AGREEMENT


This agreement has been executed at Mysore on 28th day of September 2015 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 Chamundeshwari Electricity Supply Corporation Limited, a company formed and incorporated in India under the Companies act, 1956, with its registered office located at No. 927, L3 Avenue New Kanthraj Urs Road, Saraswati Puram, Mysore, Karnataka-570 009. (Hereinafter called the “CESC”) of the other part.

Statutory Alert:
1. The authenticity of this Stamp Certificate is available on the website renders it invalid.
2. The onus of checking the legitimacy is on the internal authority of the Government of Karnataka.
AND WHEREAS the RECPDCL has submitted the offer vide letter no. RECPDCL/TECH/BD/2014-15/305 dated 13.05.2015 for Project Management Agency (PMA) under DDUGJY & IPDS scheme of Chamundeshwari Electricity Supply Corporation Limited (CESC) and letter of intent issued by CESC vide No. CESC/Proj/SEE/EE1/AEE-2/RECPDCL/2015-16/CY’s-40 Dated 24.06.2015.

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 CESC as hereinafter mentioned the RECPDCL shall and will duly provide & maintain the said work PMA Services for Deen Dayal Upadhyaya Gram JyotiYojana (DDUGJY) & Integrated Power Development Scheme (IPDS) in CESC on the terms and conditions as mentioned below:

1. **Scope of works**

The detailed work scope of services shall be as under:

1.1 Assisting in formulation of Detailed project reports (DPRs):

   a) Assisting in formulation of Detailed Project Report (DPR) based on Data provided by CESC Nodal officer project in-charge, latest approved schedule of rates for various item of work. DPRs will be formulated considering guidelines forwarded by the nodal agency from time to time.

1.2 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.

1.3 Project Planning and Implementation

   a. Assisting CESC in preparation of detailed work implementation schedule (PERT) in association with 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

1.4 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).

1.5 MIS & Web Portal up-dation.

   a. Assisting utilities in timely up-dation of information on Web portal.
   b. Periodic reporting to the Project Management Cell of CESC.
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 whichever is later, shall be as below:

2.1 Four (3) Calendar Months for bidding process.
2.2 Twenty Four (24) Calendar Months for Project Monitoring.
2.3 Three (4) Calendar Months for project closure.

3. **Financial Implication**

3.1 **Contract Fee:**

The contract fee will be @1.5% of the approved DPR cost (i.e. Rs. 313.7 Cr. for DDUGJY & Rs. 170.03 Cr. for IPDS).

3.2 **Payment Terms:**

The fee would be payable in the following manner:

a) 10% of the contract fee on award of assignment. Balance amount on account of difference in total project cost of approved DPR from tentative project cost of DPR (NAD value) shall be payable at stage (b) of payment terms.

b) 5% of contract fee (on total Project Cost as per approved DPR) shall be released on finalization of tender documents and issuance of NIT.

c) 5% of the contract fee (on total Project Cost as per approved DPR) shall be released on finalization and Award of Contract.

d) 75% of the consultancy Fee shall be paid in fixed monthly payment @ 1/31 of 75% of Contract Fee (on total Project Cost as per approved DPR) shall be released on monthly basis after award of contract on turnkey agency.

e) 3% of the consultancy fee (on total Project Cost as per approved DPR) shall be released on final delivery of project

f) 2% of the consultancy fee (on total Project Cost as per approved DPR) shall be released on completion of the contract.

4. **Other Conditions:**

a. In order to ensure smooth operations, the SE (Ele) would be appointed by CESC as a Nodal Officer for the assignment who will provide various inputs like details/ data related to the assignment, approval of DPRs, etc. throughout the execution of the assignment.

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

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

d. All payments would be made by the CESC within 30 days from the date of invoice.
e. In case of any dispute, the matter shall be mutually decided between MD, CESC and CEO, RECPDCL, and such decisions shall be binding on both the parties.

f. The RECPDCL would normally be required a prior notice of at least two working days for attending any meeting/discussion/hearing etc.

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

h. The charges mentioned in the proposal are exclusive of any taxes, service taxes and duties, WCT, statutory levies, etc. All taxes and duties including service tax shall be paid by CESC. 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 CESC. The prevailing service tax rate is 14% as of now.

i. Being very competitive rate, it would not be possible for us to submit Performance Security. Also, Being a wholly owned subsidiary of REC Ltd. (a Govt. of India Enterprise & “Navratna CPSU”) under the Ministry of Power, the Performance Security requirement may please be dropped subsequently.

j. If due to any reason or decision of the CESC/the Govt./Regulator, the assignment is dropped or RECPDCL is directed to discontinue work, the “Drop Dead Fee” shall be paid to consultant as per above payment terms and claim already raised to the CESC plus the sum of all liabilities and expenditure incurred, if any, relating to the assignment, till the point of calling off the assignment.

k. Pre dispatch inspection at manufacturer’s site will not be in the scope of RECPDCL.

l. The CESC shall bear all statutory charges like the fee to be paid along with the applications/petitions to be filed before the regulator, other agencies, stamp papers, affidavits, registration fee, agreements or contracts as also any expenditure towards any law suits etc., if any, and the RECPDCL shall in no way be responsible to bear either the charges or put in any extra effort in order to assist the CESC in such activities relating to such law suits.

m. Recommendations, suggestions of the RECPDCL for stages once accepted by the CESC shall not be revisited or revised due to any change in the views of the Client or Govt.

n. The RECPDCL would follow its own procedures/systems for all the activities relating to the assignment including appointment of Sub-RECPDCLs, engaging other agencies for any purpose/activities related to the assignment.

o. The RECPDCL will not be obliged to hold or participate in any interaction with Unions, Associations etc. related to any aspect of this assignment or otherwise. All the interactions related to data will be done with the Nodal Officer.

p. RECPDCL’s services shall be purely advisory in nature including all documents and recommendations and RECPDCL shall in no way be responsible or hold any liability for any disputes, lawsuits and or consequential loss, damages to either the CESC or any other party in any manner whatsoever.

q. In case of addition to the agreed scope of work or the assignment being delayed beyond the stated completion period due to reasons not directly attributable to the RECPDCL, in addition to the above mentioned Consultancy fee, the additional fee as may be mutually agreed between the CESC and the RECPDCL is payable to RECPDCL.

MANOJ KUMAR GUPTA  
Senior Project Manager
REC POWER DISTRIBUTION COMPANY LTD
(Equity Owned Subsidiary of REC Ltd.)
K. R. Road, Bangalore-560 002.
5. Documents to be provided by CESC
   a) Block-wise/Gram Panchayat wise available capacity of GSS (220/110/66/33/11KV) along
      with feeder details and up line as per requirement shall be provided by CESC.
   b) Block-wise/village-wise/habitation-wise updated authenticated data about the BPL/RHH
      households electrified and un-electrified.
   c) Updated and latest schedule of rates for various item of work shall be provided by CESC.
   d) List of Block-wise/village-wise/Habitations name, off grid electrification required
      Village/haitation and SAGY Villages.
   e) Metering Data for feeder meter, Boundary meter and DTC meter for energy accounting.
   f) RAPDRP part B DPR and also IPDS 33 town DPR.

6. Extension of Period of Assignment:
   Extension of time schedule as referred in clause no. 2 above may be considered. In case the
   project work is extended beyond contract period in the event of delay(s) not attributable to
   RECPDCL, CESC may consider for payment of contract fees on mutually agreed terms.

7. Settlement of Dispute and Legal Jurisdiction:
   Any dispute(s) or difference(s) arising out of or in connection with this agreement shall to all extent
   possible, be settled amicably through mutual discussion at the offices of RECPDCL and
   CESC and RECPDCL good offices. The law applicable to the contract shall be the law in force in
   India. The Courts of Mysuru shall have exclusive jurisdiction in all matters arising out under
   this contract.

8. Force Majeure:
   RECPDCL shall not be considered in default if delay in completion of works and services occurs
   due to causes beyond his control such as acts of God, natural calamities, civil wars, strikes (other
   than contractor's employees strike), fire, frost, floods, riots and acts of unsurpassed power. Only
   those causes 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 by statutory authorities shall be given by
   RECPDCL to CESC within 7(Seven) days. In the event of delay due to such causes, the time for
   completion will be extended for a length of time equal to the period of Force Majeure, or the
   Contract may be terminated.

9. Termination:
   CESC in consultation with RECPDCL can terminate the agreement by giving notice of one month
   with reasons and justifications including period to improve the services to the RECPDCL in the
   event of their failure as per the mutually agreed terms and conditions between the parties. Failure
   on the part of CESC to make payment to RECPDCL in consultation with CESC, in accordance
   with this agreement shall be considered cause for termination (or) cause for suspension of service
   by RECPDCL. Settlement of the consultancy fee payable to RECPDCL after examination &
   having discussions on work completed till notice period shall be done by CESC.
10. **Agreement:**

Two Original Copies agreement are being executed, one will be retained by REC PDCL & another by CESC.

IN WITNESS WHERE OF THE PARTIES HAVE SRIEBED THEIR RESPECTIVE HANDS ON THESE COVENANTS ON THE DAY AND YEAR HERE IN AFORE MENTIONED:

For REC Power Distribution Company Ltd.

(Manoj Kumar Gupta)
Senior Project Manager

MANOJ KUMAR GUPTA
Senior Project Manager
REC POWER DISTRIBUTION COMPANY LTD
(A Wholly Owned Subsidiary of REC Ltd.)
No.15, Ulsoor Road, Bangalore 560 042.

For Chamundeshwari Electricity Supply Corporation Ltd.

Superintending Engineer (E.E.)
Projects, CESC

In the presence of:

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<tr>
<th>Witness (RECPDCL)</th>
<th>Witness (CESC)</th>
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<tr>
<td>Somasekhar Reddy CS</td>
<td>S. Narayana I.E.</td>
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<tr>
<td>Co-ordinator RECPDCL</td>
<td>C.E. Consultant, CESC</td>
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