



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

Transmission Licence No. 1 of 2015

Vidarbha Industries Power Limited

Dated: 5 January , 2015

*Licence granted by the Maharashtra Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to Vidarbha Industries Power Limited, having its registered office at, H-Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, to transmit electricity within the Area of Transmission (as defined in this Licence) 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 of M/s Vidarbha Industries Power Limited** (Licence No. 1 of 2015).

#### 2. Definitions

In this Licence, 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:
- a balance sheet, prepared in accordance with the form contained in Part 1 of Schedule VI to the Companies Act, 1956;
  - a profit and loss account, complying with the requirements contained in Part II of Schedule VI to the Companies Act, 1956;
  - a cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India;
  - a report of the statutory auditors' of the Transmission Licensee; and
  - cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956,

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 separate businesses of the Transmission Licensee, 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);
- (d) "Commission" means the Maharashtra Electricity Regulatory Commission;
- (e) "Licence" means this licence under which the Transmission Licensee is authorised to conduct the Licensed Business;
- (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; and
- (h) "Transmission Licensee" means M/s Vidarbha Industries Power Limited (VIPL) in its capacity as operator of the Licensed Business.

Words or expressions used therein 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 establish and operate the following transmission lines inclusive of related infrastructure:

#### **Transmission Lines:**

- a) 220 kV Double circuit transmission line (1.2 kms) from VIPL Power Plant switchyard outdoor gantry to Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) Butibori Sub Station III (Scheme 1)
- b) 220 kV Double circuit transmission line (1.86 kms) from VIPL Power Plant switchyard outdoor gantry to MSETCL Butibori Sub Station I. (Around 160 m portion of each circuit is through 220 kV underground cables near MSETCL Sub Station) (Scheme 2)

#### **EHV Sub Stations bays:**

- a) 2 (two) 220 kV bays at 220 kV MSETCL Butibori Sub Station III under Scheme 1;
- b) 2 (two) 220 kV GIS bays at 220 kV MSETCL Butibori Sub Station I under Scheme 2;

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 the 5<sup>th</sup> day of January, 2015 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 specified under sub-section (8) of Section 15 of the Act, i.e. for a period of twenty five (25) years.

#### 5. Duties

- 5.1 The Transmission Licensee shall comply with all the applicable provisions of the Act, the Rules prescribed thereunder and 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, agreements 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 Clause 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 4 of the Companies Act, 1956 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, 1956 as amended from time to time 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.



  
(Ashwani Kumar)  
Secretary, MERC

Maharashtra Electricity Regulatory Commission, Mumbai

Dated: 5 January, 2015