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Quadripartite Agreement

AMONGST

RURAL ELECTRIFICATION CORPORATION LIMITED,

GOVERNMENT OF JAMMU & KASHMIR,

POWER DEVELOPMENT DEPARTMENT, GOVT. OF JAMMU &
KASHMIR,

AND

POWER GRID CORPORATION OF INDIA LIMITED

THIS AGREEMENT entered into on this 08th day of February two thousand Eighteen, AMONGST

RURAL ELECTRIFICATION CORPORATION LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at Core-4, Scope Complex, 7, Lodhi Road, New Delhi 110003 (herein after referred to as "REC" which expression shall unless repugnant to the context or meaning thereof include its successors and assignees) as party of the **First part**.

AND

GOVERNOR OF JAMMU & KASHMIR, through Power Development Department, Government of Jammu & Kashmir (hereinafter referred to as "Government of Jammu & Kashmir" which expression shall include his successors in office") having its office at New Secretariat Building, Srinagar, Jammu & Kashmir as party of the **Second part**.

AND

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with the customized Standard Bidding Document of the POWERGRID and in line with the Central Vigilance Commission (CVC) guidelines. Also, REC's guidelines, specifications and construction standards shall be adopted wherever applicable.

- D. AND WHEREAS POWERGRID has agreed to provide services for formulation, development and implementation of the project(s) in the identified areas involving system planning, design, engineering in accordance with the customized Standard Bidding Document of the POWERGRID and in line with the Central Vigilance Commission (CVC) guidelines. Also, REC's guidelines, specifications and construction standards shall be adopted wherever applicable.

POWERGRID also undertakes to construct/ implement/ commission the transmission and distribution works under the project(s) on turnkey basis, subject to the funds being released in time, directly to POWERGRID by REC (in accordance with Fund Disbursement Guidelines) to meet the entire expenditure, including the agency charge of POWERGRID.

- E. AND WHEREAS Government of Jammu & Kashmir and JKPDD authorize REC to release funds for implementation of the project(s), directly to POWERGRID on their recommendation and on their behalf, to meet the expenditure to be incurred for construction of project(s) by POWERGRID covered under the programme. Government of Jammu & Kashmir undertakes to repay the loan component of such funds, interest accrued thereon and other charges to REC as per the terms & conditions as detailed in the sanction letters issued by REC for these project(s).

- F. AND WHEREAS Government of Jammu & Kashmir authorizes REC that in case of non-payment of REC's dues against XII plan RGGVY projects by Government of Jammu & Kashmir, REC reserves the right to recover and adjust its dues as detailed above, from further releases to be made directly to POWERGRID. The Government of Jammu & Kashmir and JKPDD undertakes to provide equivalent fund to POWERGRID for smooth implementation of the projects.

- G. AND WHEREAS, project-wise, separate accounting for development and implementation of such REC funded projects shall be maintained by POWERGRID

- H. AND WHEREAS Government of Jammu & Kashmir commits to provide minimum daily supply of 6-8 hours of electricity in the RGGVY network and to provide requisite revenue subsidy to the JKPDD as required under the Electricity Act-2003 if it would like tariff for any category of consumer to be

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projects under the scheme, excluding the amount of state or local taxes, which will be borne by the Government of Jammu & Kashmir/ Power Development Department, Govt. of Jammu & Kashmir. 5% of the project cost would be contributed by the state through the own resources by Power Development Department, Govt. of Jammu & Kashmir and 10% loan from any financial institution/ Banks.

- 1.2 Cost overruns, if any, on any ground shall not be entertained and has to be borne by the Government of Jammu & Kashmir/JKPDD. Directives of Ministry of Power, Govt. of India in this regard, if any, would be followed.
- 1.3 All the required land to facilitate construction/commissioning of above project(s) shall be provided by the Government of Jammu & Kashmir/JKPDD. The cost of land and its acquisition shall not form part of project cost.

2. MODE OF RELEASE OF FUND

2.1 The Financial Assistance for implementation of the Project shall be released for each of sanctioned project separately in accordance with the sanctioned project cost as indicated in sanction letter of the project directly by REC to POWERGRID on the request from the Govt. of Jammu & Kashmir and in the manner as indicated below:

- a) First Instalment – 10% of the sanctioned project cost of the project(s) on appointment of Project Management Agency (PMA) by JKPDD.
- b) Second Instalment – 20% of the sanctioned project cost.

Before release of 2nd instalment, implementing agency shall furnish a certificate to REC for the following:

- (i) that the work has been awarded and a copy of the work order has been submitted to concerned REC, Project Office/ Zonal Office.
- ii) Updating of web-portal regarding award details

c) Third Instalment - 60% of the sanctioned project cost.

Before release of 3rd instalment, implementing agency shall furnish a certificate to REC regarding expenditure details after obtaining necessary concurrence of the Government of Jammu & Kashmir for 90% expenditure of the first and second instalments of the sanctioned project cost and 100% release of the contribution by the Power Development Department., Govt. of Jammu & Kashmir.

d) Fourth Instalment – 10% of the sanctioned project cost shall be released after Project Completion Certificate by Utility and PMA report regarding project completion and expenditure incurred along with recommendation.

2.2 Before release of Fourth Instalment of the grant support of Govt. of India,

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5. RURAL DISTRIBUTION MANAGEMENT

Appointment of Franchisee for Rural Distribution management of electricity is not mandatory. However, the Government of Jammu & Kashmir undertakes to clearly indicate the alternative mechanism that would be adopted by Government of Jammu & Kashmir to ensure proper maintenance of assets created and revenue sustainability at Power Utility level while submitting proposals under DDUGJY.

6. AGENCY CHARGES OF IMPLEMENTING AGENCY

No Agency charges shall be payable to POWERGRID under this agreement.

7. CONSTRUCTION / IMPLEMENTATION

- 7.1. POWERGRID shall make all possible efforts to complete the project(s) within the approved time frame starting from the date of award of project.
- 7.2. POWERGRID shall suitably incorporate the provisions towards levy of Liquidated Damages in their agreements with contractors for delay in completion of the project(s) and also other relevant contractual provisions pertaining to the procurement of goods and works. All amount towards Liquidated Damages, if any, as may be recovered by POWERGRID under this provision, and shall be suitably adjusted in the project cost.
- 7.3. On behalf of the Government of Jammu & Kashmir, JKPDD and POWERGRID shall ensure that the equipment & material specifications and construction practices & standard are in conformity with those approved/ stipulated by REC.

8. SERVICES TO BE PROVIDED BY GOVERNMENT OF JAMMU & KASHMIR & JKPDD

- 8.1. The Government of Jammu & Kashmir and JKPDD hereby authorize POWERGRID to construct / implement the project(s) on their behalf.
- 8.2. JKPDD will provide all information and necessary data with regard to technical aspects (existing electrical infrastructure etc.) and geographical aspects as also other information regarding level of village and household electrification for the project areas to POWERGRID to facilitate formulation, development and implementation of project(s).
- 8.3. The Government of Jammu & Kashmir/JKPDD will also provide village wise list of un-electrified BPL households to be provided electricity connection free of charge, as also, the village wise list of prospective households connections (other than BPL) based on the status of pending applications, expected to obtain electricity connection, before

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Secretary to the Government of India in the Ministry of Power, as the sole arbitrator whose decision shall be final and binding on the parties to this Agreement.

12. FORCE MAJEURE

The parties shall ensure due compliance with the terms of this Agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as fire, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written notice of 30 days to the other party to this effect. The services covered under this Agreement shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

13. IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the Authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of Authorized representative(s) and/or changes in designation shall be informed likewise in writing to/by POWERGRID and REC within one month of signing of the Agreement. Any changes in designations/ registered office address shall be intimated in writing to all concerned parties.

14. NOTICE

All notices required or referred to under this Agreement, shall be in writing and signed by the respective authorized signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered/speed post of Department of Posts to the respective heads on the addresses mentioned in the recital.

15. TERMINATION

