conditions:
  - (a) that the transaction shall be undertaken on an “arm’s-length basis” and at a value that is fair and reasonable in the circumstances, which for the purposes of this clause, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Transmission Licensee and a third party unrelated to and unconnected with the Transmission Licensee;
  - (b) that the Transmission Licensee 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 Transmission Licensee shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of clause (a) above .

**Explanation** – for the purpose of this clause, the terms “subsidiary” and “holding company” shall have the same meaning as under Section 2 of the Companies Act, 2013 as amended from time to time.

## **6. Street Works:**

The Transmission Licensee may, undertake works upon any streets or parts of streets, railways, canals or waterways or parts thereof, either in the domain of Central Government, State Government, Semi government and Municipal bodies or in private domain, only after obtaining all statutory permissions required to be obtained for undertaking such work.

## **7. Accounts:**

7.1 The financial year of the Transmission Licensee shall run from the first of April to the following thirty-first of March.

7.2 The Transmission Licensee shall, in respect of the Licensed Business and the Other Business:

- (a) keep such Allocation Statement as would be required, so that the revenues, costs, assets, liabilities, reserves and provisions for, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Transmission Licensee;
- (b) adopt a fair and transparent cost allocation mechanism for the reasonable allocation of joint and common costs between the Licensed Business and the Other Business;
- (c) prepare on a consistent basis the Accounting Statements in accordance with the provisions of the Companies Act, 2013 and/or the standards or guidelines of the Institute of Chartered Accountants of India.

**Explanation** – References in this Licence Condition 7.2 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.

7.3 The Transmission Licensee shall upon request by any person make available a copy of its Accounting Statements to any person who may require it at a reasonable price not to exceed the photocopying charges.

## **8. Provision of Information to the Commission**

The Transmission Licensee shall furnish to the Commission such information, documents and details related to the Licensed Business and/or the Other Business of the Transmission Licensee as the Commission may require.

## **9. Licence Fees**

During the period of validity of the licence, the Transmission Licensee shall, by the 10th of April of every year, or such further period as the Commission may allow, pay to the Commission such licence fees as may be specified.

## **10. Decision on Interpretation of Licence:**

The interpretation of the Licence and the terms and conditions thereof shall be as determined by the Commission.

### **Part III: Specific Terms and Conditions**

#### **11. Other Duties:**

- 11.1 The Transmission Licensee shall strictly abide by all the terms and conditions as specified in Transmission Service Agreement executed between the Licensee and Long Term Transmission Customers.
- 11.2 The Transmission Licensee shall abide by the system specifications as provided and agreed in the bidding document and also incorporated in the Transmission Service Agreement. No deviation, whatsoever, shall be permitted at any stage.
- 11.3 The Transmission Licensee shall be responsible for obtaining all Consents, Clearances and Permits relating but not limited to road/ rail/ river/ canal/ power line/ crossings, power and telecom coordination committee, defence, civil aviation, right of way/ way-leaves and environmental & forest clearance from relevant authorities required for developing, financing, constructing, maintaining/ renewing all such Consents, Clearances and Permits in order to carry out its obligations under the Transmission Service Agreement, and shall furnish to the Commission promptly with the copy/ies of Consents, Clearances and Permits, which it obtains.
- 11.4 The Transmission Licensee shall be responsible to acquire the necessary land for Substation and Lines etc., required for the project in a manner such that all the obligations under the Transmission Service Agreement are met.
- 11.5 The Transmission Licensee shall be responsible to operate and maintain the project in an efficient, coordinated and economical manner in accordance with MERC State Grid Code and comply with the directions issued by the National Load Despatch Centre, RLDC or the SLDC, as the case may be, in line with the provisions of the Electricity Act 2003 and Rule 5 of the Electricity Rules, 2005, and as amended from time to time.
- 11.6 The Transmission Licensee shall be responsible to honour all the terms and conditions of Transmission Service Agreement during the construction and operations phase.
- 11.7 The Transmission Licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the Transmission Licence.
- 11.8 The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission.
- 11.9 The Transmission Licensee shall ensure commissioning/ execution of the project within timeline specified in the Schedule 3 of the TSA (i.e., 30 Months from effective date/ 12 March, 2022).
- 11.10 The Transmission Licensee shall provide to the Long Term Transmission Customers, on a monthly basis, progress reports with regard to the Project and its execution to enable the Long Term Transmission Customers to monitor and co-ordinate the development of the Project, matching with the Interconnection Facilities. A copy of such monthly progress report shall also be sent to STU, CEA and the Commission.

11.11 The Transmission Licensee shall as far as practicable coordinate with the other licensees executing the upstream or downstream transmission Projects and the STU for ensuring execution of the Project in a matching timeline;

11.12 Failure of KVTPL to comply with the provisions of TSA/EA and Rules and Regulations etc., this Licence would be liable to be cancelled with due process.

## 12 Sharing of Transmission Charges:

The transmission charges will be shared and recovered as per the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019 as amended from time to time.



**Maharashtra Electricity Regulatory Commission, Mumbai**

**Dated: 23 January,2021**