

BEST Undertaking's Distribution Franchisee Agreement

FRANCHISEE AGREEMENT BETWEEN

The Brihan Mumbai Electric Supply and Transport Undertaking

And

(Name of the Proposed Distribution Franchisee)

ARTICLES OF AGREEMENT made on the _____ day of _____
Two Thousand and _____ Between The General Manager, The
Brihan Mumbai Electric Supply and Transport Undertaking (hereinafter called “the BEST
Undertaking”) having its Registered Office at _____
_____ for and on behalf of the Municipal Corporation of Greater
Mumbai for the purpose of the BEST Undertaking (hereinafter unless otherwise
designated called “The BEST Undertaking” which expression shall mean and include the
_____ General Manager or his successor or
successors for the time being holding the post of the General Manager or the Acting
General Manager of the BEST Undertaking), of the one part

AND (M/s. Name of the Distribution Franchisee) having its Registered Office at
_____ (hereinafter referred to as “the
Distribution Franchisee” as per definition in Electricity Act, 2003) which expression shall
unless excluded by or repugnant to the context be deemed to include (Name - The
Distribution Franchisee) and its successors and permitted assigns of the other part

WHEREAS under and by the virtue of a License granted under the Electricity Act, 2003
by the Maharashtra Electricity Regulatory Commission (MERC) the BEST Undertaking is
a “licensee” to distribute electrical energy to the consumers within the licensee area of
Mumbai city.

AND WHEREAS the Distribution Franchisee has applied to the BEST Undertaking for a
supply of electrical energy for purpose and load details as specified in **Annexure I** at the
Distribution Franchisee’s premises situated at _____

AND WHEREAS, the Distribution Franchisee requires a single point H.V. supply of
electricity from the BEST Undertaking, for the purpose of downstream consumption by
separately identifiable entities, and for that purpose, desires to operate as a Distribution
Franchisee of the BEST Undertaking *in* accordance with 7th proviso to Section 14 read
with Section 2(27) of the Electricity Act, 2003, accepting all liabilities and performing all

obligations of the Distribution Licensee, The BEST Undertaking, in compliance with all the applicable Laws, Regulations and Directives of MERC and the BEST Undertaking as issued from time to time. For the purpose of this Agreement, the Distribution Franchisee has provided to the BEST Undertaking a list of all the separately identified downstream entities to whom the Distribution Franchisee proposes to supply electricity containing details of the purposes, load and tariff classification (in accordance with the relevant MERC tariff order applicable to the BEST Undertaking) of each downstream entity. The list is part of this agreement as **Annexure II**. It shall be the responsibility of the Distribution Franchisee to enter into separate electricity supply agreements with the downstream entities, the terms of which shall not contravene any of the provisions of this Agreement and the BEST Undertaking has agreed to supply such energy to the Distribution Franchisee for the period and upon the terms and subject to the conditions and stipulations hereinafter contained. Now it is hereby agreed and declared as follows:-

1) Location, Sanctioned Load and Contract Demand:

The BEST Undertaking, subject to the rules and regulations framed by the MERC or any other law for the time being in force, to the extent thereof, shall furnish to the Distribution Franchisee and the Distribution Franchisee shall take all the electrical supply required by the Distribution Franchisee from the BEST Undertaking, for the period and upon the terms for the purpose hereinabove recited at the Distribution Franchisee's premises located at _____ upto a quantum of _____ kilovoltamperes (KVA) Maximum Demand (hereinafter called the "Contract Demand") corresponding to the Sanctioned Load of _____ kilowatt (kW) and subject to the provisions hereof. It is herein clarified that the Sanctioned Load and Contract Demand include all aspects of the Distribution Franchisee's power requirement including the electrical energy meant for supply to separately identifiable downstream entities.

Franchise Area - The Franchise Area shall be the (... Name of the Areas agreed upon...) as specified in **Annexure III**. As per **Annexure III**, the Distribution Franchisee shall submit detailed plan in scale 1:500 of the said area and the Undertaking letter to the BEST Undertaking, agreeing for not supplying electricity beyond specified area shown in the plan.

2) Period of Supply:

- i) The minimum period for supply of electrical energy shall not be less than **FIVE** years commencing from the date of supply/date of signing the agreement or not more than validity of the license period of Distribution Licensee. This is however subject to the right of the BEST Undertaking and the Distribution Franchisee to terminate this Agreement as provided herein.

ii) Not to use the power in a manner prejudicial to the BEST Undertaking:

The electrical energy supplied under this Agreement shall not be utilised by the Distribution Franchisee in any manner prejudicial to the BEST Undertaking and all usage must be according to such methods and in such place as shall have been previously approved by the BEST Undertaking. It shall be the Distribution Franchisee's responsibility to ensure that the electrical energy supplied to separate downstream entities by the Distribution Franchisee is not utilised in a manner prejudicial to the BEST Undertaking and that all usage by downstream entities must be according to such methods and in such place as shall have been previously approved by the BEST Undertaking.

3) Payment to Distribution Franchisee:

- i) The BEST Undertaking shall pay the Distribution Franchisee, for the Operation & Maintenance of his network and providing services for distribution of electricity bills & collection of bill payment, a service charge on the basis of the difference in Energy charges of the HT-II commercial and respective LT-II commercial tariff category, applicable as per the prevailing tariff order issued by the State Commission (MERC) to BEST Undertaking.**
- ii) Other charges, duties and taxes mentioned in the electricity bill shall not be considered for the calculation of payment to Distribution Franchisee by BEST Undertaking against revenue collection from his downstream consumers. Further, any taxes/duties/charges levied by Central/State Government, CBDT or any other statutory authorities will be deducted from the payment made by the BEST Undertaking to the Distribution Franchisee.**
- iii) This Service charges payable shall be initially valid upto March 2016 i.e. upto end of MYT second control period or validity of MYT Tariff, whichever is earlier, and the same will be revised at the discretion of the BEST Management. Service charges Payable to D.F.=[Difference of Energy Charges of respective HT-II and LT-II consumer category] - Loss Penalty - Other taxes as levied by Govt.**

4) Commencement of Agreement:

The date of commencement of Agreement shall be the date from which supply is actually taken or agreed to be taken, whichever is earlier. In cases where the Distribution Franchisee has been receiving supply from the BEST Undertaking under terms governed by a previous agreement, the date of commencement shall be the date of execution of this Agreement.

5) Commercial Duties and Responsibilities of Distribution Franchisee:

The BEST Undertaking shall provide power supply at HV/EHV (11 KV or 33 KV) level as a single point. The Distribution Franchisee shall develop and maintain an efficient, co-ordinated and economical distribution system up to point of supply of the downstream consumers in his area of supply. Entire cost of the electrical infrastructure in his area of supply shall be borne by the Distribution Franchisee. All the provisions as per Electricity Act, 2003 and as per Indian Electricity Rules 1956 as amended from time to time shall be observed by Distribution Franchisee while developing and maintaining the infrastructure.

The Distribution Franchisee shall perform following duties and responsibilities in the Distribution Franchisee's premises/area:

- (i)** The Distribution Franchisee shall approach the BEST Undertaking for single point electric supply & register the requisition at concerned Customer Care Ward Office and pay applicable charges i.e. requisition registration fees as per prevailing Schedule of Charges (SOC) as approved by the commission. A suitable room of size specified by the BEST Undertaking for establishing BEST Undertaking's substation for providing single point supply shall be provided by Distribution Franchisee. This substation room shall also be used by BEST Undertaking for establishing distribution network for providing electric supply to the consumers other than that of Distribution Franchisee.
- (ii)** Distribution Franchisee shall develop and maintain the entire network to distribute electricity to all the downstream consumers at its own cost and also undertake to develop additional infrastructure in future. It shall comply with the standards specified for provision of supply and quality of supply under MERC's Standard of Performance Regulations.
- (iii)** The Distribution Franchisee shall appoint competent technical person having valid PWD licence.
- (iv)** The Distribution Franchisee shall collect duly filled in the BEST Undertaking's requisition from Downstream consumers along with the required/necessary documents and submit at the BEST Undertaking's Customer Care Departments by paying requisition registration and processing charges as approved by the commission. He shall follow MERC's Electricity Supply Code, Regulations, 2005.
- (v)** On receiving sanction letter from the BEST Undertaking, the Distribution Franchisee shall arranged to make compliances from downstream consumers & remit the same to the BEST Undertaking immediately and pay applicable service connection charges as per prevailing Schedule of Charges (SOC) as approved by the commission.

- (vi) Distribution Franchisee shall avail meters having LPRF technology from BEST Undertaking for the purpose of installing same to individual downstream consumers. In case of lost/ damaged/ burnt meter cases, Distribution Franchisee shall pay cost of the meters to BEST Undertaking as per the prevailing Schedule of charges as approved by the commission. If downstream consumer prefers to purchase meter from any suppliers of energy meters, as per the specification specified by BEST Undertaking so that meters can be easily configured in the BEST Undertaking's Vidushi system. The BEST Undertaking shall have rights to test the meter to check its accuracy prior to its installation. The charges for testing of said meter shall be borne by the downstream consumer as per charges specified in schedule of charges.
- (vii) Distribution Franchisee shall inspect & test the installation of the downstream consumers as per test reports submitted by Licensed Electrical Contractor of the consumers and to connect the meter, if installation is found to be safe for energizing. The Distribution Franchisee shall follow CEA (Installation and Operation of Meters) Regulations, 2006 and MERC (Electricity Supply Code) Regulations, 2005.
- (viii) If meters for Common amenities like lift/water Pump, staircase lighting, car lift, centralised A/C plant, theatre, hall etc. are fed from HV Network through a single point supply, will be considered as a HV consumer meter. Distribution Franchisee shall register separate requisition for such meters by paying requisition registration and processing charges and pay applicable service connection charges as per prevailing Schedule of Charges (SOC) as approved by the commission. BEST Undertaking shall install separate HV meter and charge as per prevailing tariff order based on the purpose of usage of supply by such consumer.
- (ix) Distribution Franchisee shall submit details of installed meters to the BEST Undertaking to update billing file as per prescribed format **Annexure II**. Also Distribution Franchisee shall submit details of replaced meters with readings and reason of replacement.
- (x) Distribution Franchisee shall arrange to take reading of all meters at 24.00 hrs. on last date of every month and submit reading file/data soft copy to the BEST Undertaking on next day as per prescribed format **Annexure IV**. The reading given shall be accurate / correct. For TOD meters, data shall be downloaded and submit the details in the prescribed format of BEST's Vidushi / SAP-ISU system strictly on scheduled date. The reading given by Distribution Franchisee will be considered as correct reading and will be directly processed for billing without generating meter reading exceptions.
- (xi) The Distribution Franchisee shall collect printed bills alongwith consolidated statement from concerned Customer Care ward and arrange to distribute the bills among the downstream consumers, immediately.

- (xii) The Distribution Franchisee shall collect the revenue from downstream consumers as per the bills generated by BEST Undertaking and remit the electricity bill amount collected from the consumers on the date mentioned in bill in the BEST Undertaking's designated bank account in Canara Bank by RTGS/NEFT transfer on date mentioned in bill. The downstream consumers shall pay delay payment charges, penalty against losses, if any. Incentives like Prompt Payment Incentive (PPI), Power Factor Incentive (PFI); Load Factor Incentive (LFI), or penalties like Delayed Payment Charges (DPC), Interest on Arrears (IOA), Power Factor Penalty (PFP) etc. shall be levied as per tariff schedule to downstream consumers. The Distribution Franchisee shall be liable to pay compensation to downstream consumers, if he fails to remit the electricity bill amount collected from the consumers to BEST Undertaking on the date mentioned in bill. The Distribution Franchisee shall submit remittance report mentioning the details like consumer number and payment made amount for reconciliation of electricity bill amount consumerwise.
- (xiii) The Distribution Franchisee shall be monitored by the BEST Undertaking for the losses in the Distribution system and the losses beyond 3% will not be allowed and the same will be required to be made good at the Average cost of supply and the same will be recovered from the monthly payments to the Distribution Franchisee. The Distribution Franchisee should take efforts to reduce losses and increase collection efficiency. If in case of losses exceeds permissible limit given by MERC, then penalty will be recovered at twice the average cost of supply. The Distribution Franchisee should take efforts to reduce losses and increase collection efficiency.
- (xiv) The Distribution Franchisee shall provide and maintain Bank Guarantee with BEST Undertaking to the satisfaction of BEST Undertaking for an amount equivalent to one month's estimated amount payable to BEST Undertaking by Distribution Franchisee. Initially an amount of Bank Guarantee will be accepted equivalent to security deposit calculated based on contract demand and security deposit rates as per tariff order.
- (6) Duties and responsibility of the Distribution Franchisee:**
- Distribution Franchisee shall have responsibility of ensuring conformance with MERC (Electricity Supply Code) Regulations, 2005, MERC (Standard of Performance of Distribution Licensee, Period of giving Supply and Determination

of Compensation) Regulations, 2005, CEA (Installation & Operation of Meters) Regulations, 2006, CEA (Measures related to the Safety & Electric Supply) Regulations, 2010 and relevant amended regulations made from time to time as well as other relevant rules/regulations applicable for distribution and supply of electricity licensee as issued by the Central or State Electricity Regulatory Commission or any other Statutory Authorities.

- (i) The Distribution Franchisee shall provide 24 x 7 help service to his downstream consumers to attend the messages of electricity off supply, shock, fire and any other complaints reported in its area of supply. It shall comply with the standards specified in MERC's SoP Regulations and shall submit MIS of the complaint resolution carried out on monthly basis.
- (ii) The Distribution Franchisee shall responsible for periodic testing and maintenance of all consumer meters. It shall immediately replace defective meters, found beyond the limits of accuracy or due to any defects in it, by new meters provided by BEST Undertaking under intimation to the BEST Undertaking. The provisions of Regulation 14.4 of MERC's Electricity Supply Code Regulations shall applicable.

In event of Lost/burnt meters, Distribution Franchisee shall replace meter by new correct meter and it shall follow the provisions Regulation 14.2 of MERC's Electricity Supply code Regulations.

Further, in case of replacement of defective/lost/ burnt meter other than that of BEST Undertaking, the Distribution Franchisee shall install new meters duly tested by BEST Undertaking.

Distribution Franchisee shall keep sufficient stock of all types of meters. Distribution Franchisee shall pay burnt/ lost/damaged/stolen meters charges as per SOC to the BEST Undertaking, if the meter belongs to BEST.

Distribution Franchisee shall forward necessary data base for updation at the earliest to BEST Undertaking. Amendment shall be carried out by the BEST Undertaking in the next billing cycle. The Distribution Franchisee shall have responsibility of ensuring conformance with MERC (Electricity Supply Code & Other Conditions of Supply) Regulations, 2005, MERC (Standard of Performance of Distribution Licensee, Period of giving supply and Determination of Compensation) Regulations, 2005, CEA (Installation & Operation of Meters) Regulations, 2006, CEA (Measures related to the Safety & Electric Supply) Regulations, 2010 and relevant amended regulations made from time to time as well as other relevant rules/regulations applicable for distribution and supply of electricity licensee as issued by the Central or State Electricity Regulatory Commission or any other Statutory Authorities.

- (iii) The Distribution Franchisee shall be responsible for the Universal Service Obligation in his area of operation.
- (iv) The Distribution Franchisee shall act as a facilitator for electricity supply between Distribution Licensee and the Downstream Consumers and ensure that Downstream Consumers shall have same rights and obligations as that of the other consumers of the Distribution Licensee.
- (v) Distribution Franchisee shall facilitate BEST Undertaking's personnel for inspection/testing of consumer's installation & meters, meter reading or any other activities that BEST Undertaking desires to carry out in the area of supply of Distribution Franchisee to fulfill its responsibility as a Distribution Licensee.
- (vi) The Distribution Franchisee shall follow the mutually agreed procedures adopted for carrying out duties and responsibility as Distribution Franchisee of BEST Undertaking.
- (vii) Standby arrangement: The Distribution Franchisee will have to make his own arrangement in the event of planned preventive maintenance by the BEST Undertaking and accidental breakdown due to forces beyond control of the BEST Undertaking. Provided also that the BEST Undertaking shall not be responsible for such damage or loss (if any) as the Distribution Franchisee may sustain owing to the failure at any time of the electric current by reason of the cutting off or damage to any wires or works during cyclones, storms, floods, war, mutiny, or riot or by reason of earthquake, hurricane, lightning or tempest or of any accident or cause of whatever nature ejusdem generis (of the same kind) or not beyond the control of the BEST Undertaking.
- (viii) The Distribution Franchisee should keep updated billing records, including the existing and the prospective consumers into the billing data base as per the BEST Undertaking department and should be provided monthly or as and when required to The Nodal Officer of the specified Office and for the concerned IT Section.

MIS Function – The Distribution Franchisee should generate periodic information and monitor reports in prescribed formats **Annexure V** and communicate the same to the Nodal Officer of the BEST Undertaking. For overall monitoring and day to day co-ordination activities, the concerned **Deputy Chief Engineer** would be the Nodal Officer.

- (ix) Distribution Franchisee should be vigilant for activities such as collection of bills and proper categorization of the consumer's as this affects the revenue of the BEST Undertaking. Any discrepancies, same should be informed to the Nodal

Officer for further action. At all times, BEST employee & staff should be given access to enter / check unauthorized extensions etc. in the Distribution Franchisee area. Franchisee should detect unauthorized consumption and should report the same to licensee. For all legal and practical purposes the consumers in Franchisee area are the consumers of BEST and hence BEST at all times will have overriding powers, when it comes to billing, applicability of norms (MERC supply code & SOP), consumer grievances etc.

- (x) Distribution Franchisee shall internally resolve his consumer's complaints in an amicable manner. Further, the consumer of Distribution Franchisee shall also have the rights to approach the BEST Undertaking for resolution of his complaints by approaching BEST Undertaking's consumer grievance redressal forum. Distribution Franchisee shall co-ordinate with the BEST Undertaking to resolve his consumer complaints. Distribution Franchisee shall comply with the Orders/directions, given by Regulatory Commission, BEST Undertaking's Consumer grievance redressal forum, Electricity Ombudsman or any other statutory authorities.
 - (xi) In case of any penalties levied on the BEST Undertaking by the Competent Authority / Forum or compensation to be paid to the consumers for non-compliance of the provisions of Regulations /Act, due to the default on the part of the Distribution Franchisee operator, the same shall be passed on to the Distribution Franchisee. Such penalties shall be recovered from the Distribution Franchisee.
 - (xii) Registration of F.A., cost shall be borne by the Distribution Franchisee.
 - (xiii) The Distribution Franchisee shall report any defect in the meters to BEST Undertaking immediately so that necessary meter replacement advice will be generated by BEST Undertaking. The meter with replacement work order will be handed over to Distribution Franchisee. After meter replacement, the Distribution Franchisee shall submit details of new meter installed and shall credit the old meter in respective Customer care ward.
 - (xiv) The debit/credit adjustment for high/low bill will be worked out by the BEST Undertaking based on the data furnished by Distribution Franchisee. The amendments for defective meter will be prepared by respective Customer care ward and the amendment claim will be adjusted in the electricity bill of the downstream consumers for recovery.
- (7) **Extension and reduction of the sanctioned load:**

The Distribution Franchisee shall register requisition for additional / reduction in load well in advance at Customer Care Dept. and do the necessary compliances.

(8) Limitations of Distribution Franchisee regarding any extension / reduction required in Sanctioned Load:

The Distribution Franchisee shall ensure that the Downstream Consumers shall not exceed their load more than the sanctioned load /Contract Demand.

(9) Powers of Distribution Licensee regarding any extension / alterations required in Sanctioned Load:

All provisions of Supply Code/SOP/MERC Regulations are applicable to Distribution Franchisee except Section 126,135 and 138 of the Electricity Act 2003 wherein the Distribution Licensee will be authorized to take such necessary action as per the provisions of the Act.

(10) Duties and responsibilities of B.E.S.T. Undertaking:

- (i) The BEST Undertaking shall sanction requisition for HV or EHV (11KV or 33kv) supply and downstream consumer's supply as per the report submitted by Distribution Franchisee and accepts all necessary compliances. The BEST Undertaking shall have rights to inspect/test the installation of downstream consumers before connecting the supply or reconnection as well as during the period of its service. It may classify or reclassify a consumer into various Commission's approved tariff categories based on the purpose of usage of supply by such consumer. The site details and test reports should be obtained from the Distribution Franchisee in the Vidushi format for entering in connection Management module.

Initially the BEST Undertaking shall accept Bank Guarantee of amount equivalent to security deposit based on the contract demand.

- (ii) The BEST Undertaking shall install HT meter at Distribution Franchisee's single point supply location for energy audit purpose only. Service connection charges as per prevailing Schedule of Charges (SOC) as approved by the Commission & security deposit towards supply of electricity to be recovered only from individual downstream consumers during compliance and no service connection charges to be recovered from Distribution Franchisee.
- (iii) The BEST Undertaking shall upload the Meter Reading file submitted by Distribution Franchisee in his system for billing and shall generate bills of each downstream consumer in accordance with the tariff approved by the Commission for BEST Undertaking for such category of consumers alongwith one consolidated bill statement against all bill amount of the Distribution Franchisee. Print message on the bills "All downstream consumers shall pay bill amount at concerned Distribution Franchisee's office only".

- (iv) In order to calculate exact Distribution loss, the meter reading of Distribution Franchisee's H.T. Meters should be of 24.00 hrs of last day of every month coinciding with reading of meters of Distribution Franchisee downstream consumers. The BEST Undertaking shall collect/download reading file sent by Distribution Franchisee on scheduled date. The reading given by Distribution Franchisee will be considered as correct reading and will be directly processed for billing without generating meter reading exceptions.
- (v) The BEST Undertaking shall implement a new cycle for billing of all Distribution Franchisee's meters so that all reports related to them can be generated to monitor the performance. The BEST Undertaking shall print monthly current bills alongwith consolidated statement/summary and make available at respective ward office.
- (vi) Update billing file and payment file in the revenue module.
- (vii) In case of Meter replacement/removal transactions shall be carried out by respective Customer Care Department through CRM work flows of Vidushi. Customer Care Department of the BEST Undertaking also responsible for carrying out transactions through CM and CRM work flows.
- (viii) If any Downstream consumer fails to remit electricity bill amount and Distribution Franchisee also fails to recover such charges, then BEST Undertaking shall disconnect the electric supply as per Section 56 of EA-2003.

(11) Other Conditions:

a) Event of Default & Termination : (Financial / Non Financial)

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by the BEST Undertaking its substantial obligations under this agreement, shall constitute a Distribution Franchisee event of default.

b) Financial :

- i) Failure on account of Distribution Franchisee to make payments as stipulated in this agreement.
- ii) Failure to maintain a performance guarantee as per agreement.
- iii) The Distribution Franchisee is declared insolvent or bankrupt.
- iv) Sale of energy meant for the Distribution Franchisee area to any party outside the Distribution Franchisee area.

c) Non financial :

- i)** Failure to submit in time the information report.
- ii)** The Distribution Franchisee has unlawfully repudiated this agreement or has otherwise expressed an intention not to be bound by this Agreement.
- iii)** Any representation or warranty made by the Distribution Franchisee during the term of the agreement is found to be false and misleading.
- iv)** Failure to submit Periodic Performance Report (Billing and collection report, updation of Assests, Register on monthly basis, Energy Audit report) to the BEST Undertaking after a stabilization period of two months from effective date.
- v)** Reporting inconsistencies in energy / revenue accounting.
- vi)** Persistent non-compliance of Regulations of MERC.
 - a)** Maharashtra Electricity Regulatory Commission (Electricity Supply Code and other Conditions of Supply) Regulations 2005.
 - b)** Maharashtra Electricity Regulatory Commission (Standard of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations 2005.
 - c)** In case of Distribution Franchisee's event of Default, the BEST Undertaking is entitled to issue 10 days clear Notice for termination of agreement.

(12) Termination of Contract and consequences thereof:

- (i)** The Distribution Franchisee Agreement may be terminated by either of the parties after giving notice of thirty days. The parties shall not however terminate the agreement within twelve months from the date of signing the agreement. The termination of agreement is without prejudice to the rights of the BEST Undertaking or of the Distribution Franchisee under the Act for recovery of any amounts due under the agreement. If for any reason, the Distribution Franchisee fails to fulfil his obligations in ensuring supply to downstream entities, the BEST Undertaking shall be justified in terminating the agreement granting the status of a Distribution Franchisee for the purpose of supplying electrical energy to identified downstream entities. Upon termination of this Agreement by the Distribution Franchisee or the Undertaking for any reason whatsoever, the Distribution Franchisee will be obliged to execute a separate supply agreement to continue receiving electric supply from the BEST Undertaking for the purposes of supply as a consumer. Further, the Distribution Franchisee will be bound to continue facilitating the use of its Transformer and other distribution assets to ensure continuous electricity supply to downstream entities for any such

extended period as may be required by the BEST Undertaking to make arrangements for alternate provisions to extend supply to downstream entities, and the Distribution Franchisee will be required to provide sufficient space for the establishment of a transformer by the BEST Undertaking for the purpose of distribution to downstream entities and shall facilitate the establishment of other distribution assets such as wiring and switches. During the transition period the BEST Undertaking shall recover the total bill amount from downstream consumers directly.

- (ii) The Distribution Franchisee electrical assets alongwith the space for the same shall be handed over to the BEST undertaking without any liability for acquisition of such distribution network developed by the Distribution Franchisee in the event of termination of agreement due to default on the part of the Distribution Franchisee. Further, the Distribution Franchisee will not have any right on such assets. And the BEST Undertaking shall have right to Invoke the Bank Guarantee & Recover all the dues from consumers.

(13) Indemnity:

In case of any false representation on the Distribution Franchisee's part or in case of documents produced by the Distribution Franchisee are found to be false, forged, fake the Distribution Franchisee shall be solely and exclusively responsible for the criminal or any other corresponding. The Distribution Franchisee shall keep the BEST Undertaking indemnified against any loss, claim, damages, action or account of such false representation or false, forged, fake documents. In case of any objection raised by any statutory authority, directs Licensee to disconnect the electric supply, the BEST Undertaking is authorized and empowered to disconnect the supply and remove the meters without any notice and the BEST Undertaking would not be responsible for any damages, compensation etc. Distribution Franchisee shall submit separate Indemnity Bond on a Stamp Paper of Rs.200/-, as per the prescribed format **Annexure-VI.**

The Distribution Franchisee shall indemnify, defend and hold Undertaking harmless at all times against:

- a) Any acts of omissions/commission of Distribution Franchisee with regard to the electricity services. In such event Distribution Franchisee shall have no claim for compensation, incentive or any other claim against Undertaking.
- b) Claims against Undertaking made by any third party for any act of commission or omission by Distribution Franchisee, Distribution Franchisee shall indemnify and hold Undertaking harmless and compensate all the losses so caused to Undertaking. Undertaking shall also be entitled to defend any action with third parties at the cost and expenses of Distribution Franchisee.

c) All monetary obligations or losses or implications arising out of such action of Distribution Franchisee in the nature of costs, expenses or damages. Undertaking shall have no liability in respect of loss of profit, loss of income, loss of agreement 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 Distribution Franchisee to provide support services shall remain unaffected thereby.

d) This Indemnification shall survive the term of this Agreement.

(14) Change of name:

The connection for electrical energy governed by this Agreement shall not be transferred, assigned or otherwise parted with to the name of any person other than the Distribution Franchisee without the previous consent in writing of the Undertaking (in accordance with the regulations laid down by the MERC).

(15) This Agreement is further subject to any limitations or restrictions that may be imposed from time to time by the Government of Maharashtra, MERC, (or) the SLDC or any other statutory authorities.

Any dispute arising out of any of the matter should be restricted to the region of Mumbai since the area of supply is within the City limits of Mumbai.

In case if the Electricity Act, 2003 is amended, accordingly prevailing franchise agreement will have to be reworked out in commensurate with the provisions of repealed Act.

(16) This Agreement will be binding on Distribution Franchisee and his executors and administrators.

(17) Any dispute arising out of this agreement shall be subjected to jurisdiction of courts in Mumbai.

(18) Arbitration:

Any dispute controversy, disagreement or claim arising under this agreement or any dispute with respect to validity of this Agreement (the 'Dispute') may be resolved in the following manner:

Where any dispute could not be settled by the parties within 30 (Thirty) days or within a mutually extended period from the date of receiving the notice of dispute by party from the other party then such dispute shall be referred to sole arbitration of the

General Manager, BEST. The arbitration proceeding shall be conducted in BEST office in Mumbai. The award passed by the Arbitrator shall be final and binding upon the parties hereto.

IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at Mumbai

For and on behalf of

For and on behalf of

[M/s. Brihan Mumbai Electric Supply
& Transport Undertaking]

[M/s. _____]

(Concerned DY.CH.ENGR.C.C.)

(Distribution Franchisee)

Signature with seal

Signature with seal

Witness :

Witness :

1. Concerned DECC '___' Ward
2. DEHVC

- 1.
- 2.