

**DISTRIBUTION NETWORK FRANCHISEE AGREEMENT**

**BETWEEN**

**ADANI ELECTRICITY MUMBAI LIMITED**

**AND**

**< Name of customer / Franchisee >**

**THIS AGREEMENT ("Agreement")** is made on the day\_\_\_\_\_ of \_\_\_\_\_ Two Thousand and \_\_\_\_\_, (hereinafter called the Effective Date), by and between **Adani Electricity Mumbai Limited** registered under the Companies Act, 1913, having its registered office at Devidas Lane, Off. SVP Road, Near Devidas Telephone Exchange, Borivali (W), Mumbai 400 103 hereinafter called **the "Distribution Licensee" or "AEML"**, which expression shall, unless repugnant to the context or meaning thereof, include its successors and assignees as party of the first part

AND

\_\_\_\_\_, a Company registered under Companies Act, 1956, having its Registered Office at \_\_\_\_\_ hereinafter referred to as the "Franchisee", which expression shall, unless repugnant to the context or meaning thereunder, be deemed to include its successors and assignees as party of the second part

Each individually referred to as "Party" and collectively referred to as "Parties".

**WHEREAS:**

1. Adani Electricity Mumbai Limited, (hereinafter referred to as "**AEML**"), is a Distribution licensee under the provisions of the Electricity Act, 2003 (hereinafter "**EA03**") having a License to distribute and supply electricity in the areas in and around suburbs of Mumbai inclusive of entire area covered under the Mira Bhayandar Municipal Corporation.
2. The Franchisee has developed the electricity distribution network for \_\_\_\_\_(hereinafter referred to as "**Franchisee Area**"), the technical details of which more particularly set out in the plans attached hereto and marked as **Schedule "1"**.
3. The Franchisee has approached AEML for providing electricity supply to the various separately identifiable Downstream Consumers connected to the Franchisee Network, as provided herein **Schedule 2**, within the Franchisee Area and AEML has agreed to distribute the electricity supply to the

## Distribution Network Franchisee Agreement

Downstream Consumers connected to the Franchisee Network upon the terms and subject to the conditions as hereinafter contained

4. The Franchisee shall own and operate the network between the Point(s) of Delivery to the Points of Supply of individual Downstream Consumers, as per the terms and conditions of this Agreement.
5. The Franchisee desires to operate as a Distribution Franchisee of AEML in accordance with 7th proviso to Section 14 read with Section 2(27) of the Electricity Act, 2003, the roles and responsibilities of which are as defined in this Agreement and undertakes to perform all obligations as stated and agreed hereunder in compliance with the applicable Laws, Regulations and directives of the Maharashtra Electricity Regulatory Commission (MERC) and AEML, as issued from time to time.
6. For the purpose of this Agreement, the Franchisee has provided to AEML, a list of all the separately identified Downstream Consumers to whom electricity shall be supplied by AEML using the Franchisee Network. The list contains details of the purposes, load and tariff classification (in accordance with the relevant MERC tariff order applicable to AEML) of each Downstream Consumer. The list is part of this Agreement as Schedule "2". The list shall be updated from time to time by written communication between the parties.
7. The Franchisee accepts all direct liabilities directly attributable to Franchisee arising out of installation, maintenance, failure, removal, non-compliance with applicable laws, etc. of Franchisee Network caused to any third party and/or to AEML's distribution system and agrees to perform all obligations as specifically set out in this Agreement.

**NOW IT IS HEREBY AGREED AND DECLARED** as follows:-

### **PART A: GENERAL**

In this Agreement, unless the context otherwise requires,

- a) any reference to a statutory provision shall include such provision as is from time to time modified or re-enacted or consolidated so far as such modification or re-enactment or consolidation applies or is capable of applying to any transactions entered into hereunder;
- b) the words importing singular shall include plural and vice versa, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal entity);

## Distribution Network Franchisee Agreement

- c) the headings are for convenience of reference only and shall not be used in and shall not affect the construction or interpretation of this Agreement;
- d) terms and words beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein and the terms and words defined in the Definitions and used therein shall have the meaning ascribed thereto in the Definitions;
- e) the words "include" and "including" are to be construed without limitation;
- f) the Schedules to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- g) any approval, authorization, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effectual only if it is in writing under the hands of duly authorized representative of such Party, as the case may be, in this behalf and not otherwise;

Both parties to this Agreement shall comply with the provisions of the Electricity Act, 2003 (36 of 2003) and the rules and regulations laid down thereunder. In the event any provision of this Agreement is inconsistent with the provisions of the Act and/or the rules or regulations laid down there under, the provisions of the Act, rules or regulations, as the case may be, shall take precedence to the extent of such inconsistency.

### **1 Definitions**

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

- (a) "**Act**" means the Electricity Act, 2003 (36 of 2003) as modified, substituted or amended from time to time;
- (b) "**Authorized Representative**" means all officers, staff or representatives of AEML or the Franchisee discharging functions under the general or specific authority granted, by the respective Parties;
- (c) "**Applicable Laws**" means all laws, promulgated or brought into force and effect by Government of India or State Government or MERC including regulations and rules made thereunder applicable to the transaction mentioned hereunder;
- (d) "**Applicable Permits**" means all clearances, permits, authorizations, consents and approvals required to be obtained or maintained under Applicable Laws in connection with the installation, upkeep, operation and maintenance of the Franchisee Network;

- (e) **"Average Billing Rate"** means the weighted average rate of tariff realization by AEML as approved for AEML in the Tariff Order for the concerned financial year;
- (f) **"Competent Authority"** in the context of this Agreement means any regulatory, judicial, quasi-judicial or supervisory body, having powers under the Act to seek any technical and/or commercial data from the Distribution Licensee regarding its regulated business of distribution of electricity;
- (g) **"Consumer"** means any person who is supplied with electricity for his/its own use by a Distribution Licensee or the Government or by any other person engaged in the business of supplying electricity to the public under the Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a Distribution Licensee, the Government or such other person, as the case may be;
- (h) **"Distribute"** means conveyance of electricity on the distribution system and the word "Distribution" shall be construed accordingly;
- (i) **"Distribution Licensee"** means a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in its area of supply;
- (j) **"Downstream Consumers"** means the separately identifiable entities, being consumers of power, who are already connected to or could be connected to in future, the Franchisee Network;
- (k) **"Electrical Plant"** means any plant, equipment, apparatus or appliance or any part thereof used for, or connected with, the generation, transmission, distribution or supply of electricity but does not include-
  - (a) an electric line; or
  - (b) a meter used for ascertaining the quantity of electricity supplied to any premises; or
  - (c) an electrical equipment, apparatus or appliance under the control of a consumer;
- (l) **"Electricity Supply Code"** means the regulations specified by MERC under the provisions of Section 50 read with Section 181 of the Electricity Act, 2003, as amended or superseded from time to time;
- (m) **"Force Majeure Event"** means, with respect to any Party, any event or circumstances which is or are not within the reasonable control of, or not caused due to an act or omission or negligence of that Party and which, by the exercise of reasonable care and diligence, that Party is not able to prevent, including, without limiting the generality of the foregoing:
  - (i) acts of God, including but not limited to lightning, storm, action of the elements, earthquakes, flood and natural disaster;
  - (ii) unavoidable accident, including but not limited to fire, explosion, radioactive contamination and toxic dangerous chemical contamination;

- (iii) any generation, transmission or distribution shutdown or interruption, which is required or directed by the State or Central Government or by MERC or the State Load Dispatch Centre; and
- (iv) any shut down or interruption, which is required to avoid serious and immediate risks of a significant plant or equipment failure;
- (n) "**Franchisee Network**" means the system of wires, electrical plant and associated facilities between the Point of Delivery and the Point of Supply of individual Downstream Consumers;
- (o) "**MERC**" means the Maharashtra Electricity Regulatory Commission;
- (p) "**Point of Supply**" means the point at the incoming terminals of AEML's meter fixed for Downstream Consumer;

Provided that, in case of a Downstream Consumer with HT (High Tension) installation, the point of supply means the point at the outgoing terminals of AEML's metering cubicle/breaker with metering;

Provided further that, in the absence of any metering cubicle/breaker with metering or where the metering is on the LT (Low Tension) side of the HT installation, the point of supply shall be the incoming terminals of the meter fixed for Downstream Consumer;

- (q) "**Point of Delivery**" means the physical point at outgoing metering cubicle/breaker with metering in the Substation where the Franchisee Network is connected to the distribution network of AEML;
- (r) "**Sanctioned load**" means load in kilowatt (kW) / Horse power (HP) mutually agreed between the AEML and the consumer;

Words or expressions used herein and not defined shall have the meanings assigned to them under the Act, the Rules or the Regulations.

## **2 Location:**

Subject to the rules and regulations framed by the MERC or any other statute for the time being in force, to the extent thereof, AEML shall supply to the Franchisee and the Franchisee shall off-take from AEML, at the Point of Delivery, the electrical supply, for onward delivery to the Point of Supply of all the Downstream Consumers through the Franchisee Network for the period and upon the terms for the purpose hereinabove at the premises as referred in **Schedule "1"** hereinafter referred to as "**Franchisee Area**".

## **3 Commencement of Agreement:**

The commencement of this Agreement shall be from the date of commencement of electricity supply to the Franchisee under terms of this Agreement (hereinafter "**Effective Date**").

**4 Term of Agreement:**

The term of the Agreement shall be a period of **Five ( 5 ) years** (“hereinafter referred to as **Term**”) commencing from the Effective Date and, in any event, no more than the duration of License period of AEML, unless terminated earlier as specified in **clause 4.1** below.

**4.1 Termination:**

This Agreement shall be terminated under the following conditions:

- (a) In the event of default of either party, more particularly set out in clauses 25.1 and 25.2 of this Agreement;
- (b) In the event the Franchisee does not wish to exercise the role of a Franchisee of AEML anytime before the natural term of this Agreement is completed, after a 30 days Notice in writing provided by the Franchisee to AEML

Provided that the termination of this Agreement under all circumstances shall be after following due procedure as set out in clauses 27 and 28 of this Agreement and shall be without prejudice to the rights of AEML or of the Franchisee for recovery of any amounts due under the Agreement.

Provided further that in the event of termination of this Agreement by either party due to any reason, the Franchisee shall be bound to permit AEML the use of its distribution transformer and any other distribution assets in order to ensure continuity of supply to the Downstream Consumers, till the time AEML makes separate network arrangements for supplying power to such Downstream Consumers. In such an event, both parties shall also have the option where AEML will buy out the Franchisee Network at a value mutually agreed between the Parties.

**4.2 Renewal:**

Upon expiry of this Agreement after a period of **Five** years from the Effective Date, Franchisee shall have the exclusive right to renew this Agreement for such further period of **Five** years on the same terms and conditions as stated herein. In the event, the Agreement is not renewed, the Franchisee shall be bound to permit AEML the use of its distribution transformer and any other distribution assets in order to ensure continuity of supply to the Downstream Consumers, till the time AEML makes separate network arrangements for supplying power to such Downstream Consumers, timelines for which are provided in the MERC Standards of Performance Regulations for Distribution Licensees, as prevailing from time to time.

**5 Legal Status of Franchisee:**

The Franchisee is a person authorized by the Distribution Licensee under 7th proviso to section 14 of the Electricity Act 2003 to undertake, within the Franchisee Area, all activities related to distribution of electricity as set out in this Agreement.

**6 Ownership rights:**

Franchisee shall be the owner of the assets installed and commissioned for Franchisee Network in Franchisee Area.

**7 Declaration by the Franchisee:**

It is hereby expressly agreed and declared by the Franchisee that it shall:

- (a) Design, develop, upgrade, operate and maintain the Franchisee Network in Franchisee Area at its own cost;
- (b) Abide by the provisions of the Act and the regulations made there-under, directions issued by State Government, MERC or any Statutory Authority for that purpose;
- (c) Act as a facilitator for electricity supply between AEML and the Downstream Consumers. The Franchisee shall have no inference with the legal rights and obligations that the Distribution Licensee and the Downstream Consumers shall have against one another under any existing arrangements Provided that rights, remedies and obligations of the Franchisee with respect to the Franchisee Network has not been affected in any manner whatsoever;
- (d) Take all efforts to reduce distribution system technical and commercial losses;
- (e) Ensure development and up-gradation of Franchisee Network such that the Distribution Licensee is able to fulfill its Universal Service Obligation in the Franchisee Area ;
- (f) Promptly notify AEML of any theft, pilferage or unauthorized use in the premises of any Downstream Consumers, if the same comes to the notice of the Franchisee;
- (g) All provisions of Supply Code and Standards of Performance Regulations issued by MERC from time to time shall be applicable to Franchisee Network of Franchisee except section 126, 135 and 138 of the Act wherein AEML is only authorized to take such necessary action as per the provisions of the Act;
- (h) Franchisee has agreed to provide, on written request, the security passes/access permissions to AEML employees or Authorized Signatory dealing with maintenance, meter reading, bill distribution or any other service for any activity which requires entry into the Franchisee Area under security.

**8 Franchisee to allow AEML to bring wire and electrical plant into the Franchisee Area:**

AEML, upon obtaining prior written permission from the Franchisee, shall be permitted to bring into the Franchise Area, the cables and electrical plant, as may be required for the Franchise Area. Franchisee may further permit AEML to lay the cables and install electrical plant for connecting any of the existing consumers or new consumers in the Franchisee Area, if any such consumer demands separate supply from AEML and AEML hereby agrees and undertakes to take reasonable care and precaution while laying cables and installing electrical plant to prevent any kind of accident, damage to the Franchisee Area and ensure not to disturb or obstruct to other occupants of the building.

**PART B: TECHNICAL**

The technical aspects of the Franchisee Network for design, development, up-gradation, maintenance and operation are described as under –

**9 Power Supply Arrangement:**

**9.1 System of Supply:**

The distribution of electrical energy through the Franchisee Network shall be consistent with MERC (Electricity Supply Code) Regulations, 2005 and the MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 and any amendments or modifications issued from time to time.

In addition, the Franchisee Network shall, at all times, be operated to conform to the requirements of the aforesaid Regulations, as well as the CEA (Measures related to the Safety & Electric Supply) Regulations, 2010 and all other applicable rules and regulations as specified by Central or State Electricity Regulatory Commission or any other Statutory Authorities.

**10 Franchisee Network Components/apparatus:**

The Franchisee Network has been developed by Franchisee to meet the demand of all the Downstream Consumers (individually and collectively). The detailed list of equipment in the Franchisee area is given in **Schedule 1**. On or before the Effective Date, AEML has inspected the Franchisee Network of the Franchisee and has satisfied itself about the same.

**11 Subsequent modification in the Franchisee Network:**



## Distribution Network Franchisee Agreement

No modification, augmentation or modernization shall be allowed to the Franchisee Network already installed and commissioned, without prior written permission of AEML and all such modification, augmentation or modernization as may be required shall be for the purpose of improving quality and reliability of supply to Downstream Consumers.

To meet the electric supply requirement of existing or new Downstream Consumers, if so required, AEML may issue a written communication to Franchisee to alter and augment the distribution network within Franchise Area and the Franchisee shall comply with it within the timelines as per Standards of Performance Regulations of MERC or within the time limit mutually agreed between the Parties.

During the Term, Franchisee has agreed to inform any addition/deletion of Downstream Consumer/s to/from the Franchisee Network in writing to AEML and accordingly, the **Schedule "2"** of this Agreement shall stand amended.

### **12 Provision of particulars:**

On Effective Date, Franchisee has agreed to furnish to AEML full particulars accompanied by the drawings and specifications showing the arrangement of all electrical plant and apparatus installed and intended to be installed by the Franchisee within the Franchise Area:

Provided that all such plant and apparatus shall comply with the Specification set out by Bureau of Indian Standards (BIS) for such equipment and apparatus;

Provided that all such plant and apparatus shall be of such design and operation that it shall not unduly or improperly interfere with the efficient supply of energy to Downstream Consumers;

All the electrical plant and apparatus supplied by the Franchisee, including the apparatus used by Downstream Consumers, shall be available for inspection and approval by AEML from time to time with prior written intimation.

### **13 Approval and Permits:**

Franchisee has agreed that, for its existing network and for any subsequent development, all statutory approvals from Competent Authorities/Municipal Corporation/PWD/Electrical Inspector/Fire Department etc are obtained and copy whereof will be provided to AEML within a reasonable period upon written request from AEML; and AEML will not be responsible in any manner for any liability arising out of negligence/default and non-compliance by Franchisee in this regard.

**14 Metering:**

AEML shall, at its own cost, install energy meters at the Point(s) of Delivery and to all Downstream Consumers, at their respective Points of Supply.

In case Stand-by power facility is provided by the Franchisee for its Downstream Consumers, then the Meters installed by AEML for Downstream Consumers shall have the capability of '**Dual Sensing**', so as to determine and segregate energy supplied to such consumers by AEML and that by the Franchisee through its stand-by facility and consumer having load demand above 100 A AEML will arrange the contactor based arrangement in a such a way that AEML meters will be turn off during the power failure to avoid the D.G power consumption records

Franchisee has agreed to provide adequate space required for meter cabin, Tap-Off boxes wherever metering is required as maybe mutually agreed.

The Franchisee shall submit final drawing of metering panels along with locations for the approval by AEML before the installation.

The Franchisee shall display and maintain the appropriate signage of instructions including but not limited to voltage, phase indicators, safety and also maintain updated schematics of the Franchisee Network on site.

Franchisee shall provide suitable spaces as mutually agreed for installation of communication equipment required for meter reading. The space so provided should be accessible 24x7.

**15 Responsibilities towards Franchisee installation:**

AEML shall provide supply at the Point of Delivery and shall not be under any obligation, beyond Point of Delivery, to install, maintain or supervise Franchisee Network or any part thereof which the Franchisee shall, at its expense and cost, supply, install, maintain and supervise. The Franchisee shall be solely responsible for maintaining of Franchisee Network required for the purposes of supply of electricity to the Downstream Consumers,. It is clarified to AEML that no equipment or any other material shall be put or installed by AEML in the Franchisee Network without prior written permission to the Franchisee and such permission shall not be unreasonably withheld by the Franchisee.

**16 Responsibilities of Franchisee regarding Franchisee Network:**

**16.1 Maintenance and Operations:**

## Distribution Network Franchisee Agreement

Franchisee shall maintain and operate the Franchisee Network as per best industry practices.

Franchisee shall maintain all preventive and breakdown maintenance records as per the formats prescribed by AEML and produce the same as and when requested in writing for scrutiny by AEML or for submission to Competent Authority, including MERC.

Franchisee shall maintain sufficient stock of spares or spares as recommended and required under the said Act, which shall be required for repairs/maintenance of the Franchisee Network.

The Franchisee shall ensure proper access, upkeep and cleanliness in the area around AEML's equipment and Franchisee Network in the entire Franchisee Area. The safety of AEML's equipment, if any in the Franchisee Area, and of the Franchisee Network shall be the responsibility of the Franchisee.

### **16.2 Right of Way:**

The Franchisee shall after prior approval permit AEML to access AEML's equipment and work on its Franchisee Network in the Franchisee Area in accordance with Regulation 8 of the Supply Code and shall provide access to AEML as may be required, all throughout the Franchisee Area.

### **16.3 Access to Franchisee Network:**

No person other than an Authorized Representative of AEML/Franchisee's maintenance team or any other person authorized under the Act and the rules and regulations made there-under shall be authorized to operate, handle or remove any components of the Franchisee Network including, electric lines or meter or break, remove, erase or otherwise interfere with the seals, name plates and distinguishing numbers or marks affixed on such property of AEML placed in the Franchisee Area.

The Franchisee agrees and undertakes to compensate AEML towards all cost of repairs for any damage caused to AEML's installations, if any in the Franchisee Area, attributable to Franchisee's maintenance team. Similarly, if any damage is caused to the Franchisee Network by the actions of AEML's team, reasonable compensation for any damage caused shall be provided to the Franchisee.

Upon prior written approval of the Franchisee, Franchisee shall permit authorized representatives of AEML into the Franchisee Area to read, inspect, test, install, remove any meters or metering equipment or any other activities that AEML desires to carry out in the Franchisee Area to fulfill its responsibility

as a Distribution Licensee, including replacing the meters or to energize or de-energize the Point of Supply or to check unauthorized extensions etc. in the Franchisee Area.

## **PART C: COMMERCIAL**

### **17 Application of power supply by Downstream Consumers:**

Downstream Consumer shall submit a duly filled in application for power supply as per the prescribed form and **(b)** pay necessary application processing charges to AEML. Franchisee shall facilitate AEML in collecting duly completed application/s containing all necessary information / documents in accordance with Regulation\_for supply of electricity from all the Downstream Consumers.

As the Franchisee Network from the Point of Delivery, upto the Point of Supply is developed by the Franchisee, the Downstream Consumers shall not be required to pay the Service Connection Charges as prescribed for new consumers in the applicable Schedule of Charges of AEML. However, in case any Downstream Consumer – present or future – wishes to obtain a direct power supply from AEML, then such consumer shall not be covered in the Franchise area / under this agreement and AEML shall provide the connection and Service Connection Charges shall be payable by such a consumer.

Subsequent to submission of completed application and payment of necessary charges, if any, as per above, AEML shall follow the process of release of connection as per MERC (Standards of Performance) Regulations, 2014, as amended from time to time and install an appropriate energy meter at the Point of Supply of each Downstream Consumer and energize the connection.

### **18 Billing and Collection of Downstream Consumers:**

Metering, meter reading, billing and collection of downstream consumers, from and after energizing the connection(s), shall be the sole responsibility of AEML. AEML will issue separate electricity bills to each Downstream Consumer. AEML shall inform Franchisee of the aggregate energy billed by it to Downstream Consumers, each month.

AEML shall raise bills as per the tariff applicable according to consumer categorization approved in the Tariff Order of AEML distribution business as applicable from time to time.

### **19 Franchisee fee and Payment:**

- 19.1** AEML shall pay to the Franchisee, a Franchisee Fee of Rs. XXXX per unit of energy billed to Downstream Consumers for the operation and maintenance of the Franchisee Network and for performing various other activities as set out in this Agreement. The Franchisee Fee shall be payable on a monthly basis. It is clarified that the energy billed to Downstream Consumers shall not include energy consumption for Franchisee's own load.
- 19.2** The Franchisee Fee shall be escalable at the rate of 3% per annum i.e. Year 2 fees shall be higher than Year 1 fees by 3%, and so on.
- 19.3** As stated earlier, any compensation payable by Franchisee towards non-compliance of MERC (Standards of Performance) Regulations, 2014, as amended from time to time, with respect to issues related to Franchisee Network, shall be deducted at source from Franchise Fee.
- 19.4** The Franchisee Fee is inclusive of all Direct and Indirect Taxes or Duties of Central or State Govt. or any other Statutory body, as may be applicable on the Franchisee Fee and the Franchisee shall not demand from AEML any separate compensation towards any taxes or duties.
- 19.5** The Franchisee Fee shall be payable by AEML to the Franchisee on or before **every 20<sup>th</sup> day** of month subsequent to Downstream Consumers' billing month. For example, if the Downstream Consumers are issued bill for the month of January, the Franchisee shall be paid for January on or before **20<sup>th</sup>** February. In the event, if AEML fails to make payment of such Franchisee Fee on the date mentioned herein then Franchisee shall be entitled to recover from AEML (without prejudice to the rights of Franchisee under this Agreement) interest at the rate of **15% per annum** from the due date of such payment till the date of realization of all these amounts by Franchisee.

**20 Billing for Franchisee's own load (common area load)**

AEML shall install appropriate energy Meter(s) at the Point(s) of Delivery and shall bill for Franchisee's own load on the difference of the energy recorded in the Meter at the Point of Delivery and the aggregate of energy recorded for Downstream Consumers.

In order to account for distribution losses over Franchisee network, the aggregate energy recorded for Downstream Consumers shall be grossed up by a loss factor of XX%, before subtracting it from the energy recorded at the Point of Delivery.

**21 Load Enhancement by Downstream Consumers:**

AEML shall inform the Franchisee upon registration of any load enhancement application by it, in respect of any Downstream Consumer and the Franchisee shall carry out the necessary network up-gradation, as may be required, so as to enable the Franchisee Network to cater to such load. The Franchisee shall follow the timelines as per the MERC (Standards of Performance) Regulations, 2014, as amended from time to time, in this regard and shall be liable to any shortfall or deficiency in service.

**22 Disconnection of supply to Downstream Consumers:**

AEML shall coordinate with the Franchisee to disconnect the supply of any Downstream Consumer either on request of permanent disconnection from such consumer, or in case of non-payment of electricity bill or for any other reason for which AEML is authorized to disconnect such supply as per the provisions of Electricity Act 2003. AEML shall provide prior written intimation to the Franchisee regarding such disconnection.

**23 Handling of complaints of Downstream Consumers:**

**23.1** Franchisee shall be the first point of contact for Downstream Consumers regarding their complaints of technical or commercial nature.

**23.2** In case of no supply complaint from any Downstream Consumer, Franchisee shall investigate the cause of the complaint and, in case, the complaint is found to be arising on account of meter failure or burning of meter, Franchisee shall promptly direct the concerned Downstream Consumer to register the complaint with AEML.

**23.3** In case such complaint is found to be arising due to a fault or any other abnormality on Franchisee Network, Franchisee shall promptly resolve the same, ensuring adherence to the timelines specified in the MERC (Standards of Performance for Distribution Licensees) Regulations, as amended from time to time. However, this does not preclude any Downstream Consumer from approaching AEML directly for resolution of its complaint.

**23.4** In case of complaints of commercial nature such as meter reading related or billing / tariff related, the Franchisee shall promptly direct the Downstream Consumer to register the complaint with AEML.

**PART C: MISCELLANEOUS**

**24 AEML's assets in Franchisee Area:**

## Distribution Network Franchisee Agreement

It is hereby expressly agreed and declared that all the meters, plant apparatus and equipment comprising the electrical installation belonging to AEML in the Franchisee Area as listed in annexure I, notwithstanding that the same or any part thereof are or may be fixed or fastened to any part of the premises or to the soil under or belonging to the same or otherwise are and shall at all times continue to be the sole and absolute property of and removable by AEML and shall not be subject to any mortgage or arrangement or composition with or assignment for the benefit of creditors or become subject to the Insolvency Laws nor shall they be in any way disturbed except by the authorized officials of AEML.

And the Franchisee hereby further agrees as follows:-

- (i) That AEML shall be at liberty to place its name plates or any marks or numbers on the said apparatus and equipment belonging to AEML and the Franchisee shall not alter or remove such plates, marks or numbers.
- (ii) That the said apparatus and equipment belonging to AEML shall be kept at the Franchisee Area free from distress execution or other legal process and shall not on any account be sold, assigned or dealt with or the possession thereof parted with.
- (iii) That the Franchisee will not at any time during the period of this Agreement execute or create any mortgage, encumbrance or charge in any way capable of affecting AEML's ownership of its own meters, plant apparatus, equipment, and the other property of the AEML in the Franchisee Area.
- (iv) That the agreement in this clause contained are in addition to the protection offered to the Distribution Licensee by the Act.

### **25 Events of Default:**

**25.1 Franchisee's Event of Default:** The following events shall constitute an event of default by the Franchisee (a "**Franchisee Event of Default**") unless such Franchisee Event of Default has occurred as a result of AEML's Event of Default or a Force Majeure Event;

- (i) The Franchisee consistently fails to maintain the Franchisee Network resulting in repeated interruption / failure of power supply reported by downstream consumers or observed by AEML;
- (ii) The Franchisee commits any material breach of the terms and conditions of this Agreement or the Electricity Laws;
- (iii) Any representation or warranty made by the Franchisee is found to be false and misleading which adversely affect AEML;

## Distribution Network Franchisee Agreement

- (v) Franchisee has unlawfully repudiated this Agreement or has otherwise expressed an intention not to be bound by this Agreement;
- (vi) The Franchisee is adjudged bankrupt or insolvent; or if a trustee or receiver is appointed for the Franchisee or for any of its property that in the opinion of AEML has a material adverse effect on the financial technical capability of the Franchisee to perform its obligations under this Agreement;
- (vii) The Franchisee executes or creates any mortgage charge or other encumbrance in any way capable of affecting the AEML's ownership of the electric meters, plant, apparatus and equipment, if any, in the Franchisee Area or any part thereof;
- (viii) The Franchisee suffers an execution being levied on any of its assets/equipment causing a material adverse effect on the performance of the Franchisee's obligations under this Agreement and allows it to be continued for a **period of 15 (fifteen) days**;

**25.2 AEML's Event of Default** will accrue in the event there is a material breach on the part of AEML and such material breach has an adverse effect on the Franchisee. Following events shall constitute AEML's event of default:

- (i) Any representation or warranty made by AEML is found to be false and misleading, which adversely affects the Franchisee;
- (ii) AEML unlawfully repudiates this Agreement or otherwise expresses an intention not to be bound by this agreement;
- (iii) AEML fails to make payment of already due Franchisee Fee

**26** Upon occurrence of an "Event of Default", the Parties shall follow the due procedure as set out in **clause 28** of this Agreement.

### **27 Procedure for Termination of the Agreement:**

**27.1 A 30 (thirty) day preliminary notice** of termination may be served by either Party to the defaulting Party, elaborating the event of default or prolonged event of Force Majeure leading to the termination of this Agreement.

**27.2** Upon receipt of preliminary termination notice the defaulting Party shall rectify such default within the notice period. If the default is not cured within the preliminary notice period, the Agreement may be terminated after serving the final written termination notice of **15(Fifteen) days** ("**Final Termination Notice**") to the defaulting Party.

**27.3** Both the parties shall continue to perform their respective obligations until the serving of Final Termination Notice.

### **28 Steps in case of Event of Default after serving of Final Termination Notice:**



**28.1** The Final Termination Notice shall be at least for a period of **Fifteen (15) days**.

**28.2 UPON TERMINATION OF THIS AGREEMENT:**

- i) Franchisee shall have the right to claim all dues payable to the Franchisee by AEML as per this Agreement, accrued upto the date of termination of this Agreement.

**29 Indemnity:**

Either party shall indemnify the other against any and all claims, losses, injuries, liabilities, costs, expenses, damages, actions or proceedings arising from breach of the provisions of this Agreement or violation of law or inaccuracy/misrepresentation of representations or warranties under the Agreement.

**29.1** This Indemnification shall survive the term of this Agreement but only in relation for claims, losses, injuries, liabilities, costs, expenses, damages, actions or proceedings arising during the term of agreement.

In no event will the Parties be liable to the other Party for any special, exemplary, punitive, incidental or consequential damages arising out of or in connection with any of the indemnities set out in this Agreement.

**30 Disclaimer:**

The Franchisee acknowledges that prior to execution of this Agreement, the Franchisee made a careful and complete examination as well as independent evaluation of proposal under the Agreement and has determined to the Franchisee's satisfaction the nature and extent of such difficulties, risks and hazards as are likely to arise or may be faced by the Franchisee in the course of performance of its obligations hereunder.

**31 Force Majeure:**

**31.1** Without limiting the general limitations of liability in any way arising under this Agreement neither party is responsible for failure or delay in performance of services or obligations hereby undertaken due to occurrence of any event of Force Majeure including acts of God, acts of any Government body (de jure or de facto) or regulatory body or public enemy, war, riots, embargoes, or strikes or other concerned acts of workmen whether of parties or others, casualties or accidents, shortage of power, labour or materials 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.

**31.2** A party affected by a Force Majeure Event shall use all reasonable endeavors to remove the effect of each Force Majeure Event affecting its performance under this agreement.

**31.3** If a party considers that a circumstance has arisen which constitutes or is likely to constitute or result in a Force Majeure Event, it shall as soon as reasonably practicable thereafter give to the other party, notice in writing containing particulars of the Force Majeure Event including-

- i) its nature and likely duration,
- ii) the obligations affected by it and the nature and extent of its effect on those obligations; and
- iii) the steps taken to remove, overcome or minimize its effect.

**32 Miscellaneous:**

**32.1 Governing Law and Jurisdiction:**

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India and the Courts at Mumbai, Maharashtra, India shall have jurisdiction over all matters arising out of or relating to this Agreement.

Any disputes arising between the parties hereto as to the rights and obligations under this Agreement or on account of compliance or non-compliance to this Agreement, shall be subject to jurisdiction of Courts in Mumbai.

**32.2 Information to Downstream Consumers:**

The Franchisee shall inform the Downstream Consumers / end user/s in writing about this Agreement as and when the ownership in the property / units is being transferred to the end user/s by specifically referring it under transfer /handing over documents.

All Downstream Consumers are and shall be AEML's consumers for the purpose of billing and shall be subjected to applicable tariff in accordance with MERC Orders.

Franchisee shall inform all Downstream Consumers / assignee about this Franchisee Agreement and obligations thereunder.

**32.3 Changes to the Agreement:**

Changes to this Agreement shall be only with mutual consent of the parties in writing. However, such changes should be within the applicable Regulations, Rules and Act.

Provided, that the changes should not affect the rights of Downstream Consumers as provided under the Law.

This Agreement shall be binding on the Parties, their successors and assigns for the time being of the said Franchisee Area. The Franchisee further agrees and confirms that if / as and when the ownership of the premises is/are transferred to any person or body corporate including Co-operative Society or Association or Company or Condominium of Owners or, if anybody looking after maintenance and management of the said Property is formed, such transfer or appointment will be subject to the rights of AEML in terms of this Agreement and will be binding on such person or body as if it was a party to this Agreement..

**32.4 AEML's Universal Service Obligation:**

With prior written consent of the Franchisee, AEML reserves its right to provide power supply to any person/consumer within the said Franchisee Area and ensure compliance of all conditions under the Act/Rules and Regulations as well as in terms of the standard practice followed by it.

**33 Waiver:**

**33.1** Waiver by either Party of any default by other Party in the observance and performance of any provision of or obligations of or under this Agreement:

- (i) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (ii) shall not be effective unless it is in writing and executed by a duly authorized representative of the Party; and
- (iii) shall not affect the validity or enforceability of this Agreement in any manner.

**33.2** Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation there under nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

**34 Notices:**

**34.1** Any payment, notice or other communication to be given by one Party to the other under, or in connection with the matters contemplated by this Agreement shall be in writing and shall:

- i. In the case of the Franchisee, be given by letter delivered by hand to the following address

Distribution Network Franchisee Agreement

**Name of Franchisee ,**

<<<Address >>>>

Phone :- +XXXXXXXXXXXXXXXX

ii. In the case of AEML, be given by letter delivered by hand to the

**M/s Adani Electricity Mumbai Limited,**

<<<Address >>>>

Phone :- +XXXXXXXXXXXXXXXX

**34.2** Copies of all notices shall also be sent by facsimile and by registered acknowledgement through pre-paid post or courier.

**34.3 Language:**

All notices required to be given by one Party to the other Party and all other communications, documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

**35 Counterparts:**

This Agreement may be executed in two counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have duly executed this **DISTRIBUTION FRANCHISEE AGREEMENT** as of the day and year first written above

SIGNED, SEALED AND DELIVERED

For and on behalf of

Adani Electricity Mumbai Limited

By

\_\_\_\_\_ (Signature)

In the presence of:

1.

2.

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Designation)

SIGNED, SEALED AND DELIVERED

For and on behalf of

FRANCHISEE by:

\_\_\_\_\_ (Signature)

In the presence of:

1.

2.

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Designation)

**Schedule 1**

**Area / Building Plan Details**

|  |              |               |
|--|--------------|---------------|
| Name of the Owner/Developer                            |              |               |
| Registered / Operation Office Address                  |              |               |
| Franchise Area Postal Address                          |              |               |
| Area Boundaries  |              |               |
| DP Plan / Revenue Land Identification Numbers          |              |               |
| OC .   |              |               |
| Dated  |              |               |
| Plot Area (sq Meters)                                  |              |               |
| Existing/Proposed Total Built Up Area (Sq Meters)      |              |               |
| Existing/Proposed floor wise Built Up Area (Sq Meters) |              |               |
| Type of Development                                    |              |               |
| Redevelopment  |              |               |
| No. of Buildings                                       | No. of Wings | No. of Floors |
|  |              |               |

**Area Map with boundaries marked in 'red' colour:**

**Electrical Single Line Diagram Attached**

**Rising Mains Layout, if applicable Not Applicable**

**Sub-station Layout Attached herewith**

**Annexure-I**

**List of Network Component: As per attached SLD**

| Sr. No. | Equipment description | Size | Quantity | Remark |
|---------|-----------------------|------|----------|--------|
|         |                       |      |          |        |
|         |                       |      |          |        |
|         |                       |      |          |        |
|         |                       |      |          |        |

*(also include the list of spares available, if any)*

**Brief of Franchisee's distribution operation and maintenance Management:**

Head: Name of person

Office Location :-

Contact No.: Office:

Mobile:

Shift In-charge to look after Downstream Consumers network related complaints : << Name of person >>.

Office Location :

Contact No.:

Office:

Mobile:

**Schedule 2**

**LIST OF DOWNSTREAM CONSUMERS**

| <b>S.No.</b>     | <b>Name of Consumer</b> | <b>Premise details</b> | <b>Purpose of electricity usage</b> | <b>Sanctioned Load by AEML ( in kW) Connected load</b> | <b>Tariff Classification as per Tariff Schedule applicable to AEML</b> |
|------------------|-------------------------|------------------------|-------------------------------------|--|--|
| <b><u>1.</u></b> |                         |                        |                                     |  |  |
| <b><u>2.</u></b> |                         |                        |                                     |  |  |
| <b><u>3.</u></b> |                         |                        |                                     |  |  |
| <b><u>4.</u></b> |                         |                        |                                     |  |  |
| <b><u>5.</u></b> |                         |                        |                                     |  |  |
| <b><u>6.</u></b> |                         |                        |                                     |  |  |
| <b><u>7.</u></b> |                         |                        |                                     |  |  |
| <b><u>8.</u></b> |                         |                        |                                     |  |  |
| <b><u>9.</u></b> |                         |                        |                                     |  |  |
|                  |                         |                        |                                     |  |  |
|                  |                         |                        |                                     |  |  |
|                  |                         |                        |                                     |  |  |
|                  |                         |                        |                                     |  |  |