



झारखण्ड JHARKHAND

B 762371

AGREEMENT

THIS AGREEMENT is made on this 24th day of FEBRUARY 2012 between Jharkhand State Electricity Board, duly owned by Govt. of Jharkhand, having its Registered Office at Engineering Building, H.E.C., Dhurwa, Ranchi – 834004, Jharkhand (hereinafter referred to as “JSEB” or “Owner” which expression shall unless repugnant to the context or meaning thereof include its Administrators, Successors, Executors and Permitted assigns) of the First part

and

Power Grid Corporation of India Limited., a Company incorporated under the Companies Act, 1956, having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 (hereinafter referred to as “POWERGRID” or “Consultant” which expression shall unless repugnant to the context or meaning thereof include its Administrators, Successors, Executors and Permitted assigns) of the Second part.

(POWERGRID and JSEB are hereinafter individually referred to as the ‘Party’ and collectively as ‘Parties’.)

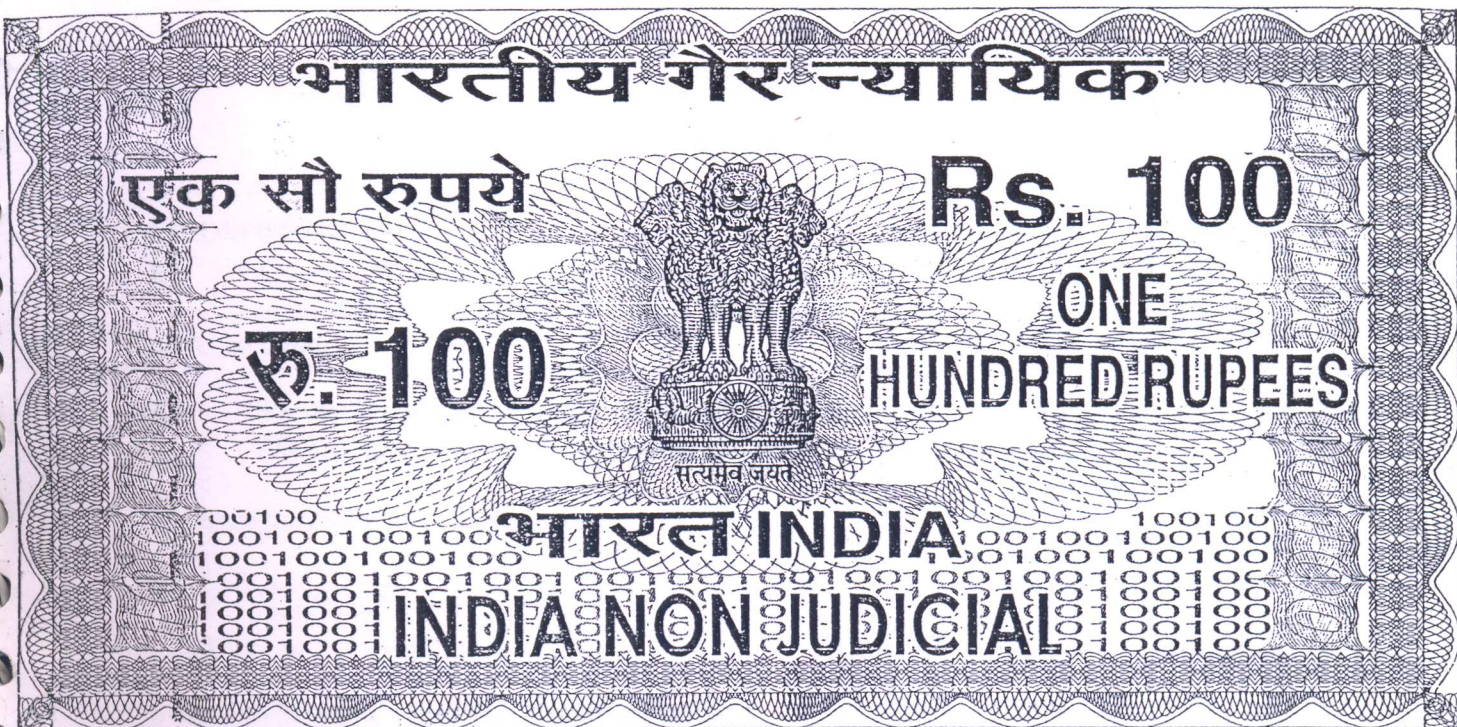
WHEREAS, JSEB desires to obtain consultancy services from POWERGRID for implementation of transmission system in Jharkhand consisting of 400/220/132/33 kV transmission lines and substations as indicated at clause no.1.2 below from concept to commissioning.

And whereas POWERGRID has consented to provide consultancy services to JSEB for execution of the transmission system in Jharkhand as indicated at clause no.1.2 below on behalf of JSEB on the terms and conditions stipulated herein.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

For the purpose of this Agreement, the terms used herein shall, unless repugnant to the context thereof, have the meaning assigned to them as under:

37



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37

1.0 DEFINITIONS :

- 1.1 "Agreement" means the agreement herein containing the Terms & Conditions set forth & agreed therein, including all other documents expressly annexed thereto or incorporated therein.
- 1.2 "Project" shall mean the transmission system in Jharkhand consisting of the following 400/220/132/33 kV proposed transmission lines and substations :

Transmission System in Jharkhand

1. Scheme Code – D-10028

A. Proposed Grid Sub-Station	Unit	Qty	Total Cost (In Lac)
i.) 2x50MVA, 132/33KV Manoharpur Grid	No.	1.000	6378.40 ✓
ii) 2x20 MVA, 132/33KV Mango Grid	No.	1.000	3786.40 ✓
Sub Total (A)			10164.80

B. Transmission Lines

i) LILO of 132KV Goelkera-Rourkela Line at proposed GSS Manoharpur (including rerouting and connectivity at Rourkela new GSS)	KM	20.491	1036.80 ✓
ii) 132KV D/C Simdega-Manoharpur Line	KM	101.483	4050.80 ✓
iii) 132KV D/C Ramchandrapur-Jadugora Line	KV	57.567	2372.10 ✓
iv) 132KV Chaibasa-Manoharpur Line (D/C)	KM	92.817	3768.50 ✓
v) 132KV jadugora-Dalbhumgarh (D/C)	KM	29.660	1072.90 ✓
Sub Total(B)			12301.10
Grand Total of Scheme 1			22465.90

2. Scheme Code- D-10027

A. Proposed Grid Sub-Station & Transmission Lines

i) 2x50 MVA, 132/33KV Ramchandrapur Grid Sub-station	No.	1	3906.28	3906.28 ✓
ii) 2x50MVA, 132/33KV Madhupur Grid Sub-station	No.	1	3208.70	3208.70 ✓
iii) 2x150 MVA+2x50 MVA, 220/132/33KV - Govindpur Grid Sub-Station	No.	1	6357.06	6357.06 ✓
iv) 2x150MVA+2x50 MVA, 220/132/33KV- Chaibasa Grid Sub-Station	NO.	1	5698.51	5698.51 ✓
v) 2x150MVA, 220/132/33KV Dumka Grid Sub-Station	No.	1	6228.28	6228.28 ✓
Sub Total(A)			25398.83	

B. Transmission lines

i) 220KV TTPS-Govindpur Line	KM	97.065	68.20	6619.83 ✓
ii) 132KV D//C Jamtara – Mdhupur line	KM	49.342	36.11	1781.74 ✓
iii) 220 KV D/C Govindpur – Dumka Line	KM	102.955	58.22	5994.04 ✓
iv) 220 KV D/C Rupnarainpur(PGCIL) – Dumka Line	KM	74.083	57.59	4266.44 ✓
v) 220 KV D/C Ramchandrapur – Chaibasa Line	KM	36.349	66.76	2426.66 ✓
Sub Total (B)				21088.71

C. Civil works, Land Building, Afforestation

i) Others civil works for GSS	607.52 ✓
ii) Land Acquisition	604.80 ✓
iii) Land Development	636.04
iv) Residential buildings for GSS	JSEB scope
v) Other building for GSS	1021.45 ✓
vi) Compensatory afforestation for lines	75.10 ✓
vii) Crop and PTCC compensation etc.	392.17 ✓
Sub Total (C)	3337.08

Grand Total of the Scheme 2

49824.62

03. Evacuation of Jharkhand share of power from ESSAR and Abhijit Power Plant (IPP) Latehar

Sl.No.	Description	Capacity (MVA)/Length(KM)	Amount (Rs.in Lac)
1.	400/220/132 KV,(2x315+2x150) MVA GSS at latehar	930 MVA ✓	15000.00 ✓
2.	400 KV D/C ESSAR (Latehar)-JSEB 400 KV S/S (Latehar) TL by Quad Moose conductor	30 KM	3000.00 ✓
3.	220 KV D/C Link Line from 400 KV JSEB S/S to existing Lohardaga-Latehar TL near 132 KV Latehar GSS.	2 KM	150.00 ✓
4.	132 KV D/C Link Line from 400 KV JSEB S/S to existing 132 KV Latehar GSS	2 KM	120.00 ✓
5.	220/132 KV,(2x150)MVA GSS at Lohardga	300 MVA	7000.00 ✓
6.	220 KV D/C Link Line from 220 KV Lohardaga-Latehar TL near 132 KV GSS to 220 KV Lohardaga GSS	2 KM	150.00 ✓
7.	132 KV D/C Link Line from 132 KV Lohardaga GSS to 220 KV D/C Hatia-Lohardaga TL near existing 132 KV Hatia GSS	2 KM	120.00 ✓
8.	132 KV D/C Link Line from 220 KV Hatia-Lohardaga TL(near existing 220 KV Hatia)to 132 KV Hatia GSS	2 KM	120.00 ✓
9.	400 KV D/C latehar(JSEB) to 400 KV PTPS G/S/S	90 KM	9000.00 ✓
10.	2x315 MVA,400/220 KV PTPS G/S/S,400 KV D/C PTPS-Namkum (PG) TL (50 KM)	630 MVA 50 KM	20000.00 ✓
11.	220 KV D/C Hatia-Namkum (PGCIL) TL	26 KM	1600.00 ✓
12.	132 KV tran.line from location no.78 of Hatia-Sikidri 3 rd CKT at Namkum G/S/S	40 KM	2500.00 ✓
TOTAL ESTIMATED COST INCLUSIVE OF ALL CHARGES			58760.00
GRAND TOTAL			131050.5

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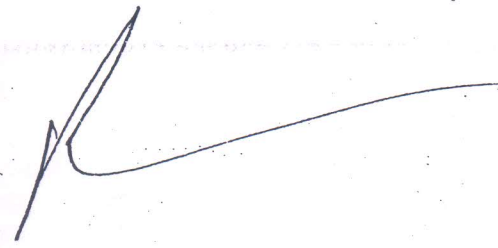
1310.00 Cr.

Note: i) J.S.E.B. reserves the right to alter the scope of work by inclusion with the prior approval of Govt. of Jharkhand and exclusion /modification in the list of above schemes as per requirement. The project/scheme cost shall be adjusted correspondingly.

ii) All the works shall be executed as per the norms of PGCIL, in vogue however deviation if required will be made only after the permission of J.S.E.B. Packaging list, qualifying requirement, tender documents shall be duly approved by the JSEB.

- NIT
- 1.3 "Bid Documents" shall mean the tender documents prepared by POWERGRID containing technical specifications, notice inviting tenders and other terms & conditions of contract pursuant to which POWERGRID shall invite proposals for procurement of goods and services for the project.
- 1.4 "Contractor" shall mean the Bidder whose bid is accepted by POWERGRID on behalf of the Owner for award of contract for the total work or any part of the work of the Project resulting in a contract and shall include such contractor's legal representatives, successors and permitted assigns.
- 1.5 "Sub-Contractor" shall mean any person (other than the contractor) named in the contract for execution of any part of the works or any person to whom any part of the contract has been entrusted and include such sub-contractor and the Sub-contractor's legal successors in title but not any assignee of the contractor.
- 1.6 "Nodal officer" shall mean the official nominated by JSEB in writing to act as co-ordinator for the purpose of this work.
- 1.7 "Project Manager" shall mean the official nominated by POWERGRID in writing who shall be responsible for co-ordination with the Owner/POWERGRID and for all activities concerning the execution of the Project.
- 1.8 "Equipment/Material" shall mean the equipment/materials procured by POWERGRID on behalf of the Owner for this Project.
- 1.9 "Site" shall mean and include the land & other places free from all encumbrances & disputes at which the Project and related facilities are to be constructed and any adjacent land, path etc., which may be allocated or used by the Owner/POWERGRID/Contractor in performance of work under this Agreement.
- 1.10 Words singular shall include the plural and vice versa, where the contexts so desire.

37



2.0 SCOPE OF SERVICES:

2.1 SCOPE OF SERVICES TO BE PERFORMED BY POWERGRID

The scope of services to be rendered by POWERGRID for implementation of the project on behalf of JSEB under the Agreement will be as under and shall include all other services as required to complete the project but not specifically mentioned hereunder subject to specific exclusions as brought out in clause 2.2 hereinafter:

- i) The scope of work shall include Design, Engineering, NIT (on Open Competitive Bidding basis, including e-procurement), Tender Evaluation, Finalization of Contract Agreement, Procurement, Supervision of Erection, Project Management, Testing & Commissioning and other works incidental thereto for implementation and complete commissioning of the transmission system consisting of the 400/220/132/33 kV transmission lines and substations as mentioned at clause no. 1.2 above. Any subsequent needful amendment shall be communicated to J.S.E.B.
- ii) Member (Transmission, Finance), JSEB/ nominated representatives of JSEB and nominated Member of Finance Department, Govt. of Jharkhand shall be included in the tender committee, by POWERGRID. Time being the essence of implementation of the project it shall be the duty of all concerned to ensure their participation in the tender committee meeting.
- iii) Placement of orders/finalization of contract and issue of contract, all post contract co-ordination, review & approval of test reports, approval of contractor's drawings/ documents, inspection of materials at the manufacture's work or at site and witnessing of testing of equipment/materials etc., and implementation of the agreed quality assurance programme of the various manufacturer/contractors on behalf of JSEB.
- iv) Project Management including expediting to ensure supply of all materials and equipment in line with the agreed contract programme and supervision of all activities such as storage, handling of materials/equipment at site, erection, testing and commissioning by the concerned contractors and making of progressive payment to the contractors on behalf of JSEB subject to adequate funds being made available to POWERGRID by JSEB from time to time.
- v) The scope of work shall also include preparatory work, collection/compilation of details/data and preparation of the draft proposal for Forest clearances, Right of Way, Crop compensation, Tree compensation, Power & Telecom Co-ordination Committee(PTCC) clearance, Wireless clearance, Aviation/Defence clearance, Railway crossing clearance, River/Road crossing clearance, statutory electrical inspector clearance etc. as per requirement. POWERGRID shall undertake all the documentations and representing to all concerned agencies, all the necessary follow up, coordination with the concerned agencies on behalf of JSEB. Compensation, if any, on account of above clearances shall be paid by JSEB directly or through POWERGRID and the corresponding cost shall not form part of the project cost for the purpose of calculations of consultancy service charges. However, being the owner of the project the overall responsibility shall be with JSEB, which shall make all the necessary application and undertake all the activities required by the Owner.
- vi) Site leveling, boundary wall & fencing, roads & drainage, control room building, store shed, DG set, Battery & Battery charger, survey & soil investigation, etc. as per the requirement and shall form part of the project cost.

37



- vii) Submission of as built drawings and documents at the time of handing over of the project.
- viii) All relevant approved drawings/documents shall be handed over to the J.S.E.B. at the very outset for their use in the state of Jharkhand.
- ix) POWERGRID shall assist in obtaining Electrical Inspector's clearances of the project from concerned Govt. authorities wherever required on behalf of JSEB. However, for other clearances from state Govt. departments wherever required, JSEB shall fulfill all of its obligations.
- x) Operation & Maintenance for the transmission lines and substations under this agreement shall be done by JSEB on completion of the works. POWERGRID shall facilitate training of JSEB staff/officers required for operation and maintenance of 400/220/132 kV S/S at no extra cost subject to the condition that travel, boarding and lodging costs shall be borne by JSEB. However, the Operation and Maintenance of the Bays installed in the premises of POWERGRID Substations shall be done by POWERGRID on behalf of JSEB on payment basis. A separate Agreement for Operation and Maintenance of the Bays will be required to be signed by JSEB with POWERGRID subsequently.
- xi) Mandatory spares, T&P's and testing instrument shall be the part of the project.

2.2 JSEB RESPONSIBILITIES:

- i) Lands acquisition for substations and handing over the same to POWERGRID free from all encumbrances by JSEB at the earliest in order to match the completion schedule.
- ii) Settlement of any disputes with public/statutory bodies/local authorities/state authorities etc. shall rest with JSEB if arising out of actions of JSEB only.
- iii) Construction of Colony/Township shall be the responsibility of JSEB.
- iv) Being the owner of the project, the risk associated with obtaining the Project clearance, Forest clearance, Right of Way, Crop compensation, Tree compensation, Power & Telecom Co-ordination Committee(PTCC) clearance, Wireless clearance, Aviation/Defence clearance, Railway crossing clearance, River/Road crossing clearance, any other statutory clearances, etc. as per requirement, shall be that of JSEB. However, modalities shall be as per clause 2.1(v) above.

2.3 All works will be implemented in Jharkhand State, hence Project Review Meetings shall be convened by J.S.E.B. at Board's HQ at Ranchi for smooth conduct of the business.

2.4 J.S.E.B. officer at the level of E.E.E. will supervise the progress of work quarterly. During supervision if they find any deviation/ technical fault, it will be communicated to PGCIL for necessary action.

3.0 WORKING PROCEDURE:

3.1 POWERGRID shall undertake the consultancy assignment as defined in clause 2.1 above. To enable POWERGRID to discharge its obligations in a smooth and efficient manner, JSEB shall issue necessary authorization in favour of POWERGRID to act on behalf of Owner for the

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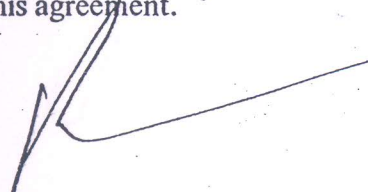
scope of services under this Agreement. The Owner shall also provide all other necessary documents required for this purpose including concessional sales-tax declaration forms or any other applicable forms duly filled in and signed. In case, concessional sales-tax form is not provided by the Owner, then the Owner shall pay full taxes as may be applicable from time to time under laws. All the invoices shall be raised by the Contractors in the name of JSEB acting through POWERGRID so that JSEB shall issue C-Form.

The recovery of TDS under CST/VAT/WCT/ Income Tax Act and any other acts as per Govt. regulations related to this work shall be done by POWERGRID on behalf of JSEB from the Contractor's Bills. TDS so deducted by POWERGRID on behalf of JSEB shall be deposited with the relevant tax authorities by using PAN, TIN & TAN of JSEB. Copies of challan will be forwarded to JSEB for filling returns and necessary TDS certificates will be issued by POWERGRID after getting necessary acknowledgement number and identification number in this regard from JSEB.

Wherever the return are to be filed electronically, JSEB will file tax returns and issue necessary TDS certificates directly under intimation to POWERGRID within statutory period.

- 3.2 JSEB shall also ensure prompt and direct release of funds including from Govt. of Jharkhand & Lenders to POWERGRID to enable unhindered progress of work. It is clearly understood by the parties that POWERGRID shall not finance any portion of the work from its own funds at any time during the execution of the project.
- 3.3 To ensure proper co-ordination between POWERGRID and JSEB for carrying out the works under the scope of this Agreement, both JSEB and POWERGRID shall nominate their respective Nodal Officer/Project Manager who shall be the focal point for all matters relating to this Agreement.
- 3.4 During the Procurement through various contract packages, Bid Opening shall be held in Jharkhand Bhawan, New Delhi and signing of the contract agreement shall be carried out at JSEB H.Q., Ranchi.
- 3.5 For carrying out various activities not covered above, a working procedure shall be separately agreed between POWERGRID and JSEB.
- 4.0 RELEASE OF FUNDS:
- 4.1 To facilitate smooth execution of work and to complete the work within the stipulated time schedule, JSEB shall ensure that the required fund is released directly to POWERGRID.
- 4.2 POWERGRID shall commence the work under this Agreement after the receipt of first installment payment.
- 4.3 It is clearly understood by the parties that funding of the project cost and Consultancy Fee along with applicable Taxes & Duties is the responsibility of JSEB and POWERGRID shall not finance any portion of the work at any time during the execution of the Project. Any liabilities arising out of delay in release of fund shall be that of JSEB.
- 4.4 FUND RELEASE MILES STONES:
 - a) First Installment of 10% of the estimated project cost shall be released within 15 days of signing of this agreement.

37



- b) Second Installment of 10% of the estimated project cost shall be released on placement of first Letter of Award. Wherever possible, mobilization advance conditions with contractors should be avoided or negotiated to ensure minimum upfront payment and such mobilization advance if agreed should be fully secured by BGs.
 - c) Subsequent installment shall be released on the basis of quarterly fund requirement as projected by POWERGRID atleast one month ahead of the quarter based on estimated project cost at that juncture. Such quarterly installments shall be released within first month of that quarter. Such quarterly release will be made only after seeking utilization of funds released previously by JSEB to POWERGRID.
 - d) Final reconciliation between POWERGRID and JSEB on account of variation in estimated project cost and final executed project cost shall be made within 30 days after taking over of all the assets by JSEB. Prior to final reconciliation, all fund releases shall take place as above.
- 4.5 In order to have direct fund flow to POWERGRID from lenders, a suitable mechanism amongst lenders, JSEB and POWERGRID shall be arrived at.

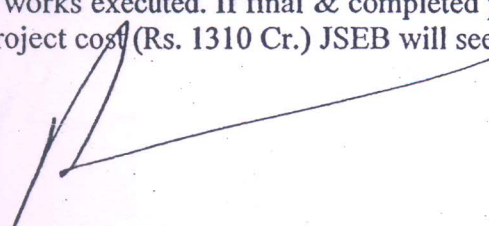
5.0 AWARD OF CONTRACT (METHODOLOGY):

For the purpose of execution of work under this agreement, the entire work of transmission lines and substations shall be divided into multiple contract packages to be executed by various contractors. The contracts will be awarded on open tender basis and through fully transparent method. The guidelines issued in this regard by CVC shall be followed by POWERGRID.

6.0 PROJECT COST:

- 6.1 POWERGRID shall provide consultancy services for execution of the project on behalf of JSEB.
- 6.2 The Project cost shall include the following subject to clarification given in para 6.3 below:
 - a) The cost of all equipment and services as paid to the contractor(s) or any other agency as required under the various contracts to be placed by POWERGRID for executing the Project plus applicable taxes & duties.
 - b) Cost towards Right of Way, PTCC/Crop compensation/Tree compensation/Forest clearance/Railway Crossing clearance / River/Road crossing clearance, etc.
- 6.3 As indicated by JSEB, the estimated cost of the project is Rs. 1310 Crores (approx.) (excluding consultancy fee payable to POWERGRID and corresponding applicable Service Tax on consultancy fee). The technical sanction of the work has to be granted by JSEB. This estimated cost is for estimation purpose only. However, depending upon site conditions or for any other reason, the cost of the Project may undergo change during the implementation of the Project. As such the final executed cost of the Project will be certified by POWERGRID based on the actual works executed. If final & completed project cost is estimated to increase beyond 15% of the project cost (Rs. 1310 Cr.) JSEB will seek approval of competent authority.

37



- 6.4 Any additional/modification/augmentation/ deletion required during execution of project and agreed mutually among JSEB, and POWERGRID shall form the part of scope of work and accordingly estimate shall be revised by POWERGRID.
- 6.5 POWERGRID shall endeavor to expedite the work within the estimated cost ensuring due reasonability. In case of increase or decrease of cost, POWERGRID shall submit the revised estimate to JSEB for facilitating verification, approval and release of funds. JSEB shall verify the expenditure and revised estimate within a reasonable period to be mutually agreed by both parties from the receipt of the documents.
- 6.6 For the purposes of calculating consultancy fee payable to POWERGRID, the project cost shall be excluding the cost as per 6.2(b) above.

7.0 CONSULTANCY FEE:

The Consultancy Fee payable to POWERGRID for the services as brought out in clause 2.1 above shall be @ 11% of the final actual executed cost of the project as per clause 6.0 above. Based on the presently estimated cost of the project of Rs.1310Crores, the Consultancy Fee payable to POWERGRID @11% works out to Rs.144 Crores plus applicable taxes.


8.0 TAXES AND DUTIES :

The Consultancy Fee indicated above does not include any taxes & duties. All statutory taxes, duties and levies (including any variation thereof) as applicable from time to time by any Act / Notification of Government (Central/State) or any other local bodies/ authorities shall be to the Owner's account. At present Service Tax @ 10.3% (including Education Cess @ 3%) is applicable on Consultancy Fee which shall be paid by JSEB to POWERGRID in addition to the Consultancy Fee indicated above.

9.0 TERMS OF PAYMENT OF CONSULTANCY FEE :

- a) 10% of the Consultancy Fee @ 11% of the estimated project cost and applicable Service Tax etc. on Consultancy Fee shall be paid within 15 days of signing of the Agreement.
- b) 10% of the Consultancy Fee @ 11% of the estimated project cost and applicable Service Tax etc. on consultancy fee shall be paid on placement of first award by POWERGRID.
- c) 70% of Consultancy Fee and applicable Service Tax etc. shall be payable quarterly in advance corresponding to the quarterly cash flow requirement submitted by POWERGRID. These quarterly payments shall be released by JSEB to POWERGRID within 15 days of submission of invoice.
- d) Final 10% of consultancy fee shall be released progressively upon taking over of asset by JSEB
- e) Payment arising due to adjustment on account of variation between the estimated cost and final executed cost of the project and applicable Service Tax etc. shall be made within 15 days of submission of invoice raised by POWERGRID.
- f) No Bank Guarantee shall be furnished by POWERGRID for receiving payments from JSEB.

37



10.0 TIME SCHEDULE:

10.1 POWERGRID shall complete the project in 20 months from the date of signing of the Agreement or receipt of first initial advance payment, whichever is later.

This is however, subject to following:

- i) Timely handing over of substations land to POWERGRID(i.e. atleast 3 months before award of contract by POWERGRID) for taking up preliminary site works i.e. contouring & soil investigation, site leveling, fencing etc..
- ii) Timely release of payments and deputation of their representative as mentioned hereinabove
- iii) Timely availability of Forest Clearance, Right of Way, PTCC, Railway Crossing clearance, River/Road crossing clearance, any other statutory clearances, etc. from the concerned authorities.
- iv) Timely comments/clearance of various documents made available by POWERGRID to JSEB.

10.2 If by reason of extra or additional work or any industrial dispute or any cause or causes outside of and beyond the reasonable control of POWERGRID and its contractor(s), the work is delayed or impeded, the delayed period shall be construed as automatic time extension.

10.3 The completion period is indicated in good faith and is subject to fulfillment of obligation on part of the Owner and POWERGRID.

10.4 Any delay in implementation of project on account of non-availability of funds and services to be provided by JSEB shall not be attributable to POWERGRID and the period of implementation shall be deemed to have been extended to such delays.

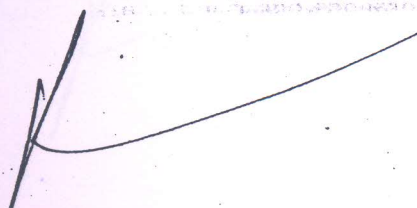
11.0 PROGRESS REVIEW MEETINGS:

11.1 To review progress of work, monthly review meeting shall be held at the level of the Project Manager/Nodal Officer of both the parties at mutually agreed places. Project Manager, POWERGRID shall submit a monthly progress report to the Owner and will incorporate the required technical suggestion made.

11.2 The Govt. of Jharkhand shall be requested by JSEB to constitute a High Power Committee(HPC) with concerned authorities from JSEB, Administration, Forest Department etc. so that various clearances and issues are sorted out expeditiously and for which the HPC will meet every month.

11.3 A working procedure shall be finalized for smooth execution of project.

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12.0 FACILITIES/INFORMATION TO BE PROVIDED BY OWNER :

12.1 All necessary information/data and facilities as may be required by POWERGRID in connection with services shall be promptly rendered by JSEB under this Agreement.

12.2 JSEB shall give their views on all matters pertaining to this Project as may be referred to by POWERGRID from time to time within a reasonable time which would normally not exceed fifteen(15) days and shall discharge faithfully all its obligations.

12.3 Obtain all other statutory clearances including issue of necessary Notifications wherever required .

13.0 FORCE MAJEURE:

13.1 Force Majeure is hereby defined as any cause, which is beyond the control of POWERGRID or its Contractor(s) or JSEB as the case may be, which they could not foresee or with a reasonable amount of diligence could not have foreseen and which substantially affects the performance of the said work including, but not limited to the followings:

- a) Natural phenomena including but not limited to floods, droughts, earthquakes, epidemics etc.,
- b) Acts of any Government, domestic or foreign, including but not limited to war, declared or undeclared, quarantines, embargoes etc.,
- c) Hostilities, revolutions, riots, civil commotions, strike, including in the premises of the Contractors.

13.2 During the period of their inability to perform the services as a result of any event of Force Majeure, POWERGRID shall be entitled to continue to be paid under the terms of this contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the services and in reactivating the services after the end of such period, provided that the party affected shall within thirty (30) days from the occurrence of such cause, notify the other in writing of such causes.

13.3 POWERGRID or JSEB shall not be liable for any delays in performing its obligation resulting from Force Majeure causes as referred to and/or defined herein above. The date of completion will be extended by corresponding period equal to the period of Force Majeure if the situation so warrants and by such period to be mutually agreed to by POWERGRID and JSEB. Should one or both Parties be prevented from fulfilling their obligations by state of Force Majeure lasting for a period of two months, the two (2) Parties shall consult each other and decide as to further course of action.

14.0 TAKING OVER:

POWERGRID shall progressively intimate JSEB upon successful commissioning and test charging of Transmission lines and Substations assets at rated voltage with tolerance as per BIS and IEC(except in minor respects that do not affect their use and / or cause any serious risks) and JSEB shall immediately take over the systems. JSEB shall furnish the taking-over certificate within thirty (30) days from the date of such intimation by POWERGRID, which shall also facilitate build-up of assets on the books of JSEB. The issue of taking-over certificate shall not be unreasonably withheld by JSEB on minor issues that can be tackled during defect liability period, under CPG. Power flow through the lines and substations due to non completion of down stream lines shall not be made the reason for non taking over of the system. Guarantee and warrantee shall be enforced from the date of commissioning of various assets.

15.0 TERMINATION OF AGREEMENT:

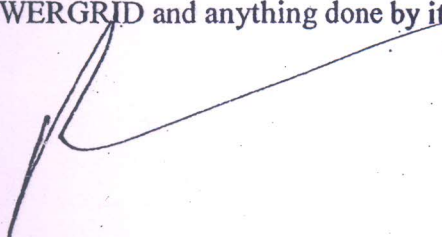

- 15.1 In the event when the Parties mutually agree to terminate the Agreement, on account of Force Majeure or any other reasons, the termination shall take effect from the date and time to be agreed upon mutually.
- 15.2 In the event of termination of this Agreement on part of JSEB or POWERGRID, as the case may be, POWERGRID/JSEB shall be paid proportionately for such of those items of work, which have been completed/partially completed and mutually agreed and also a reasonable amount of compensation mutually agreed for the holding out or premature termination.

16.0 SETTLEMENT OF DISPUTE & ARBITRATION:

- 16.1 This agreement shall be governed by and construed in accordance with the laws of India. Any dispute or difference arising out of this agreement shall be amicably settled between the Parties.
- 16.2 In case of non-settlement of dispute or difference, the matter shall be within 30 days referred to arbitrator as provided in the Arbitration and conciliation Act 1996 and of the rules there-under.
- 16.3 The venue of Arbitration shall be at Ranchi.
- 16.4 This Agreement shall be subject to the jurisdiction of the court at Ranchi.

17.0 THIRD PARTY DISPUTE :

If any litigation/arbitration cases crop up due to the various contract orders placed by POWERGRID during the currency of this Agreement, POWERGRID shall resolve the same on behalf of JSEB. JSEB shall provide necessary details, if required. The cost of such litigation/ arbitration and liability arising out of the award thereof, if any, shall be borne by JSEB in case such litigation/arbitration has arisen out of the acts of JSEB and the bonafide action of POWERGRID and anything done by it, in good faith.



18.0 DELAY IN COMPLETION :

POWERGRID shall suitably incorporate the provisions towards levy of Liquidated Damages in their Agreements with Contractor(s) for delay in completion of the work. All amount towards Liquidated Damages, if any, as may be receivable by POWERGRID under the contract agreement entered into between POWERGRID & contractors.

19.0 BANK GUARANTEE :

Performance Bank Guarantee and Advance Bank Guarantees from contractors for various contracts shall be obtained by POWERGRID, in favour of POWERGRID. Photocopy of the same shall be provided to JSEB. During the execution of the project till same is handed over to JSEB, these bank guarantees shall be operated by POWERGRID on behalf of JSEB. The original bank guarantees shall be handed over to JSEB after the taking over of the project by JSEB as per clause 14.0 and shall be valid for 12 months from the date of commissioning of the respective contract i.e its commissioning on rated voltage.

20.0 AMENDMENT :

This Agreement may be amended or modified if necessary by a written instrument signed by the Parties and the same shall be considered as an integral part of this Agreement.

21.0 EFFECTIVE DATE:

This Agreement shall be deemed to have come into force with effect from the date of signing of Agreement or receipt of first installment payment(as indicated in clause no. 4.4(a) and 9.0(a) above) whichever is later. Timely handing over of substations lands to POWERGRID by JSEB is of utmost importance in order to achieve the schedule completion. All rights, obligations and responsibilities of Owner and POWERGRID shall be deemed to have commenced and accrued from the above date.

22.0 NOTICE OF DEFAULT :

Notice of default given by either Party to the other Party under this Agreement shall be in writing and shall be deemed to have been duly and properly served upon the Parties hereto if delivered against acknowledgement due, addressed to the signatories to this Agreement.

3




23.0 CORRESPONDENCE:

23.1 All communications from JSEB to POWERGRID shall be addressed to the Project Manager to be nominated by POWERGRID in writing for the purpose of this work.

23.2 All communication from POWERGRID to JSEB shall be addressed to the Nodal Officer to be nominated by JSEB in writing for the purpose of this work.

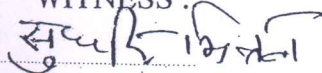
IN WITNESS WHEREOF the Parties hereto have fully executed these present through their duly authorized representatives on the Day, Month and Year mentioned above.

For and on behalf of
Power Grid Corporation of India Ltd.


अरुण कुमार
का. नि. (क. ई. व. अ. ई. आ.)

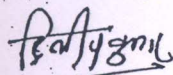
WITNESS:

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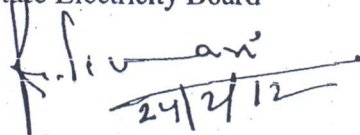


सुधीर मिश्रा/SUDHIR MITAL
महाप्रबंधक (व्यापार विकास)/General Manager (BDD)
पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.
प्लॉट सं०-2, सेक्टर-29, गुरुगॉंव-122 001 (हरियाणा)
Plot No.2, Sector-29, Gurgaon-122 001 (HARYANA)

2.

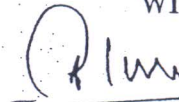


For and on behalf of
Jharkhand State Electricity Board


24/2/12
Chandra Mohan
मुख्य अभियंता (संचरण)
झारखंड बि. बोर्ड, (मु.) राँची

WITNESS:

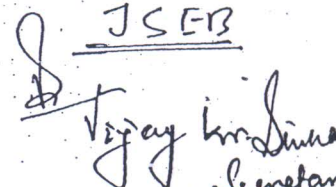
1.



ALOLA SHARAN
MEMBER (F)

JSEB

2.


Jay Singh
Secretary JSEB