

Agreement for deployment of Collection Based Distribution Franchisee in <DISCOM> for <Project Area names> of <District name> District against the <Tender Notification no., Notification number> dated <Agreement date>

This AGREEMENT entered into on this day of <Agreement date> between **General Manager (Commerce), (<DISCOM>)/ Superintending Engineer <Circle Name>, <DISCOM>** having its office at <office address>. (Herein after referred to as **DISCOM** which expression shall unless repugnant to the context or meaning thereof include its successors and permitted assigns) as party of the **First part,**

And

<Franchisee Name> having its office at <Franchisee address> (herein after referred to as **Franchisee** which expression shall unless repugnant to the context or meaning thereof include its successors and permitted assigns) as party of the **Second part.**

Whereas the first party agrees that the second party may undertake the management of local electricity distribution network in the areas assigned to the Franchisee revenue related activities including minor repair and maintenance activities, if applicable as per this agreement, and other related activities as detailed under subsequent paragraphs in a specified area within the jurisdiction of the first party, subject to terms and conditions as stipulated from time to time by it and Orissa Electricity Regulatory commission (OERC), and,

Whereas the second party agrees to undertake the assignment proposed by the first party.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AFORESAID, BOTH THE ABOVE REFERRED PARTIES HEREBY AGREE AS FOLLOWS:

1. Definition of terms

1.1. For the purpose of this Franchise Agreement, and all Exhibits attached herewith, the terms, phrases, and their derivations shall have the meanings as illustrated:

- a) "Applicable laws" shall mean such Central, State and local laws, which apply to and govern the Parties and the transaction envisaged in this Agreement. This shall include but not be limited to The Electricity Act, 2003, OERC Distribution Code 2004 and any other directives or guidelines prescribed by OERC or related state or central agencies, the rules and regulations, made there under from time to time.
- b) "Project Area" or "Project Area" refers to the Franchisee's Project Area specified under Project Area of this Agreement. It can be in terms of section, subdivision or division or area covered under a specific 11/ 33 KV feeder or feeders.
- c) "Asset" shall refer to, under this Agreement, all assets belonging to DISCOM and shall include all moveable and immovable properties like distribution transformers, lines, equipments, kiosks, meters and metering equipments, accessories etc" in service or released in good condition or otherwise, work in progress, materials drawn or originated from DISCOM, cash/cheque on hand etc.
- d) "Bill" shall mean any bill prepared by franchisee and delivered to Consumers through the Franchisee.
- e) "Commission" means the Orissa Electricity Regulatory commission.
- f) "Consumer" means any person/ entity who is supplied electricity for his/ its own use by the Franchisee or Licensee DISCOM, authorised by OERC in the Project Area.
- g) "Complaint" means any written or electronic correspondence expressing dissatisfaction with the products, services, or customer service of the Franchisee.
- h) Any reference to date or day shall mean a reference to a calendar date or day. Any reference to month shall mean a reference to a calendar month as per the Gregorian calendar;
- i) References to any date, period or Project Milestone shall mean and include such date, period or Project Milestone as may be extended pursuant to this Agreement;
- j) Any reference to any period commencing "from" a specified day or date and "till" or "until" a specified day or date shall include both such days or dates; provided that if the last day of any period computed under this Agreement is not a business day, then the period shall run until the end of the next business day;
- k) The words importing singular shall include plural and vice versa;
- l) References to any gender shall include the other and the neutral gender;
- m) "Distribution" means the supply and conveyance of electricity by means of Sub transmission and LT distribution system.
- n) "Distribution network" means the system of conductive wires, cables and associated equipments etc, which facilitates supply of electricity to the point of connection of the installation of the consumer.
- o) "Document" or "Records" means written or graphic materials, however produced or reproduced, or any other tangible permanent record, including records

maintained by computer or other electronic or digital means, maintained by the either party in the ordinary course of conducting its business.

- p) "Electricity Act 2003" means application of its provisions and amendments if any thereto and /or Rules, Guidelines, Circulars, Instructions issued there under by the Government of India/ State Government
- q) "Equipment " means all assets, apparatus, cables, system etc. including meters at Consumer end as provided and/or owned, operated and maintained by DISCOM and used for off-take of electric supply by Franchisee at the Point of Supply and for onward transportation and supply to the Consumer(s).
- r) "Franchisee" means the an individual or corporate body or their consortium or community based organisation to which the DISCOM grants the right to conduct revenue activities and or maintain the distribution network and other associated services within the specified area as embodied in this Agreement for providing power supply to the consumers within the project area. A Franchisee may be classified as, Collection Base Franchisee, Input Base Franchisee as stipulated hereunder.
- s) "Franchisee Agreement" or "Agreement" means this legal contract document and any amendments, exhibits or appendices hereto.
- t) "Force Majeure" has the meaning given to it under Force Majeure section of this Agreement.
- u) "Meter" means the instrument to measure the electrical energy which also includes other instruments (like CT, PT) and setup associated with energy measurement.
- v) "Main Meter(s) or Input Meter(s)" means energy meter and associated equipments installed at the point of supply to the franchisee.
- w) "Point of Supply or Input point(s)" means the point of interconnection(s) between DISCOM and the Franchisee at which electrical energy would be supplied by DISCOM to the Franchisee as per terms of this Agreement.
- x) "Security Deposit" means a monetary Security deposited by Franchisee with DISCOM to secure the performance of its obligations under this scheme.

2. Objectives

- 2.1. Through the appointment of a Collection Based Distribution Franchisee (CBDF), DISCOM aims to achieve:
 - a) Reduction in AT & C losses
 - b) Improvement in consumer service quality
 - c) Improvement in Collection efficiency

3. Scope of work

- 3.1. The Franchisee shall be provided electricity at the point of supply. Collection Based Distribution Franchisee (CBDF) shall be responsible for services all or as illustrated in roles and responsibilities of the Franchisee like undertaking meter reading, bill generation through spot billing machine, bill distribution, and revenue collection.
- 3.2. Franchisee shall deposit the revenues directly to the respective subdivision or designated cash collection centres to be intimated separately of DISCOM under the Project Area latest by the next day of the collection.

- 3.3. Franchisee shall raise an invoice claiming the incentives and payments against the service rendered. DISCOM shall release the fixed payment, incentives for collection efficiency and payments against franchisee services.
- 3.4. In next phase, the scope of this contract will be expanded for revenue ownership and operation and maintenance responsibilities of project area under Input Based Distribution Franchisee scheme. In this scheme, franchisee shall be billed for energy injected in the project area at pre determined Bulk Supply Tariff (BST).

4. Contract duration

- 4.1. This Agreement shall be valid for a period of Six (6) months, with effect from **<START DATE>** unless terminated as per the terms of this Agreement.
- 4.2. The duration of the Agreement can be extended on mutually agreed terms and conditions. Extension process shall initiate formally in writing one month prior to the expiry of franchise.
- 4.3. Based on the due assessment of franchisee performance, the scope of this franchisee shall be enhanced to Input Based Distribution Franchisee for a period of three years or for mutually agreed period thereafter.
- 4.4. The work of revenue collection by the Franchisee shall commence by **<START DATE>** against the consumer bills for the **<Month before START month>** & arrears as per details provided by the DISCOM.
- 4.5. Termination of the contract shall be subject to the conditions as mentioned under the termination clause.

5. Project Area

- 5.1. The Project Area for Franchisee shall comprise of following categories consumer base covered under **<Subdivision name>** Subdivision or area covered under **<allocated 11/33KV feeder>** feeder of **<Division name>** division under **<Circle name>** Electrical circle of **<DISCOM name>** DISCOM.

Consumer Categories	Total Consumers
LT Kutir Jyoti	
LT Other Domestic	
LT General Purpose < 110 KVA	
LT General Purpose >= 110 KVA	
LT Specified Public Purpose	
LT Irrigation Pumping and Agriculture	
LT Industrial (S) Supply	
LT Industrial (M) Supply	

- 5.2. Any new consumer belonging to the category not mentioned above will be excluded from the purview of the Franchisee. Franchisee shall not cover centrally paying government consumers and HT consumers.
- 5.3. Any extension of the network in future shall also be part of the Project Area on such terms and conditions which may be mutually agreed.

6. Security deposit

6.1. Franchisee shall have to deposit *<Security Deposit Amount in Rs.>* (about 50% (for NGO/ SHG/ PRI/ Community based organisations) or 100% (for others) of the average monthly revenue collected in last one year + Cost of spot billing instruments provided by DISCOM). The deposit shall be provided in the form of Demand draft/ Banker's cheque/ Bank Guarantee (BG) pledged in favour of *<DISCOM, DISCOM HQ City>*. The BG must have validity of six months in excess of the period of agreement and it shall be reviewed at every two months.

7. Incentives and penalties for the franchisee

7.1. Franchisee is entitled for Monthly performance Incentives for improvement in collection efficiency as mentioned below. Here, collection efficiency includes revenue realisation against current consumption as well as recovery of any past arrears against connected consumers for the categories covered under the scope of this agreement.

Baseline average monthly revenue collected in last one year	= { Rs. Collected from relevant consumer categories in last one year /12 }	<i><Baseline Average Monthly Collection></i>
Baseline collection efficiency of the project area	= { Rs. Collected / Rs. Billed } %	<i><Baseline Collection Efficiency %></i>
Baseline consumer payment coverage of the project area	= { No. of Consumer Paid / No. of Consumers billed} %	<i><Baseline Consumer turn-up %></i>
Baseline coverage collection efficiency (CCE) of the project area	= { Collection Efficiency % } X {Consumer Payment Coverage %}	<i><Baseline CCE %></i>

Incentive will be given on marginal improvement on baseline Coverage Collection efficiency (CCE) where CCE = Collection efficiency X Percentage of billed consumer who have paid. Attached Annexure – 1 contains Incentive structures and Annexure -2 contains baseline data.

7.2. Incentives to Franchisees shall be payable only on verification of receipt books and revenue deposited by the franchisee.

7.3. DISCOM shall release the fixed payment & incentives as stated above for coverage collection efficiency (CCE) and payments against franchisee services as applicable latest by 25th of the month in which franchisee submitted invoice along with supporting/data/documents mentioned in this agreement.

7.4. The Franchisee shall also be given following incentives –

- a) Franchisee shall be paid Rs. 4 per consumer for carrying out meter reading, bill generation through spot billing machine and bill distribution activity.
- b) Franchisee shall receive an incentive at rate of twenty-five percent (25%) on the collection of arrears from permanently disconnected consumers.
- c) On replacement and installation of defective/new meters Franchisee will be paid as per DISCOM norms.
- d) Incentive on facilitation of new connection as described later in this agreement.
- e) Incentive of Rs. 150 on identifying, reporting un-authorized consumer as per requirements of Electricity Act 2003. Franchisee shall also be given an incentive of 10% on the amount collected by way of Assessment under Section 126 of the Electricity Act, 2003 for such unauthorized use of electricity.

7.5. Following penalties can be imposed on the franchisee –

- a) If the franchisee fails to show consistent improvement in the Project Area in three monthly moving average of collection efficiency from the corresponding performance of previous year for two consecutive billing cycles, 10% penalty on the shortfall amount (the difference between the assessed amount as per base line collection efficiency and actual amount collected) will be charged to franchisee. This penalty amount will be deducted from his monthly remuneration amount. This penalty clause will not be applicable for first two month of the operations.
- b) In case of non-payment within stipulated time or untimely submission of monthly data, a penal surcharge of 1.5% per month on average monthly revenue collected for last one year would be charged to the Franchisee for the days of delay.
- c) The contract termination clause shall be applied if payment is delayed for two times as stated in para 3.2 above.
- d) On defaulting for consumers meter readings by incomplete or wrong meter readings, bills distribution or in any other service except deficiency in cash collection, it will attract a penalty as decided by monitoring committee for the franchisee as constituted by the DISCOM on each such default.
- e) DISCOM has the right to adjust from Security Deposit in case of such default by the Franchisee under this contract.

8. Roles and responsibilities of the distribution company

Roles and responsibilities of the DISCOM shall include technical and commercial responsibilities as detailed below:

Technical responsibilities

- 8.1. DISCOM would endeavour to maintain daily power supply in the Franchisee area as far as possible and also improve the quality of supply in the Areas of Operation by augmenting transformer and substation capacity in the Franchisee area if needed.
- 8.2. Capital investment to augment or upgrade distribution network assets and major repair and maintenance will be the DISCOM's responsibility.
- 8.3. The responsibility of all minor/ major repair and maintenance and security of the distribution assets shall be of the DISCOM.
- 8.4. DISCOM shall ensure familiarisation and handholding of the project area to the franchisee within 60 days of signing the contract.
- 8.5. DISCOM shall facilitate preparation of Single line diagram under the project area with the assistance of Franchisee within three months.
- 8.6. There should be one main and one check meter as per provision of CEA guidelines for metering regulations 2007 to measure the input to the franchisee area. These shall be used only to monitor T&D losses in the project area.

Commercial responsibilities

- 8.7. DISCOM shall inform all the consumers in the Project Area about the transfer of services to the Franchisee from a particular date onwards. Adequate publicity regarding appointment of franchisee shall be made by the DISCOM.

- 8.8. DISCOM shall also inform the district and local administration in the Project Area of the Franchisee about the appointment of the franchisee.
- 8.9. DISCOM shall provide a copy of detailed consumer ledgers pertaining to Project Area to the franchisee.
- 8.10. Pre printed bill book, money receipt in the shape of paper roll or MR books would be provided by the DISCOM to the franchisee.
- 8.11. DISCOM shall specify and provide *<number of instruments>* number of spot billing instruments to the franchisee for the billing purpose, if applicable as per this agreement.
- 8.12. DISCOM shall provide needed software tools/ applications (as implemented in other areas of DISCOM) to the franchisee which enables the franchisee to execute the given responsibilities successfully. Designated officers of DISCOM shall train the franchisee to operate these tools before handing over the project area to the franchisee. The spot billing application shall display the name of the franchisee on the electricity bills belonging to franchisee's Project Area.
- 8.13. DISCOM shall approve the new service connections in the 'Project Area'; however operationalization of these new connections would be the responsibility of the Franchisee. DISCOM shall duly process in time for new connection/ new meters.
- 8.14. DISCOM shall provide all necessary support and guidance to the Franchisee in undertaking the requisite roles and responsibilities for contract period. DISCOM shall provide necessary training, to build capacity of the Franchisee to manage distribution network and to perform technical and commercial responsibility within one month of the date of signing of the contract.
- 8.15. DISCOM shall reserve right to make a claim against the Franchisee for any loss or damage to DISCOM assets for reasons attributable to the Franchisee.
- 8.16. DISCOM shall form a committee to monitor performance of the Franchisee. The committee shall review the performance of the Franchisee on quarterly basis. Franchisee is bound to respond and convince the committee in case of queries. The committee shall also assess the capability of the Franchisee to undertake more activities like HT maintenance subsequently.
- 8.17. Franchisee will be communicated on the deficiency in service, if any from time to time. They should comply immediately.
- 8.18. DISCOM does not undertake any responsibility of engaging any of the employees of franchisee. DISCOM is not under obligation and will not directly or indirectly give any employment guarantee to the employees of franchisee.

9. Roles and responsibilities of the franchisee

- 9.1. Franchisee shall operate in the 'Project Area' within two month of signing of the contract and the date of commencement of the operation shall be *<START DATE>*.

Roles and responsibilities of the Franchisee shall include technical and commercial responsibilities as detailed below:

Technical responsibilities

- 9.2. The responsibility of Load survey for given categories of consumers on half yearly basis shall be of franchisee.

- 9.3. Any Labour, carriage and T&P (Tools and Plants) if any required to execute the work shall be provided by the Franchisee. Franchisee shall deploy the manpower as committed in the submitted application form.
- 9.4. For employee of the franchisee who will carry out disconnection & reconnection work, should have minimum ITI (electrical) qualification with lineman 'C' certificate approved by ELBO (Electrical Licensing Board of Orissa).
- 9.5. The Franchisee shall regulate the Supply to Consumers as directed by the Utility.
- 9.6. Consumer indexing will be undertaken by Franchisee for aligning of the supply feeder and respective substation.
- 9.7. The Franchisee shall be responsible for complying with all safety, maintenance and system requirements, in discharge of its obligations under this scheme as provisions of the Supply Code. Franchisee shall arrange manpower strictly as per statutory requirements like Indian Electricity Rules, 1956.

Commercial responsibilities of Franchisee

- 9.8. Franchisee shall undertake all activities under Revenue Cycle (Meter Reading, on the spot bill preparation, Bill Distribution and Revenue Collection) in the Project Area on monthly basis, if applicable as per this agreement.
- 9.9. Franchisee shall use spot billing instruments as provided by the DISCOM. Franchisee shall use the software tools/ applications provided by the DISCOM for executing revenue cycle activities. For damage to the spot billing machine or its accessories attributable to mishandling by the franchisee, the cost of its repair/ replacement will be adjusted from the security deposit of the franchisee.
- 9.10. The Franchisee shall strictly abide by the Retail Tariff for DISCOM fixed by OERC for different categories of consumers and in no case shall different than those tariffs.
- 9.11. Franchisee shall identify un-authorized consumers and take action as per Electricity Act 2003. It will be the Franchisee's responsibility to ensure that residents, who are not authorised to receive Electricity Supply, are constantly checked and prevented from committing theft of electricity.
- 9.12. The Franchisee shall ensure that the FIRs are lodged against those unauthorized consumers who are not willing to be regularized and facilitate for their arrest in compliance with Electricity Act 2003.
- 9.13. Franchisee shall fully assist the DISCOM in lodging FIR against any theft of DISCOM's asset. Franchisee will provide full assistance to DISCOM in lodging any insurance claims for recovery of the said assets in the event of such claims by DISCOM.
- 9.14. Franchisee shall submit the revenues directly to the respective subdivision or designated cash collection centres of DISCOM under the Project Area latest by the next day of the collection.
- 9.15. Franchisee shall raise an invoice claiming the incentives and payments against the service rendered latest by 10th of every month to the respective Executive Engineer supporting with following data/ documents to DISCOM along with the invoice:
 - a) The Monthly progress report comprising details of the activities undertaken during the previous month along with financial details such as total billed amount in the month, collection against current assessment in the month and collection of arrears, amount deposited in DISCOM's accounts etc...
 - b) All information in the formats currently in use and/or in line with the reporting requirements prescribed by OERC for all operations. Franchisee shall be given

software by DISCOM to provide revenue data in desired format along with duplicate copy of all money receipts issued by him.

- c) A signed copy of revenue receipt book.
- 9.16. After receipt of franchisee invoice along with supporting/data/documents mentioned in this agreement, Executive Engineer (Division) shall verify and pay the franchisee latest by 25th of the same month. In case of delay in the payment, a penal surcharge of 1.5% per month on due total payment of that month would be charged to the DISCOM for the days of delay. During such delay, the franchisee shall refer to the General Manager (Commerce) of the DISCOM and subsequently follow dispute resolution process as described underneath if needed.
- 9.17. The Franchisee may be authorised, on behalf of the Utility, to undertake following activities:
- a) Reading consumers' meters
 - b) Operating spot billing machine for bill generation
 - c) Revenue realization
 - d) Operationalise new connection
 - e) Installation and replacement of meter
 - f) Assistance in load enhancement for the consumer
 - g) Assistance in Change of tariff category
 - h) Disconnection/Re-connection
 - i) Prevention of meter tampering
 - j) Surveillance to curb theft of electricity, equipment or appliance
 - k) Facilitate the arrests of people involved in power theft
 - l) Any relevant activity contained in the supply code of OERC to achieve the objectives of this agreement
- 9.18. The consumers who default in paying their current bills for more than 2 months, disconnection notices should be generated and served by the Franchisee. On non-payment of their dues, their electric lines should be disconnected. As per OERC Distribution Code 2004, franchisee shall dismantle service connection of defaulting consumers.
- 9.19. The franchisee shall promote new consumers by bringing them in the billing net and encourage them for regular payment of electricity bills on regular meter reading basis.
- 9.20. The Franchisee shall also undertake a detailed survey of consumers as per the survey format provided by utility, consumer indexing and alignment of consumers to specific feeders. The Franchisee shall assist the DISCOM in finalising the Asset Register and updating the consumer related MIS in the 'Project Area'.
- 9.21. New Connection and Re-connection:
- a) Application for new service connection or reconnection shall be received by the Franchisee. For connections up to 3kW, franchisee will also prepare feasibility report and estimate for new service connections as per prescribed norms if the power distribution infrastructure is available. Franchisee shall be paid Rs 150 per connection for it after the customer is raised with first electricity bill.
 - b) Servicing of new installations with meters will be undertaken by Franchisee with materials supplied by DISCOM.
 - c) Franchisee shall remit collections against New Service Connection, Service Line Charges, Installation of Meters, Development Charges and any other charges

collected on behalf of DISCOM through separate receipt book and realization sheet, to the sub division office on weekly basis.

- 9.22. Franchisee shall make the consumers aware of appropriate use of electricity, conservation of energy and impact of electricity theft in their Project Area.
- 9.23. Consumers can submit their complaints to the Franchisee who in turn will coordinate with DISCOM for its redressal. Franchisee must ensure that each commercial complaint reaches its logical conclusion technical complaints are appraised to the designated person noted from time to time.
- 9.24. Franchisee shall assist DISCOM in court cases on revenue matters, which are pertaining to Franchisee's Project Area.
- 9.25. Franchisee shall maintain and produce all the books of Accounts, Consumer ledger Accounts, Registers, applications etc. to any statutory Auditors and other officers and officials of DISCOM authorized to make inspections.
- 9.26. The Franchisee shall also undertake deployment of any standard systems and policies that are mandated by the DISCOM.
- 9.27. Franchisee will be responsible for compliance of all Taxes, duties etc. of the land applicable from time to time to similar kind of assignment. Franchisee should comply with all statutory requirements for his employees such as PF, ESI gratuity, bonus etc. Should any dispute arise between franchisee and his employees, DISCOM will not bear any responsibility. The franchisee shall communicate the compliance details on quarterly basis.
- 9.28. Franchisee shall pay the taxes, duties fee, levies and other impositions levied under the applicable laws and DISCOM shall perform such duties in this regard to the deduction of such tax as may be lawfully imposed.
- 9.29. Franchisee will be responsible for workers compensation, employment liability insurance for their staff on the assignment. Franchisee shall also have to maintain comprehensive general liability insurance, including contractual liability coverage adequate to cover the indemnity of obligation against all damages, costs and charges and expenses for injury to any person or damage to any property arising out of, or in connection with, the services which result from the fault of franchisee or its staff.
- 9.30. The Franchisee shall allow audit of assets and inventories within the Project Area at any time desired by the Executive Engineer or any officer authorised from time to time for inspections.
- 9.31. All correspondence, records, reports, presentations and other forms of information developed by the Franchisee under this Agreement, whether electronic or physical, shall become the property of DISCOM. DISCOM reserves the right to use procedures, forms and productivity enhancement methods developed under this Agreement elsewhere.

10. Termination

Any of the following events shall constitute an event of default:

- 10.1. Franchisee's events of defaults leading to termination
 - a) If the franchisee fails to show consistent improvement in the Project Area stipulated in Para 7.5.a) above, the contract shall be liable for termination.
 - b) If there is unreasonable degradation in T&D losses, the contract shall be liable for termination.

- c) Failure on account of Franchisee to make due payments to DISCOM under the conditions of this Contract.
- d) Failure to submit periodic performance report to DISCOM, as specified by it.
- e) Failure to comply with OERC's "Supply Code and Retail Tariff Order issued/ amended from time to time"
- f) The Franchisee is in material breach of any of its obligations outlined in this Agreement.
- g) Failure to maintain the security deposit as per the terms of the Agreement
- h) The Franchisee, in the judgement of DISCOM has engaged in corrupt practice or/and fraudulent practice in securing the contract or during the execution of the contract.
- i) Any representation or warranty made by the Franchisee is found to be false and misleading.
- j) The Franchisee is adjudged bankrupt or insolvent
- k) Any petition for winding up of the Franchisee is admitted by a court of competent jurisdiction or the Franchisee is ordered to be wound up by court,
- l) The Franchisee has unlawfully, repudiated this Agreement or has otherwise expressed an intention either in writing or by action not to be bound by this Agreement

10.2. Payments due to DISCOM under Franchisee's Events of Default

- a) Without prejudice to the other rights of DISCOM in case of termination, Franchisee shall pay all the dues payable to DISCOM on the date of termination. Any other dues shall be settled by Franchisee only after the settlement of DISCOM accounts.
- b) DISCOM has right to recover any shortfall in payments by adjusting from Security Deposit of the Franchisee.
- c) DISCOM unconditionally reserves the right to claim from Franchisee any expenses or losses in the event of fault on the part of Franchisee as specified in "Franchisee's Events of Default"
- d) On termination of this Contract however occasioned, the Franchisee shall forthwith deliver to DISCOM all papers including the forms used, partially used and unused receipts books along with realisation sheets, all promotional materials and documents which may have come into its position or custody under the terms of this Contract or otherwise.

10.3. DISCOM's events of Default

- a) Failure to comply with Standards of Performance at the supply point to the franchisee area as prescribed by OERC, the DISCOM shall be held responsible as per the Agreement and if the same default is observed for two consecutive billing cycles.
- b) DISCOM has unlawfully repudiated this Agreement or other wise expressed its intention not to be bound by this Agreement.
- c) Any representations made or warranties, given by the DISCOM under this Agreement have been found to be false or misleading
- d) Failure to make payments already due to Franchisee as per the terms and conditions of Agreement.

10.4. Payments due to the Franchisee under DISCOM's Events of Default

- a) Without prejudice to the other rights of Franchisee in case of termination, DISCOM shall pay all the dues payable to Franchisee on the date of termination.
 - b) Franchisee unconditionally reserves the right to claim from DISCOM any expenses or losses in the event of fault on the part of DISCOM as specified in "DISCOM's Events of Default"
- 10.5. The agreement can however be terminated by either party by giving two month's notice.
- 10.6. Upon expiry or Termination of this Agreement the Franchisee shall forthwith cease to have any right to collect any payment from the Consumer in the Specified Area. However, The Franchisee shall be liable to account for and make all payments due to DISCOM under this Agreement.
- 10.7. Franchisee during the term of this agreement and after its termination shall not reveal any information or provide data directly or indirectly to any agency.
- 10.8. In the event of large scale network restructuring, the agreement may be reworked & renegotiated. Otherwise, the agreement would be terminated.
- 10.9. Franchisee shall facilitate DISCOM to verify assets under the Project Area in the event of termination of the contract.

11. Indemnification

- 11.1. DISCOM shall not be responsible for any acts of omission/commission of Franchisee with regard to the DISCOM electricity services which were not specially authorized by DISCOM. In such an event Franchisee shall have no claim for compensation, incentive or any other claim against DISCOM. In case any claim against DISCOM is made by any third party for any act of commission or omission by Franchisee, Franchisee shall indemnify and hold DISCOM harmless and compensate all the losses so caused to DISCOM. DISCOM shall also be entitled to defend any action with third parties at the cost and expenses of Franchisee.
- 11.2. In the event described above, Franchisee agrees and undertakes to keep DISCOM indemnified at all times against all monetary obligations or losses or implications arising out of such action of Franchisee in the nature of costs, expenses or damages. DISCOM shall have no liability in respect of loss of profit, loss of income, loss of contract or any other losses or damages suffered or arising out of or in connection with existence of any defects whether latent or apparent in electricity network and the obligation of Franchisee to provide support services shall remain unaffected thereby.

12. Force majeure

- 12.1. No Party shall be liable to the other Party if, and to the extent, that the performance or delay in performance of any of its obligations under this Agreement is prevented, restricted, delayed or interfered with due to occurrence of any event of force Majeure including acts of God, acts of any Government (de jure or de facto) or regulatory body or public enemy, war, riots, explosions, embargoes, industry-wide strikes, the reduction in supply due to outage of generation facilities / transmission lines or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties control, which cannot be reasonably forecast or prevented, thereby, hindering the performance by the parties of any of their obligations hereunder. The Party claiming an event of force majeure shall promptly notify the other Party in writing, and provide full particulars of the cause or event and

the date of first occurrence thereof as soon as possible after the event and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed. For the purpose of clarity, the Parties agree that the failure of a Party to adhere to any statutory or regulatory requirement or to obtain necessary approvals shall not be deemed to be a force majeure situation. A condition of force majeure shall not relieve any Party of any obligation due under this Agreement prior to the event of force majeure.

12.2. In the event of a prolonged event of Force Majeure (continuing for a period of more than 180 days) a preliminary notice of termination may also be issued by either Party leading to the termination of the Agreement.

13. Dispute resolution

13.1. In case of dispute or breach of the contract, termination or change in validity of the contract between the DISCOM and the Franchisee, it shall be first referred to the General Manager (Commerce) of the DISCOM for amicable settlement within 15 days.

13.2. If the dispute still remains unresolved after negotiation between the Franchisee and GM (Commerce) of the area, it shall be exclusively adjudicated before Managing Director of DISCOM within 30 days.

14. Governing law

14.1. This Agreement has been executed and delivered in India and its interpretations, validity and performance shall be construed and enforced in accordance with the laws of India and also the laws applicable to the State of Orissa.

14.2. Any dispute arising out of compliance/ non-compliance of this Agreement shall be exclusively under the jurisdiction of the court at <DISCOM HQ City>.

14.3. Disputes between the consumers in the Project area and DISCOM shall be referred to the existing relevant Consumer Grievance Redressal Forums.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS ON A DAY AND YEAR FIRST ABOVE WRITTEN

General Manager (Commerce) - <DISCOM>

In presence of:

- 1. 2.

For and on behalf of <Franchisee name>

In presence of:

- 1. 2.