AGREEMENT

Agreement No. RECPDCL/APDA/PMA/IPDS/16-17/3384

This agreement has been executed at Itanagar on 23.01.2017 between REC Power Distribution Company Limited, 1016-1023, 10th floor, Devika Towers, Nehru Place New Delhi-110019, having Regd. Office: Core-4, SCOPE Complex, 7 Lodhi Road, New Delhi-110003 acting through its authorized signatory (hereinafter referred to as the “RECPDCL”) of one part and of Arunachal Power Development Agency (APDA), a company registered under the Companies Act, 1956 and having Regd. Office at Corporate Office: # Vidyut Bhawan, Govt. of Arunachal Pradesh, Department of Power, Itanagar-791111 (hereinafter called the “APDA”) of the other part.

Statutory & Legal:
1. The authenticity of this Stamp Certificate should be verified at www.stampkiosk.com. Any discrepancy in the details on the Certificate and as available on the website renders it invalid.
2. The issue of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.
AND WHEREAS APDA appointed RECPDCL as Project Management Agency (PMA) for IPDS schemes of Arunachal Pradesh Power Development Agency (APPPA) vide Lr No. APDA/IPDS/PMA/43/2015-16/987-92 Dt 24.11.2016. RECPDCL vide letter no. RECPDCL/TECH/BD/2016-1117/3301 dated 18.01.2017 has accorded its acceptance. Further, APPDA requested RECPDCL to enter into the agreement for PMA of IPDS.

NOW THEREFORE THESE PRESENT WITNESSTH and the parties hereto hereby agree and declare as follows, that is to say, in consideration of the payments to be made to the RECPDCL by the APDA, as hereinafter mentioned the RECPDCL shall and will duly provide & maintain the said work of PMA Services for IPDS of APDA on the terms and conditions as mentioned below:

1. **Scope of works**

The detailed work scope of services shall be as under:

1. Monitoring and coordination of bidding process:
   b. Assist utilities in bidding process (including pre bid meetings etc) and technical evaluation of bids.
   c. Assist the utilities for placement of Letter of Award and related activities.

2. **Project Planning and Implementation**
   a. Assisting Discom in preparation of detailed work implementation schedule (PERT) in association with turnkey/semi-turnkey contractor.
   b. Coordination & monitoring of project implementation activities.
   c. To monitor receipt and issue of materials by the contractor.
   d. Identification of anticipated bottlenecks in project implementation & preparation of remedial action plan in consultation with utilities & Contractor.
   e. Supervision of flow of funds in dedicated bank account of projects.
   f. To verify creation of assets from asset register of the utility.

3. **Quality Monitoring**
   a. To prepare a Quality Assurance (QA) Plan with the approval of the utility.
   b. Field quality inspection of ongoing/ completed works.
   c. Joint inspection (along with representative of state utility) of material at site on sample basis i.e. 10% of major materials (Poles, Conductor, Meters, Transformers, Cable).

4. **MIS & Web Portal updation**
   a. Assisting utilities in timely updation of Information on Web portal.
   b. Periodic reporting to the Project Management Cell of Discom.

2. **Time Schedule of the Project:**

The total duration of the contract period would be Thirty-One (31) Calendar Months from the date of entering into Agreement/ date of award of work/ receipt of advance payment/ providing related documents which includes:

2.1 Thirty One (31) Calendar Months for Contract Award

2.2 Twenty Four (24) Calendar Months for Project Monitoring as a Project Management Agency

2.4 Fourteen (14) Calendar Months for project closure.
3. **Financial Implication**

3.1 **Contract Fee:**

The contract fee will be @ 2% of the Project cost as per approved DPR for IPDS.

The charges mentioned above are exclusive of any taxes, service taxes and duties, WCT, CIT, statutory levies, etc. All taxes and duties including service tax along with corresponding cess shall be paid by APDA to RECPDCL. Variation in Taxes and duties and imposition of additional Statutory Levies, duties, taxes by Central/ State Government or any other competent authority with prospective/ retrospective effect shall be accordingly payable by APDA. The prevailing service tax rate is 15% as of now.

3.2 **Payment Terms:**

The fee would be payable in the following manner:

a) 10% of the estimated Consultancy Fee (on total Project Cost as per approved DPR) on award of assignment.

b) 5% of the Consultancy Fee (on total Project Cost as per approved DPR) shall be released on Finalization of tender documents and issuance of NITs.

c) 5% of the Consultancy Fee (on total Project Cost as per approved DPR) shall be released on Finalization and Award of Contract.

d) 15% of the Consultancy Fee shall be paid in fixed Quarterly payment @ 1/10 of 75% of Contract Fee (on total Project Cost as per approved DPR) shall be released on quarterly basis.

1) Balance amount if any of 3.2.a to 3.2.d shall be raised on last quarterly invoice

e) 5% of the Consultancy Fee (on total Project Cost as per approved DPR) shall be released on final closure of the contracts.

In case of extension in project completion period due to delay in award of contract on turnkey or lumpsum contract or due to delay in completion of work by turnkey or lumpsum contractor, APDA shall extend the contract period of the PMA with proportionate payment as defined in d) of 3.2 above, over and above the contract fee as defined in 3.1 above.

4. **Other Conditions:**

a. To ensure smooth operations, APDA would appoint a Nodal Officer for the assignment who will provide various inputs like accounts data etc. throughout the duration of the assignment.

b. Wherever relevant Data/ input required for the assignment, is not available from APDA, similar assumptions would be made by the RECPDCL under intimation to the APDA.

c. If any information/ facility/ decision is delayed from APDA, and the nature of the same is such that it is essential for the continuation of the assignment, APDA and RECPDCL shall agree on how the affected part of the services shall be carried out.

d. All payments shall be made promptly by the Employer on or after thirty (30) day but not later than 45 days from the date of receipt of RECPDCL invoice.

All disputes under the contract shall be raised by the RECPDCL on APDA and all such decisions shall be made to the RECPDCL by Chief Engineer on behalf of APDA.

e. In case of any dispute, the matter shall be mutually decided between Chief Engineer, APDA, RECPDCL, and such decisions shall be binding on both the parties.
f. RECPDCL would normally be required a prior notice of at least five working days for attendance on any meeting/ discussion/ hearing etc. but in case of exigencies, they are required to attend the meeting at short notice also.

g. RECPDCL would not participate in any discussion/ make presentations/ offer justification with any other consulting agency/ lender etc. apart from APDA.

h. All the charges mentioned in the proposal are exclusive of any taxes, service taxes and duties, VAT, CST, statutory levies, etc. All taxes and duties including service tax along with corresponding cess shall be paid by APDA to RECPDCL. Variation in Taxes and duties imposed by the Government of India or any other competent authority with prospective/ retrospective effect shall be correspondingly payable by APDA. The prevailing service tax rate is 15% as of now.

i. In case of a competitive rate, it would not be possible for us to submit Performance Security. Being a wholly owned subsidiary of REC Ltd. (Govt. of India Enterprise- "Navratna CPSU") under the Ministry of Power, the Performance Security Agreement may please be dropped subsequently.

j. The APDA desires to carry out third party inspection of material to be supplied by the Contractor, to be conducted by RECPDCL at the manufacturer's premises that would be not more than 0.2% of the Project Outlay. Invoice shall be raised quarterly on pro-rata basis. This activity separately.

k. Also, assume all statutory charges like the fee to be paid along with the application/ petitions to be filed before the regulator, other agencies, stamp papers, registration fee, agreements or contracts as also any expenditure towards legal, insurance etc. if any, then RECPDCL shall in no way be responsible to bear either the amount or put in any extra effort in order to assist APDA in such activities relating to the project.

l. APDA would follow its own procedures/ systems for all the activities relating to the project including appointment of Sub-Consultants, engaging other agencies for activities related to the assignment.

m. APDA will be obliged to hold or participate in any interaction with Unions, APDA representatives related to any aspect of this assignment or otherwise. All the interactions related to data will be done with the Nodal Officer.

n. Detailed services shall be purely advisory in nature including all documents and reports. RECPDCL shall in no way be responsible or hold any liability for any losses, damages and/or consequential loss, damages to either APDA or any other party in any manner whatsoever.

o. Only if the recommendations of RECPDCL are accepted by APDA or APDA decides not to give the advice i.e. acts in a manner not consistent with the advice of RECPDCL, RECPDCL is directed otherwise, RECPDCL shall in no way be responsible or hold any liability for any disputes/ legal cases and or consequential loss, damages to either APDA or any other party in any manner whatsoever.

p. The entire terms of the agreement will be extended as per the mutually agreed terms and conditions.

5. Documentation provided by Arunachal Power Development Agency (APDA).

The following documents are hereby provided with above-mentioned documents for successful completion of the project in accordance with the provisions of the Project Agreement:

I. Notification of as per the Provisions of the Project Agreement.
II. Design of system network for EHV, HV, LV.
III. Updated latest schedule of rates/cost data for various items of work shall be prepared.
IV. Any other document as may be required for successful completion of project from time to time.
6. **DROPOUT TERMS:**

APDA has the right to rescind/terminate the agreement for the above work for poor performance or as a result of any proceeding of RECPDCL or as the case may be, at any time by giving one week advance notice, and in such an event RECPDCL cannot claim any damages or compensation for the proportionate output of work so achieved. To ensure the same, the party shall before commencement of the work determine and communicate to APDA the new schedule for the purpose of any arbitration. The RECPDCL shall be responsible for payment of contract fees on mutually agreed terms.

7. **External Force of Assignment:**

Any disputes or difference(s) arising out of In connection with this contract shall fall under clause no. 2 above may be considered. In case the contract is extended beyond contract period in the event of delay(s) not attributable to APDA, RECPDCL may execute a new contract for payment of contract fees on mutually agreed terms.

8. **Settlement of Disputes and Legal Jurisdiction:**

Any dispute or difference(s) arising out of In connection with this contract shall fall under clause no. 2 above may be considered. In case the contract is extended beyond contract period in the event of delay(s) not attributable to APDA, RECPDCL may execute a new contract for payment of contract fees on mutually agreed terms.

9. **Force Majeure:**

A party may not be considered in default if delay in completion of works and services occur due to any cause that is beyond its control such as acts of God, natural calamities, civil wars, strikes, etc. Only those events which have duration of more than fifteen (15) days shall be considered as a cause of Force Majeure. A notification to this effect duly certified shall be given within 7 (Seven) days. In the event due to such causes, the time for completion will be extended for a length of time equal to period of Force Majeure, or the Contract may be terminated.

10. **Termination:**

APDA or any party with RECPDCL can terminate the agreement by giving notice of three months advanced notice. Conditions including period to improve the service to the satisfaction of the parties shall be terminated after their mutual agreement as per the mutually agreed terms and conditions between the parties. The failure of either party to make payment to RECPDCL in accordance with this agreement shall be considered a cause for termination of this contract. Suspension of service by RECPDCL. Settlement of the consultancy fee payable to RECPDCL after examination & having discussions on work completed shall be done within a time by APDA.

11. **Agreement:**

Two original agreements being executed, one will be retained by RECPDCL & another by APDA.

[Signature]

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IN WITNESS WHEREOF THE PARTIES HAVE SCRIBED THEIR RESPECTIVE HANDS ON THESE COVNTA ON THE DAY AND YEAR HERE IN AFORE MENTIONED:

For
REC Power Distribution Company
Limited

By:
Name: S. G. Jing
Designation: A.E.O
Phone: 011-422-452
Fax: 011-422-468
Email: SGG@recindia.com

For
Arunachal Power Development Agency

By:
Name: Jm. K. Kadam
Designation: C.D. H.D.

In the presence of

Witness

S. K. Sinha (Suru)
Arunachal Power Development Agency

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