



महाराष्ट्र MAHARASHTRA

● 2016 ●

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श्री. प्र. ना. चिंचघरे

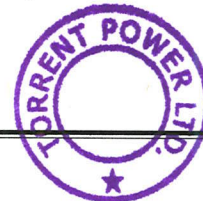
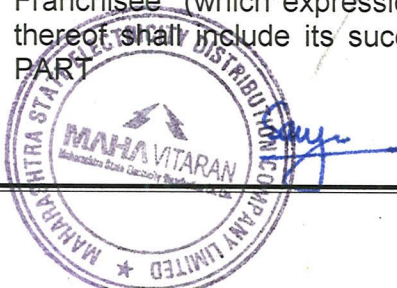
### RENEWAL AND AMENDMENT TO DISTRIBUTION FRANCHISE AGREEMENT FOR BHIWANDI CIRCLE

This Renewal and Amendment Agreement to Distribution Franchise Agreement dated 20<sup>th</sup> December 2006 as supplemented by a supplementary agreement dated 25<sup>th</sup> January 2007 is made at Mumbai with effect from 26<sup>th</sup> January-2017 on this date 02<sup>nd</sup> December 2016, between

1. Maharashtra State Electricity Distribution Company Ltd., a company registered under the Companies Act, 1956 having its registered office at Prakashgad, Bandra (E), Mumbai-400 051, hereinafter referred to as "MSEDCL" (which expression unless repugnant to the context or meaning thereof shall include its successors and assigns) of the ONE PART

And

2. Torrent Power Ltd.(TPL), a company registered under the Companies Act, 1956 having its registered office at " Tapovan",600, Tapovan, Ambawadi, , Ahmedabad - 380 051, hereinafter referred to as "the Distribution Franchisee" (which expression unless repugnant to the context or meaning thereof shall include its successors and permitted assigns) of the OTHER PART





जिल्हापर-१/ Annexure-1  
मुद्रांक विक्री नोंदवही अनु. क्रमांक-/दिनांक  
(Serial No./Date)

दस्ताचा प्रकार

(Nature of document)

दस्त नोंदणी करणार आहेत का ?

(Whether it is to be registered?)

मिळकतीचे थोडक्यात वर्णन-

(Property Description in brief)

मुद्रांक विकत घेणाऱ्याचे नांव व सही

(Stamp Purchaser's Name & Signature)

हस्ते असल्यास त्याचे नाव, पत्ता व सही

(If through other person then Name, Address

Signature)

दुसऱ्या पक्षकाराचे नाव

(Name of the other Party)

मुद्रांक शुल्क रक्कम

(Stamp Duty Amount)

१. परवानाधारक मुद्रांक विक्रेत्याची सही व परवाना क्रमांक  
तसेच मुद्रांक विक्रीचे ठिकाण/पत्ता

परवाना क्रमांक ८००००११

मुद्रांक विक्रीचे ठिकाण/पत्ता: सौ. कांचन हर्षद बोंगळे  
शॉप नं. १०, वांद्रे कोर्टासमोर, ए. के. मार्ग. वांद्रे पूर्व, मुंबई-४०

या कारणासाठी ज्यांनी मुद्रांक खरेदी केला त्यांनी त्याच कार  
णातून खरेदी केलेल्यापासून ६ महिन्यात वापरणे बंधनकारक

- 2 DEC 2016  
Agreement

29/11

Superintending Engineer  
Distribution Franchisee Section  
M.S.E.D. C. Ltd.

Torrent Power Utel

500

Bongale





WHEREAS

MSEDCL and Torrent Power Limited have entered into distribution franchisee agreement for Bhiwandi circle dated 20th day of December 2006 as supplemented by a supplementary agreement dated 25<sup>th</sup> January 2007; and term of said DFA is expiring on 25/01/2017.

AND WHEREAS

In terms of Article 3.1 of the DFA, the term of the DFA is for a period of 10 (ten) years commencing from 26th January 2007. In terms of Clause 3.2 of the DFA, the Distribution Licensee may at its discretion renew the duration of the DFA by such further period as may be considered appropriate by the Distribution Licensee, provided that the Distribution Franchisee has formally applied in writing to the Distribution Licensee for renewal of the DFA, 1 (one) year prior to the expiry of the DFA.

AND WHEREAS

Distribution Franchisee has requested for renewal of said DFA vide its letter dated 22/01/2016, within time as required by Article 3.2 of DFA.

WHEREAS

After receipt of Distribution Franchisee request, Board has constituted a committee to examine the proposal of Distribution Franchisee and after the report of said committee, Board had further appointed negotiation committee, and report submitted by negotiation committee has been accepted by the Board in its meeting dated 11/11/2016.

Now therefore, in view of the foregoing premises and in consideration of the mutual covenants, premises and agreements contained herein, the parties agree as follows:

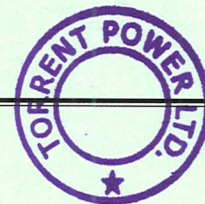
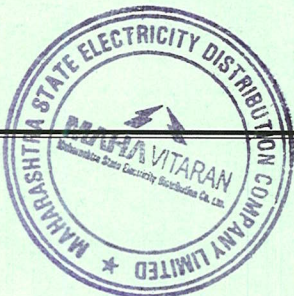
1. Base Year and Average Billing Rate (ABR) of Bhiwandi Circle shall be as follows:-

DF area	Base Year	Base ABR (In Rs / Kwh)
Bhiwandi Circle	2015-16	6.85

Accordingly, all references to Base Year and ABR in the DFA, including without limitation, Article 7.1.3 as amended by paragraph 4 of Article A of the supplementary agreement to the DFA for Bhiwandi Circle dated 25th January 2007 entered into between the Parties, shall be as mentioned above.

2. Term of Renewal and Amendment Agreement

The term of this agreement shall be 10 Years i.e. from 26th January 2017 to 25th January 2027 hereinafter referred to as "RENEWED TERM" with an





option to renew the tenure for further period of 5 Years on mutually agreed terms and conditions.

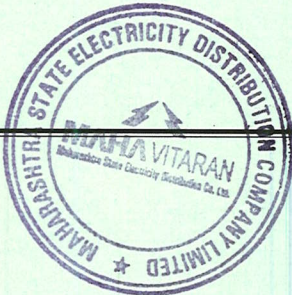
3. Schedule of Annualised Input Rates (AIR) effective on and from 26th January 2017 shall be as under and accordingly shall replace Annexure 8 of the DFA dated 20/12/2006:

Sr. No.	Contract Year from effective date	Annualized Input Rate (Rs per KWh)
1	2017-18	4.50
2	2018-19	4.53
3	2019-20	4.57
4	2020-21	4.62
5	2021-22	4.68
6	2022-23	4.75
7	2023-24	4.85
8	2024-25	4.90
9	2025-26	5.00
10	2026-27	5.10

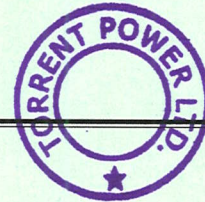
#### 4. Amendments

Following clauses shall be added for the period of renewed agreement which shall be binding on the parties:

- a) In addition to Article 7.2.8 of DFA dated 20/12/2006, it is further provided that Distribution Franchisee shall follow prevalent Open Access Regulations and MSEDCL circulars/policies decided by MERC/ Gol or GoM. The Distribution Franchisee shall not claim for loss in sale units due to OA.
- b) Distribution Franchisee shall electronically share complete billing data as per requirement of MSEDCL.
- c) Minimum investment plan by MSEDCL (Committed Capex) shall not be applicable for extended period.
- d) Theft assessment cases, compounding, adjustment etc. against Sections 126 & 135 of EA Act 2003 excluding penalty charges if any should be entered into the respective consumer account/ledger by Distribution Franchisee and shall form the part of ABR.
- e) 'Trued-up ABR' shall be computed/generated through MSEDCL HO IT on post facto basis based on the input given by Distribution Franchisee as per para (b) above.



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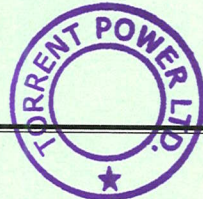
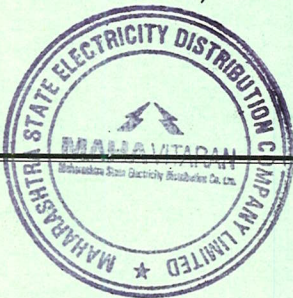
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- f) Distribution Franchisee has incurred non-committed capital expenditure of approx. Rs. 625 Cr during the first term of agreement dated 20/12/2006. Distribution Franchisee hereby agrees that it will not incur capital expenditure exceeding Rs. 625 Cr without prior written permission of MSEDCL during the term of Renewal and Amendment agreement i.e. from 26th January 2017 to 25th January 2027.
- g) Internal Grievance Redressal Cell (IGRC) is to be maintained by Distribution Franchisee to resolve the consumer grievances as per MERC rules and regulations. Distribution Franchisee shall promptly provide necessary information to MSEDCL for compliance of RTI.
- h) Both the parties shall strictly adhere to the terms stipulated in DFA to reduce the delay for reconciliation of issues like ED, TOSE, subsidy etc.
- i) Additional MIS Reports shall be submitted by Distribution Franchisee in a prescribed pro-forma as per MSEDCL requirement.
- j) Roof top Solar Scheme and other stipulations on Renewable Energy (RE) shall be implemented as per the MERC/MSEDCL Prevalent regulations / Policy / Guidelines and amendments in the said policy from time to time are applicable to Distribution Franchisee.
- k) Annexure – 4 on depreciation rates of Distribution Assets is replaced by prevalent depreciation rates as issued by MERC during the period of this Agreement.
- l) Both the parties shall adhere to the applicable taxes like service tax , TDS etc. and any of the law like GST that may be introduced and implemented by appropriate government authorities

#### 5. Penalty Structure


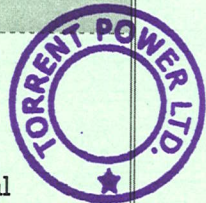
- a) Distribution Franchisee should bring down the level of T&D loss upto 20% within 5 Years.
- b) The penalty structure would be applicable w.e.f. FY 2022-23 onwards
- c) In case T&D loss goes beyond 20% , it would attract a penalty of 5% of revenue loss for that year payable by Distribution Franchisee
- d) MSEDCL revenue loss for supplying additional energy is the product of input energy of DF multiplied by increase in T&D loss over the benchmark level multiplied by MSEDCL's revenue from the sale of power of last year per unit of input energy received by MSEDCL of that financial year.
- e) Example narrated in Annexure '12





6. All other terms and conditions of the DFA dated 20/12/2006, and supplementary DFA dated 25/01/2007 shall remain in force, and applicable during the tenure of this Agreement. This Renewal and Amendment Agreement shall be read in conjunction with the DFA and be enforced as if the provisions of this Renewal and Amendment Agreement were incorporated therein by way of addition in the DFA.
7. MSEDCL and the Distribution Franchisee hereby represent and warranty that:
- They are not prevented under the applicable Laws and Regulations to enter into this Agreement;
  - They have obtained the required authorizations/ permits to sign this Agreement.

IN WITNESS WHEREOF the parties have executed these presents through their authorized representatives at (Mumbai)

For and on behalf of [M/s Maharashtra State Electricity Distribution Company Limited]	For and on behalf [M/s Torrent Power Limited]
 <p><i>Sanjeev Kumar</i> Signature with Seal</p>	 <p><i>[Signature]</i> Signature with Seal</p>
<p><b>Mr. Sanjeev Kumar</b> Chairman &amp; Managing Director Maharashtra State Electricity Distribution Co. Ltd.</p>	<p><b>Mr. Naimesh Shah,</b> Authorised Signatory Torrent Power Limited</p>
<p>Witness:- 1. <i>[Signature]</i> 5/12/16 <b>Mr. S.L. Pimpalkhute</b> Director (Finance) Maharashtra State Electricity Distribution Co. Ltd.</p>	<p>Witness:- 1. <i>[Signature]</i> <b>Mr. Jagdish Chelaramani</b> Vice President Torrent Power Limited</p>
<p>2. <i>[Signature]</i> <b>Mr. Abhijit Deshpande</b> Director (Operations) Maharashtra State Electricity Distribution Co. Ltd.</p>	<p>2. <i>[Signature]</i> <b>Mr. Jatin Parikh</b> Asst. General Manager Torrent Power Limited</p>

*[Signature]*



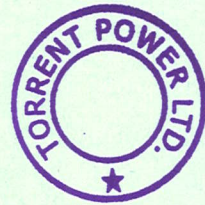
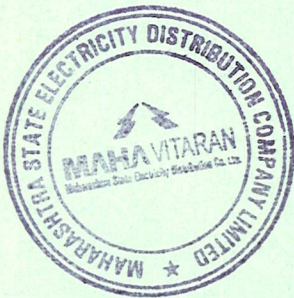
## Annexure - 12

### Example of Penalty Structure

If for the financial year 2022-23, the Input Energy is equal to 3500 MUs and sales is 2625 MUs, T&D Loss = 875 MUs i.e. 25%. T&D Loss at 20% is 700 MUs. The difference of loss units is  $875-700= 175$  MUs.

MSEDCL average revenue rate for sale of energy for FY 2022-23 as per MERC petition is = Rs.5.60/kwH

So the penalty is  $175 \text{ MUs} \times \text{Rs. } 5.60 \times 5\% = 490$  Lakhs.



*[Handwritten signature]*