



आरईसी ट्रांसमिशन प्रोजेक्ट्स कंपनी लिमिटेड  
(आरईसी लि. के पूर्ण स्वामित्व की कंपनी)  
**REC Transmission Projects Company Limited**  
(A wholly owned subsidiary of Rural Electrification Corporation Limited)

12-21, ऊपरी तल मंजिल, अंतरिक्ष भवन, 22, केजी मार्ग, नई दिल्ली-110001, टेली.: 011-47964796 (4 लाइनें), फैक्स: 011-47964747, ई-मेल: contactus@rectpcl.com, वेबसाइट: www.rectpcl.com  
12-21, Upper Ground Floor, Antriksh Bhawan, 22, KG Marg, New Delhi 110001, Tel.: 011-47964796 (4 lines), Fax: 011-47964747, E-mail: contactus@rectpcl.com, Website: www.rectpcl.com

Ref No: RECTPCL/P-24/Khargone/2016-17/98

Date: 26.05.2015

**M/s Sterlite Grid 4 Limited**

F-1, "The Mira Corporate Suites"

1 & 2 Ishwar Nagar, Okhla Crossing,

Mathura Road, New Delhi - 110 065

**Kind Attention: Mr. Mohit Saxena, Manager**

**Subject: Establishment of Transmission System for "Transmission System Strengthening in WR associated with Khargone TPP (1320 MW)" through tariff based competitive bidding process - Letter of Intent**

Dear Sir,

We refer to:

- 1) The Request for Proposal dated 11<sup>th</sup> February, 2016 comprising Request for Proposal Document, Draft Transmission Service Agreement, Share Purchase Agreement and Tariff Illustration Sheet (provided in CD) and Survey Report dated 3<sup>rd</sup> March, 2016 issued to M/s Sterlite Grid 4 Limited as regards participation in the Global Invitation for Bids for establishment of Transmission System for "Transmission System Strengthening in WR associated with Khargone TPP (1320 MW)" through Tariff Based Competitive Bidding process, and as amended till the Bid Deadline including all correspondence/clarifications/amendments/Errata issued by REC Transmission Projects Company Limited in regard thereto (hereinafter collectively referred to as the "Final RFP") and as listed below:
  - i. Clarifications dated 23.03.2016
  - ii. Amendment-I dated 01.04.2016
  - iii. Amendment-II dated 08.04.2016
  - iv. Amendment-III & Additional Clarification dated 29.04.2016
  - v. Additional clarification dated 04.05.2016
  - vi. Amendment- IV dated 06.05.2016
  - vii. Additional clarification dated 10.05.2016
- 2) The offer of M/s Sterlite Grid 4 Limited by way of a Non-Financial Bid (Envelope I) pursuant to (1) above submitted on 16<sup>th</sup> May, 2016 in response to the Final RFP.
- 3) The offer of M/s Sterlite Grid 4 Limited by way of a Financial Bid (Envelope II) as submitted on 16<sup>th</sup> May, 2016 in response to the Final RFP.
- 4) The Non-Financial Bid as in (2) above & the Financial Bid as in (3) above hereinafter collectively referred to as the "Bid".



We are pleased to inform you that your proposal and offer received by way of the "Bid" has been accepted and the M/s Sterlite Grid 4 Limited is hereby declared as the Successful Bidder as per clause 3.4.1.1 of the Final RFP for the above project and consequently, this Letter of Intent (hereinafter referred to as the "Lol") is being issued in two copies, 1 original + 1 copy.

This Lol is based on the Final RFP and is further contingent upon you satisfying the following conditions:

- a) Acknowledging its issuance and unconditionally accepting its contents and recording "Accepted Unconditionally" under the signature and stamp of your authorized signatory on each page of the duplicate copy of this letter attached herewith and returning the same to REC Transmission Projects Company Limited within three (3) days of the date of issuance of Lol;
- b) Completion of various activities as stipulated-in the Final RFP including in particular Clause 2.4, Clause 2.5 and Clause 2.6 of the Final RFP, within the timelines as prescribed therein.
- c) Provide the Contract Performance Guarantee of Rs. 70.62 Crore (Rupees Seventy Crore and Sixty Two Lakh only) within seven (7) days of the issue of this Lol, separately in favour of each of the Long Term Transmission Customers listed out in Annexure 1 of the RFP, as per the provisions of Clause 2.21.


It may be noted that REC Transmission Projects Company Limited has the rights available to them under the Final RFP, including rights under clause 2.7 and 3.4.1.3 thereof, upon your failure to comply with the aforementioned conditions.

As you are aware, the issuance and contents of this Lol are based on the Bid submitted by you as per the Final RFP including the Transmission Charges and other details regarding the Scheduled COD as contained therein. The Quoted Transmission Charges as submitted by you and the Scheduled COD of transmission element as agreed by you in your Bid, as per Annexure 4 and Format 1 of Annexure 6 respectively of the Final RFP is annexed herewith as **Schedule-A** and incorporated herein by way of reference.

Further, please note that relationship of M/s Sterlite Grid 4 Limited with the Long Term Transmission Customers will be governed solely on the basis of the Final RFP.

You are requested to unconditionally accept the Lol, and record on one (1) copy of the Lol, "Accepted unconditionally", under the signature of the authorized signatory of your Company and return such copy to us within three (3) days of issue of Lol.

Yours faithfully,

  
(Ritu Maheshwari)  
Chief Executive Officer



**Enclosures:**

1. **Schedule A**, Quoted Transmission Charges and the Scheduled COD of transmission element submitted in your Bid, as per Annexure 4 and Format 1 of Annexure 6 respectively of the Final RFP.

Copy for kind information to:

1. **Joint Secretary (Transmission)**  
**Ministry of Power,**  
Shram Shakti Bhawan,  
Rafi Marg, New Delhi-110001
2. **Member (PS)**  
**Central Electricity Authority**  
Sewa Bhawan, R K Puram,  
New Delhi-110066
3. **Secretary**  
**Central Electricity Regulatory Commission**  
3 & 4 Floor, Chandralok Building,  
Janpath, New Delhi-110001
4. **The Chief Engineer (PSP & PA-I)**  
**Central Electricity Authority**  
Sewa Bhawan, R K Puram,  
New Delhi-110066
5. **The Director (Transmission)**  
**Ministry of Power,**  
Shram Shakti Bhawan,  
Rafi Marg, New Delhi-110001
6. **The Director (PSP & PA-I)**  
**Central Electricity Authority**  
Sewa Bhawan, R K Puram,  
New Delhi-110066
7. **Sh. G C Mukharji, Executive Director (Commercial)**  
**Chhattisgarh State Power Distribution Company Limited,**  
P.O Sundar Nagar, Energy Info Tech Centre,  
Danganiya, Raipur  
Chattisgarh-492013

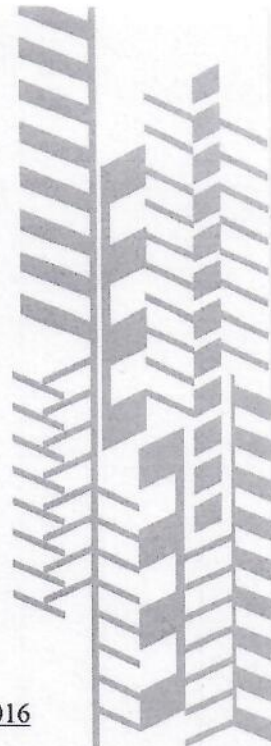
8. **The Chairman,**  
**M.P. Power Management Company Limited**  
Block No.-11, Ground Floor, Shakti Bhawan,  
Vidyut Nagar, Rampur  
Jabalpur, M.P-482008
9. **The Chairman & Managing Director,**  
**Gujrat Urja Vikas Nigam Limited (GUVNL)**  
Sardar Patel Vidyut Bhavan,  
Race Course, Vadodara 390 007  
Gujarat, India
10. **Executive Director (Commercial) ,**  
**Maharashtra State Electricity Distribution Company Limited.**  
Prakshgad, 4<sup>th</sup> floor, Bandra (East),  
Mumbai-400051
11. **Executive Engineer (Division-III),**  
**Goa Electricity Department, Government of Goa**  
Vidyut Bhawan, Panaji,  
Goa-403401
12. **Executive Engineer,**  
**DNH Power Distribution Corp. Ltd.**  
Electricity Department, Dadar and Nagar Haveli  
Administration of Dadar Nahgar Haveli  
66kV, Amli Road, SILVASSA – 396230
13. **Executive Engineer,**  
**Electricity Department Daman and Diu**  
Administration of Daman and Diu  
Plot no 35, OIDC Complex,  
Near Fire station, Somnath  
Nani Daman-396 210.



**Sterlite Grid 4 Limited**  
F-1, Mira Corporate Suites,  
1 & 2, Ishwar Nagar, Mathura Road,  
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CIN No.: U29253DL2015PLC281690

Phone : +91-11-49962200  
Fax : +91-11-49962288  
www.sterlitegrid.com

*P. Prater*  
*23/5/2016*  
*27/5/16*  
*28/5*



Date: - 16<sup>th</sup> May 2016

**Subject:** Financial Bid in respect of Bid for selection of Transmission Service Provider through Tariff Based Competitive Bidding to establish "Transmission System Strengthening in WR associated with Khargone TPP (1320 MW)"

Quoted Transmission Charges

Year (Term of License)	Commencement Date of Contract year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (In Rupees Millions)	Quoted Escalable Transmission Charges (In Rupees Millions)
(1)	(2)	(3)	(4)	(5)
1	Scheduled COD July 2019 (Refer note 7 and 9)	31-March	1860.82	17.05
2	01-April	31-March	1860.82	
3	01-April	31-March	1817.10	
4	01-April	31-March	1774.40	
5	01-April	31-March	1732.70	



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*23/5/16*  
*29/5*  
*P. Prater*

6	01-April	31-March	1691.99
7	01-April	31-March	1652.23
8	01-April	31-March	1613.41
9	01-April	31-March	1575.50
10	01-April	31-March	1538.47
11	01-April	31-March	1502.32
12	01-April	31-March	1467.02
13	01-April	31-March	1432.55
14	01-April	31-March	1398.89
15	01-April	31-March	1366.02
16	01-April	31-March	1333.92
17	01-April	31-March	1321.18
18	01-April	31-March	1321.18
19	01-April	31-March	1321.18
20	01-April	31-March	1321.18
21	01-April	31-March	1321.18
22	01-April	31-March	1321.18
23	01-April	31-March	1321.18
24	01-April	31-March	1321.18
25	01-April	31-March	1321.18
26	01-April	31-March	1321.18
27	01-April	31-March	1321.18
28	01-April	31-March	1321.18





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*[Signature]*  
23/5/16

*[Signature]*  
23/5

*P. Batia*  
*[Signature]*

29	01-April	31-March	1321.18	
30	01-April	31-March	1321.18	
31	01-April	31-March	1321.18	
32	01-April	31-March	1321.18	
33	01-April	31-March	1321.18	
34	01-April	31-March	1321.18	
35	01-April	31-March	1321.18	
36	01-April	35 <sup>th</sup> anniversary of the Scheduled COD (Refer note 8 & 9)	1321.18	

**Signature of authorized signatory**

*[Signature]*  


Name: Mohit Saxena

Designation: Manager

Date: - 16<sup>th</sup> May 2016



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Date: 6<sup>th</sup> May 2016

To,

Chief Executive Officer  
REC Transmission Projects Company Ltd.  
(a wholly owned subsidiary of Rural Electrification Corporation Ltd.)  
#12-21, Upper Ground Floor, Antriksh Bhawan,  
22, K G Marg, New Delhi – 110 001, India

Dear Sir,

**Sub: Bidders' Undertakings in respect of Bid for selection of TSP to establish Transmission System Strengthening in WR associated with Khargone TPP (1320MW).**

We hereby undertake on our own behalf and on behalf of the TSP, that if selected as the Successful Bidder for the Project:

1. The Project shall comply with all the relevant electricity laws, codes, regulations, standards and Prudent Utility Practices, environment laws and relevant technical, operational and safety standards, and we shall execute any agreements that may be required to be executed as per law in this regard.
2. We confirm that the Project shall also comply with the standards and codes as per Clause 1.3 of the RFP and the TSP shall comply with the provisions contained in the Central Electricity Regulatory Commission (Open Access in Interstate Transmission) Regulations, 2008, Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009 and the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007 made pursuant to section 177(2) of the Electricity Act, 2003.
3. We give our unconditional acceptance to the RFP dated 11.02.2016 issued by the BPC and the RFP Project Documents, as amended, and undertake to ensure that the TSP shall execute the Share Purchase Agreement as per the provisions of this RFP.
4. We have submitted the Bid on the terms and conditions contained in the RFP and the RFP Project Documents. Further, the Financial Bid submitted by us is strictly as per the format provided in Annexure-4 of the RFP, without mentioning any deviations, conditions, assumptions or notes in the said Annexure.
5. Our Bid is valid up to the period required under Clause 2.17 of the RFP.



  
**Sterlit**



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6. Our Bid has been duly signed by authorized signatory and stamped in the manner and to the extent indicated in this RFP and the power of attorney / Board resolution in requisite format as per RFP has been enclosed in original with this undertaking.
7. ~~We have assumed that if we are selected as the Successful Bidder, the provisions of the Consortium Agreement submitted at the time of the RFQ, to the extent and only in relation to equity lock in and our liability thereof shall get modified to give effect to the provisions of Clause 2.14.4 of this RFP and Article 18.2 of the TSA. (Note: This is applicable only in case of a Bidding Consortium)~~
8. We confirm that our Bid meets the Scheduled COD of each transmission Element and the Project as specified below:

Sr. No	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project	Element(s) which are pre-required for declaring the commercial operation (COD) of the respective Element
1.	LILO of one ckt of Khandwa – Rajgarh 400 kV D/C line at Khargone TPP	20 months # (February-2018)	0.39	NIL
2.	Khargone TPP Switchyard – Khandwa pool 400 kV D/C (Quad) line.	37months # (July-2019)	8.34%	Elements marked at Sr. No.2, 3,4,5,6 are required to be commissioned simultaneously.
3.	Khandwa Pool – Indore 765 kV D/C line	37months # (July-2019)	29.62%	
4.	Khandwa Pool – Dhule (BDTCL) 765 kV D/C line.	37months # (July-2019)	40.62%	
5.	Establishment of 765/400 kV, 2x1500 MVA pooling station at Khandwa.	37months # (July-2019)	17.20%	
6.	2 nos. of 765 kV line bays and 7 X 80 MVAR Switchable	37months #	3.83%	



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line reactors (1 unit as spare) along with 800 $\Omega$ NGR and its auxiliaries for Khandwa Pool - Dhule 765 kV D/C at Dhule 765/400 kV substation of M/s BDTCL.	(July-2019)		
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We agree that the payment of Transmission Charges for any Element irrespective of its successful commissioning on or before its Scheduled COD shall only be considered after the successful commissioning of Element(s) which are pre - required for declaring the commercial operation of such Element as mentioned in the above table.

**Scheduled COD for overall Project: 37 months from Effective Date #.**

# Scheduled COD in months is considering Effective date in June 2016. It is clarified that in case there is delay in achieving Effective date the schedule shall be compressed, accordingly to achieve Schedule COD for Element 1 by February'2018 and for Elements 2 to 6 by July'2019.

9. We confirm that our Financial Bid conforms to all the conditions mentioned in this RFP, and in particular, we confirm that:
- Ratio of minimum and maximum Quoted Transmission Charges during the term of the TSA for which Transmission Charges have been quoted in the format at Annexure-4 of the Bid is not less than zero point seven (0.7) as provided in Clause 2.14.1.2.
  - Further, the Quoted Escalable Transmission Charges (after duly escalating the Quoted Escalable Transmission Charges on the basis of the escalation rates specified in Clause 3.3.1.3) for any Contract Year does not exceed fifteen percent (15%) of the corresponding Quoted Non-Escalable Transmission Charges for that Contract Year, for the entire term.
  - Financial Bid in the prescribed format of Annexure-4 has been submitted duly signed by the authorized signatory.
  - Financial Bid is unconditional.
  - Only one Financial Bid has been submitted.





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10. We have neither made any statement nor provided any information in this Bid, which to the best of our knowledge is materially inaccurate or misleading. Further, all the confirmations, declarations and representations made in our Bid are true and accurate. In case this is found to be incorrect after our acquisition of Khargone Transmission Limited, pursuant to our selection as Selected Bidder, we agree that the same would be treated as a TSP's Event of Default under TSA, and relevant provisions of TSA shall apply.
11. We confirm that there are no litigations or other disputes against us which materially affect our ability to fulfill our obligations with regard to the Project as per the terms of RFP Project Documents.
12. Original power of attorney/ Board resolution as per Clause 2.14.1.1 is enclosed.

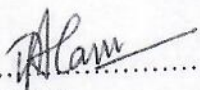
Signature and stamp of any ~~Whole-time Director / Manager~~ (supported by a specific Board Resolution)[refer Note 1 and 2 below] of Bidding Company or Lead Member of Consortium:



Please also affix common seal of Bidding Company / Member in a Bidding Consortium

Common seal of Sterlite Grid 4 Limited  
has been affixed in my / our presence  
pursuant to Board of Director's Resolution dated December 04, 2015

WITNESS

1.   
(Signature)

Name ~~M. T.~~ WASIM ALAM  
Designation ~~ASSOCIATE MANAGER~~



  
**Sterli**



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2. Kamaljeet Kaur  
(Signature)

Name KAMALJEET KAUR  
Designation ASSOCIATE MANAGER

**Note:**

1. To be signed by any ~~Whole-time Director~~/ Manager(supported by specific board resolution)of the Bidding Company / Lead Member in case of a Consortium.
2. In case of Manager, the Company should confirm through a copy of Board Resolution attested by Company Secretary that the concerned person is appointed as Manager as defined under the Companies Act, 1956 / Companies Act, 2013 (as the case may be) for the purpose in question.

The Company Secretary also certifies that the Company does not have a Managing Director.

