

राजस्थान RAJASTHAN

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This AGREEMENT is made on 4<sup>th</sup> this day of  
FEBRUARY 2015 between

Nagar Nigam Kota, Government of Rajasthan acting through  
its Representative K.C. Meena CEO N.N. Kota  
(hereinafter referred to as the "ULB" which expression  
shall, unless the context otherwise requires, include its  
administrators, successors and assigns) of First Party;

And

Energy Efficiency Services Limited having its office at 4th Floor,  
IWAI Building, A-11, Sector - 1, Noida - 201301 (UP) acting  
through its Representative Shri Vivek Talwar, Regional Manager  
(hereinafter referred to as "EESL") of Second Party.

ULB

EESL

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मुख्य अधिकारी  
नगर निगम, कोटा

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 मुख्य कार्यकारी अधिकारी  
 एवं पदेन आयुक्त  
 नगर निगम, कोटा

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## 1 PARTIES TO THE AGREEMENT

This AGREEMENT is between the following two parties

1. Urban Local Body, Government of Rajasthan
2. Energy Efficiency Services Limited (EESL)

## 2 BACKGROUND

LSG has invited EESL to facilitate the supply, installation, commissioning, service and maintenance of LED Street Lights including their post installation maintenance and warranty replacement during the project period. In response thereto, EESL has agreed to facilitate installation of the latest LED street light technology as replacements to the existing conventional streetlight fixture. EESL shall facilitate the achievement of energy savings, O&M works which are needed to ensure a healthy system, rectification work based on consumer complaints and establishing project monitoring cell in coordination with the respective ULB.

## 3 Concept of the Project

The complete investment for the project would be borne by EESL. The project financing would be done using debt and equity in the ratio of 80:20. EESL shall undertake project implementation on its own or through an implementation partner, with EESL acting as a facilitator. All capital investment and operational expenditure required for the in-scope project tasks shall be arranged by EESL. The cost recovery of the same shall be done by monetizing energy savings achieved as part of the project implementation done, through retrofitting of conventional street lights fixtures with LED street light fixtures.

The repayment to EESL shall be on deemed savings basis, which would be calculated based on the results of the pilot & the total number of street lights installed in the respective ULB; these repayments would be spread over sufficient period of time to cover all costs.

## 4 SCOPE

This AGREEMENT provides a framework for implementation of energy efficiency measures in street lights in the ULBs under the administrative control of LSG in the State of Rajasthan. The implementation will be done by EESL or jointly with any implementation partner or through an implementation partner with EESL acting as a facilitator. The entire upfront capital cost of energy efficiency interventions, including field audit, annual maintenance, warranty replacement, establishment of project monitoring cell, dedicated call centre for handling complaints, O & M, needed pole cabling work for making a healthy system, shall be through EESL.

EESL shall replace the existing conventional streetlight fixtures with LED streetlight fixtures; and the wattage of the LED fixtures shall be determined as suitable in accordance to maintain or improve existing lux levels. In

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case of any variations in the specified numbers of fixtures as declared by participating ULBs, the same shall be accounted and will be brought to the notice of LSG and ULBs before replacement and such adjustment in quantity variations, at actual, shall result in adjustment of annuity receivable by EESL from LSG & ULBs.

EESL, as per the directions of the ULB, will take up implementation of LED based energy efficient street lights in the respective Urban Local Bodies (ULBs) in a manner that the entire ULB is appropriately covered, in a time span of 12-16 weeks.

## 5 OBLIGATIONS OF THE PARTIES

### 5.1 ULB

1. ULB shall provide all approvals, permissions and necessary support as required during project preparation, implementation and service period under this agreement.
2. ULB shall provide, grant of all such permissions, authorizations which EESL or their authorized vendor/representatives may require or is obliged to seek from ULBs, in connection with implementation of the project and the performance of its obligations under this agreement.
3. In case of dispute or an ambiguity between the EESL and ULB, the LSG shall have the obligation to resolve the dispute/ambiguity.
4. LSG shall facilitate deployment of third party inspection which can be by SDA Rajasthan /BEE or any other mutually agreed party. The expenditure of third party inspection shall be as per actual and charged as per the project cost.
5. ULB shall appoint a nodal officer (for the respective ULB), who will be the part of project monitoring cell and shall work with EESL to enable successful LED project implementation, in the respective ULB.

### 5.2 EESL

1. Baseline estimation to assess- reduction on actual energy consumption, number of street lights in actual operation for each type, hours of operation of each type and tariff.
2. EESL shall conduct only one pilot in one of the mutually identified ULBs and the outcome of the same shall be added in the MoU as annexure.
3. Project Management including calculation of energy savings, project preparation, issuance of bids, evaluation and selection of implementing agency based on open competitive bidding, as per prevailing Rules.
4. Implementation of LED lights including supply, installation and commissioning, as per the agreed schedule. A tentative schedule is placed at Annexure 1.

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5. Operation & Maintenance of the lights during the contract period. For AMC payments and its escalations, kindly refer "Payment Terms" section.
6. EESL shall hand over the existing street lights which have to be replaced by LED, to respective ULBs, at actual condition. If there is no fixture found on the pole, the same should be recorded by concerned official of EESL and respective ULB. The receiving certificate, of the same shall be issued by the competent authority of the respective ULB.
7. EESL shall facilitate In ensuring ULBs undertake necessary infrastructure development (identified & included as part of the project cost) as maybe required to ensure healthy uninterrupted operation of LED lights that may include-- providing appropriate pole cabling, phase wire work, fuse box, surge protector, earthing arrangements, clamps, nut-bolts, brackets and arm only, where ever necessary.

Project Implementation Deliverables:

1. EESL shall rectify LED faults within 48 hours of intimation failing which a penalty of Rs. 25 per day per lamp shall be deducted from EESL's monthly payments.
2. EESL shall maintain a minimum uptime of retrofit luminaries of 95% excluding the period of non-availability of power supply. The following will be the performance requirement for replacement that EESL agrees to under this MoU:
3. (a) To replace the defective/ non burning LED lights within 48 hours of the reported failure. Starting of failure period for record will be based on the report from CCMS system. In the absence of CCMS starting of failure for record will be by ULB authorized representative. Penalty for non-fulfillment after 48 Hrs is reckoned as follows.  

$$\text{Penalty} = 2 [(\text{wattage of defective LED lights}) \times 11 \text{ hours} \times \text{no. of days of default beyond 48 hours} \times \text{tariff}]$$

(b) To keep adequate quantities of spare LED lights in order to enable speedy replacement.

(c) In case of default by EESL on any of the above, including maintaining uptime of lights of 95%, a penalty equivalent to 2 times the monetized value of energy savings from the defective/ non burning lamps will be deducted from EESL monthly payment. The penalty will be reckoned as follows.  

$$\text{Penalty} = 2 [(\text{wattage of defective LED lights}) \times 11 \text{ hours} \times \text{no. of days of default beyond 48 hours} \times \text{tariff}]$$

Note: Penalty shall be given as per points 1 and 3 (a) as above, whichever is higher.
4. EESL shall replace all existing conventional streetlight fixture, with LED fixtures, (excluding LED fixtures already installed) in the jurisdiction of ULBs
5. The LED fixtures shall be replaced as point to point replacement of existing conventional streetlight fixtures i.e., both functional/non-functional fixtures shall be considered for replacement.
6. The existing conventional streetlight fixtures shall be replaced with LED streetlight fixtures and replacement wattage of LED streetlight fixtures shall be lesser than the existing streetlight fixture wattage and it shall be focused to improve the illumination level compared to existing lux levels. The

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output of the LED lux level shall meet the standards, where the road-pole configurations are as per NLC/IS.

7. EESL will replace the conventional street lights with appropriate LEDs to ensure minimum 50% energy savings as a whole, at the same time meeting existing/or higher illumination levels.
8. Pilot project should be implemented in one ULB, where maximum types of LED street lights can be installed. Findings of the same shall be replicated to all ULBs. The maximum no of lights installed in pilot project is 100.
9. Alternate arrangements include Light Off/Dimming options may be adopted during 12 PM to 5 AM for saving aspects.
10. To enable healthy lighting system, O&M and any additional work carried out by the company cost of the same shall be borne by ULB.
11. Direct points shall be replaced by LED Lights along with an auto on / off switch and/or CCMS, whichever applicable.
12. All OFF Lights connected in the CCMS system, should be identified by the master panel and same shall be rectified by the company. This would not be applicable where only auto on/off switch is installed and where there is no dedicated CCMS system.
13. A dedicated toll free number would be established for managing public complaints.
14. New LED Lights (including replacements) installed by EESL only, shall be maintained by EESL for the entire contract period.

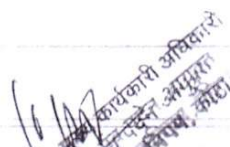
## 6 Agreement Term

This Agreement commences on 01/02/2015 and will remain in force for 7 years from the date as mentioned, unless rescinded by either party. The Agreement can be extended further by the mutual consent of all the Parties.

## 7 Payment Terms

ULBs shall make payment to EESL as per the following principle:

1. All capital costs shall be on actual, as per competitive bidding and will be included in project cost
2. EESL pre tax return on equity will be 21% per annum.
3. The debt equity ratio will be 80:20
4. The interest rate on debt will be on actual, subject to a maximum rate of 12.5%.
5. AMC charges including fixtures and accessories shall be Rs 300 per point per annum, for first year and shall have 5% annual escalation, throughout the contract period.
6. All statutory taxes/duties will be reimbursed by ULB to EESL on actual. Tax presently applicable is service tax at the rate of 12.36% of total pay-out to EESL.

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7. Primarily the concerned ULB will make the payment through its electricity unit savings, annual purchasing cost of fixtures (Capital Cost) and O&M Charges. Payments shall be made from Urban Cess and any shortfall will be paid through the grant provided to ULB, by LSG.
8. Payment of monthly annuity charges shall be arrived on the basis of the baseline arrived during the pilot phase, as annexed in MoU and the exact total number of street lights installed. The format for the same is placed at Annexure 2, which would be signed by the competent authority of respective ULB .
9. The power savings due to non-availability of power supply cannot be considered for calculation of energy savings.
10. Tariff used for calculating monetary savings shall be the applicable tariff for street lighting by state regulatory commission.
11. Annuity amount determined shall be paid to EESL on monthly basis as agreed in this agreement. The fixed annuity amount payable to EESL during the contract period shall be assured through an ESCROW arrangement.
12. Not later than one month from the date of completion of the LED project implementation, ULB shall through a schedule bank open ESCROW account for monthly payment which will have a balance of three months of annuity and that will be reviewed annually.
13. LSG shall facilitate payment security for investment of EESL by way of ESCROW/ State Government Guarantee/ Revolving Letter of Credit as decided by LSG in consultation with EESL and ULB from time to time.
14. EESL will insure the fittings during the period of the contract against any natural disaster such as fire, earthquake and safeguarding theft. The cost of insurance, including premium, will be charged on actual, as part of the project cost. It is incumbent on the ULB to issue necessary documentary support for the damage/theft to the assets with reasons for the same, as these assets are owned by the respective ULB.
15. The expenditure for installing MIS System [which includes-fault status, energy monitoring and On/Off status of streetlights], project monitoring cell and call centre shall be charged on actual, as part of the project cost.
16. The expenditure for conducting pilot, shall be charged at actual as part of the project cost. If the LSG or ULB do not undertake the project implementation, post the initiation of the pilot implementation, the cost of undertaking pilot implementation shall be reimbursed to EESL, at actual.

## **8 PROCEDURES FOR AMENDMENT, CANCELLATION, ARBITRATION AND EXCLUSIVITY**

1. This AGREEMENT may be renegotiated, if at any time during its term, the work or environment of the LSG and EESL, is so altered that the contents of the Agreement are no longer appropriate.

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2. This Agreement embodies the entire understanding of the parties as to its subject matter and shall not be amended except in writing executed by all the Parties to this agreement. Any changes are to be recorded in writing and inserted or attached to this Bilateral Agreement and this will have the effect of updating the Bilateral Agreement.

## 9 TERMINATION FOR DEFAULT

### 9.1 The "ULB" Events of Default

Each of the following events or circumstances, to the extent caused by a default of the "ULB" and if not cured within the Cure Period, which shall be 30 (thirty) days (unless provided otherwise in this Agreement), from the date of notice of default (the "Default Notice") from the "EESL", shall be considered for the purpose of this Agreement as events of default of the ULB.

1. The ULB is in breach of its obligations under this Agreement, which has a Material Adverse Effect upon the "EESL" or the Project and this breach is not cured within a Cure Period of 30 days from the date of Default Notice.
2. The ULB is in breach of any representation or warranty made under this Agreement or it repudiates this Agreement.
3. Dept. of Local Self Govt. or any Competent Authority has by an act of commission or omission created a circumstance that has a Material Adverse Effect on the "EESL" and the ULB has failed to compensate the EESL for the same through an adjustment.
4. The ULB and / or LSG fail to pay the EESL the consideration as applicable.

### 9.2 Termination by the "EESL"

Without prejudice to any right or remedy, which the "EESL" may have under this AGREEMENT, upon occurrence of Default or Event of Default by the "ULB", the "EESL" shall be entitled to issue a Termination Notice to the "ULB". The Termination Notice shall grant the "ULB" a further period of 30 (thirty) days (the Termination Period) to make a representation, and if, during the Termination Period the "ULB" takes suitable steps to remedy the situation, the "EESL" shall be entitled to withdraw the Termination Notice. If the Termination Notice is not withdrawn within the Termination Period, this Agreement will automatically terminate on the expiry of the Termination Period. In case of termination, EESL shall issue notice in writing. The notice given on the address given in the title article of this AGREEMENT will be considered as a valid notice.

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### 9.3 EESL Event of Default

Each of the following events or circumstances, to the extent caused by default of the EESL, and if not cured within the "Cure Period which shall be 30 (thirty) days from the date of notice of default (the "Default Notice") from the "ULB", shall be considered for the purpose of this AGREEMENT as Events of Default of the "EESL":

1. The "EESL" is in breach of its obligations under this AGREEMENT, which has a Material Adverse Effect upon the "ULB" or the Project.
2. The "EESL" is in breach of any representation or warranty made under this AGREEMENT or it repudiates this AGREEMENT.
3. The "EESL" abandons the Project or any of its material obligations as provided under this AGREEMENT.

### 9.4 Termination by the "ULB"

Without prejudice to any other right or remedies which the ULB may have under or be entitled to terminate this AGREEMENT by following the procedure set forth under this AGREEMENT, upon occurrence of "EESL" Event of Default, the ULB shall be entitled to terminate this AGREEMENT by following the procedure set forth hereinafter:

1. The ULB shall be entitled to issue a Termination Notice to the "EESL". The Termination Notice shall grant the "EESL" 30 (thirty) days (the "Termination Period") to make a representation, and if, during the Termination Period the "EESL" takes suitable steps to remedy the default situation, the "ULB" shall be entitled to withdraw the Termination Notice.
2. If the "EESL" fails to cure the defaults within the Termination Period the agreement stands terminated by the respective ULB.
3. In case of termination, ULB shall issue notice in writing. The notice given on the address given in the title article of this AGREEMENT will be considered as a valid notice.

## 10 CONSEQUENCES OF TERMINATION

Upon termination of this AGREEMENT for any reason, the terms specified in this AGREEMENT shall cease to exist and are not enforceable.

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## 10.1 Termination Payment for Termination by "EESL"

1. Upon Termination by the "EESL" on account of the "ULB" Default under Articles 9.1, the "EESL" shall be entitled to receive from ULB by the way of Termination Payment a sum equal to the consideration of the Project as specified in section "Payment Terms" of this AGREEMENT minus the amounts paid till termination of the AGREEMENT minus the interest not applicable for the balance period of the AGREEMENT after termination.
2. Payments due to the "EESL", as calculated under section "Payment Terms" shall be made within 30 (thirty days) days of termination of the AGREEMENT pursuant to article 9.1, "The "ULB" Events of Default".
3. In case of termination of AGREEMENT, either party will have no claims against each other.

## 10.2 Termination Payment for Termination by ULB

1. Upon Termination by the "ULB" on account of default by the "EESL" during period of this AGREEMENT, in accordance with the provisions of Articles 9.3, "EESL" Event of Default", the "EESL" shall not be entitled to receive any payment from the ULB by the way of Termination Payment.
2. However, if the Termination by the ULB is on account of the default by the "EESL" before supplies are affected in terms of this AGREEMENT, then the "EESL" shall not be entitled for any Termination Payments.

## 10.3 Other rights and obligations upon Termination

1. Upon Termination of this AGREEMENT and payment of Termination Payment to the "EESL" as applicable in full, the ULB shall:-
  - a. Take control of the Project forthwith;
  - b. Take control of all Energy Efficient LED Street Lights supplied under this AGREEMENT.
2. Upon Termination of this AGREEMENT it shall be the responsibility of the "EESL" to co-operate with the ULB and comply with all reasonable requests thereof including the execution of any documents and other actions, provided the ULB bears any reasonable Costs incurred by the "EESL" relating thereto.

## 11 FORCE MAJEURE

### 11.1 Force Majeure Event

In this AGREEMENT "Force Majeure" means an event occurrence in India of any or all of the Non-Political Force Majeure Event. Indirect Political Force Majeure Event and Political Force Majeure Event described in this

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section, hereinafter which prevents the Party claiming Force Majeure (the "Affected Party") from performing its obligations under this AGREEMENT and which act or event:-

1. Is beyond the reasonable control of and not arising out of the fault or negligence of the Affected Party or the failure of such Party to perform its obligations hereunder;
2. The Affected Party has been unable to prevent by the exercise of due diligence and reasonable efforts, skill and care and
3. Has a Materially Adverse Effect on the Project.

## 11.2 Non-Political Force Majeure Events

For the purposes of Article 11.1, Non-Political Force Majeure Events shall mean one or more of the following acts or events:

1. Acts of God or events beyond the reasonable control of the Affected Party which could not reasonably have been expected to occur, extreme adverse, weather or environmental conditions, lightning, earthquakes, heavy rains, cyclones, tempest, whirlwind, landslides, storms, floods, volcanic eruptions or fire (to the extent originating from a source external to the Facility or not designed for in Implementation Works);
2. Radioactive contamination or ionizing radiation;

## 11.3 Indirect Political Force Majeure Event

For the purposes of Article 11.1, indirect Political Force Majeure Events mean one or more of the following acts or events:

1. An act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, unexpected call up of armed forces, blockade, embargo, rebellion, riot, religious strife, bombs or civil commotion, sabotage, terrorism which prevents normal operations of the "EESL" for a continuous period exceeding 6 (six) months from the Compliance Date.
2. Industry wide or state wide or India wide strikes or industrial action for a continuous period exceeding 6 (six) months from the Compliance Date.

## 11.4 Political Force Majeure Event

For the purposes of Article 11.1, Political Force Majeure Events shall mean one or more of the following acts or events by or on account of the ULB, Govt. of Rajasthan, Government of India or any other Competent Authority:

1. Appropriation or compulsory confiscation, by any Competent Authority any Project Assets or rights of the "EESL" or of the Contractors; or

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2. Any unlawful or unauthorized or without jurisdiction, revocation of, refusal to renew or grant without valid cause any consent or approval required by the EESL" or any of the Contractors to perform their respective obligations under this AGREEMENT (other than a consent, the obtaining of which is a condition precedent) provided that such delay, modification, denial, refusal or revocation did not result from the EESL or any contractor's inability or failure to comply with any condition relating to the grant, maintenance or renewal of such consents or permits.

### **11.5 Exceptions Applicable to the "EESL"**

The "EESL" shall not have the right to consider any of the following circumstances to be an event of Force Majeure that would suspend the performance or excuse the non-performance of its obligations under this AGREEMENT other than the circumstances resulting from an event of Force Majeure:-

1. Delay in performance by the "EESL", Subcontractor(s), agents and employees of the "EESL"; or
2. Breakdown or ordinary wear and tear of materials, equipment machinery or parts relating to the Project.

### **11.6 Exceptions Applicable to the "ULB"**

The ULB shall not have the right to consider any of the following circumstances to be an event of Force Majeure that would suspend the performance or excuse the non-performance of its obligations under this AGREEMENT:

1. The appropriation, confiscation, nationalization or requisition of the Project, Project Assets by the ULB;
2. The imposition of any blockade, embargo, import restrictions, rationing or allocation by the ULB or any Competent Authority; or
3. Change of Governments or administrators of ULB.

### **11.7 Effect of Force Majeure after Compliance Date**

Upon occurrence of any Force Majeure Event after the Compliance Date, the following shall apply:

1. Where the Force Majeure Event occurs after the Compliance Date the critical time limits set forth in this AGREEMENT shall be extended by the period for which such Force Majeure Event shall subsist;
2. All cost arising out or concerning such Force Majeure Event shall be borne in accordance with provisions of article 11.8.

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## 11.8 Allocation of costs during the subsistence of Force Majeure

Upon occurrence of a Force Majeure Event after Compliance Date, the cost arising out of such event shall be allocated as follows:

1. When the Force Majeure Event is a Non Political Event, the Parties shall bear their respective costs and neither Party shall be required to pay to the other Party any cost arising out of any such Force Majeure Event;
2. Where the Force Majeure Event is an Indirect Political Event, the costs attributable to such Force Majeure Event and directly relating to the Project (the Force Majeure Costs), shall be reimbursed by the ULB to the "EESL" within 30 (thirty) days from the date of receipt of EESL claim therefore;
3. Where the Force Majeure Event is a Political Event, the Force Majeure Costs to the extent actually incurred and duly certified by the Statutory Auditors shall be reimbursed by the ULB to the "EESL" in one lump sum not later than 30 (thirty) days after the end of the Force Majeure Event and receipt of notice by the "ULB" to that effect.

## 11.9 Termination Notice

If the Force Majeure Event subsists for a period of 270 (two hundred seventy days or more within a continuous period of 365 (three hundred sixty five) days either Party may in its sole discretion terminate the agreement by giving 30 (thirty) days Termination Notice in writing to the other Party without being liable any manner whatsoever, save and except as per the provisions of in Article 11

## 11.10 Termination Payments for Force Majeure Events

Upon Termination of this AGREEMENT pursuant to Article 11.9, the Termination Payment to the "EESL" shall be made in accordance with the following:

1. If the Termination is on account of Non Political Event, the "EESL" shall be entitled to receive from the ULB by way of Termination Payment an amount equal to 90% (ninety percent) of the consideration of the project as specified in section "Payment Terms" of this AGREEMENT minus the amounts paid till termination of the AGREEMENT minus the interest not applicable for the balance period of the AGREEMENT after termination.
2. If the Termination of this AGREEMENT is on account of an Indirect Political Event, the "EESL" shall be entitled to receive from the "ULB" by the way of Termination Payment an amount equal to the consideration of the project as specified in section "Payment Terms" of this AGREEMENT minus the interest not applicable for the balance period of AGREEMENT after termination.
3. If the Termination of this AGREEMENT is on account of a Political Event, the "EESL" shall be entitled to receive from the ULB, by the way of Termination Payment an amount equal to the consideration of the project as specified in section "Payment Terms" of this AGREEMENT minus the amounts paid till

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termination of the AGREEMENT minus the interest not applicable for the balance period of the AGREEMENT after termination.

## **11.11 Termination Payments**

The Termination Payments pursuant to the Article 11.10 shall become due and payable to the "EESL" by the ULB in one lump sum not later than 30 (thirty) days after the end of the Force Majeure Event and notice to the ULB to that effect.

## **12 Dispute Resolution**

### **12.1 Dispute**

Any dispute, difference or controversy of whatever nature regarding the validity, interpretation, implementation or the rights and obligations arising out of, or in relation to, or howsoever arising under or in relation to this AGREEMENT between the Parties, and so notified by either Party to the other Party (the "Dispute") shall be subject to the dispute resolution procedure set out in this section. It is specially clarified here that in case of any ambiguity regarding the works, the practices existing at the time of submission of the proposal as per Good Industry Practice would prevail.

### **12.2 Direct discussion between Parties**

The Parties agree that any Dispute that may arise between them shall be first submitted for direct discussion between the Parties. For this purpose, the notice of Dispute (the "Notice of Dispute") sent by one Party to the other Party under this AGREEMENT shall be considered as invitation for direct discussion, and it should specify a reasonable time and venue for the conducting of negotiation proceedings. In addition, the Notice of Dispute shall specify the basis of the Dispute and the amount claimed. In the direct discussion proceedings, each Party shall be represented by their representatives/officials or employees with sufficient knowledge and authority over the subject matter of the Dispute in order to have a meaningful discussion. At the discussion proceedings, the Party that has given the Notice of Dispute shall present an offer of settlement, which may form the starting point of discussions between the two Parties during the discussion proceedings. The direct discussion meeting as stated above will be held at the Office of the Project In-charge of respective ULBs. The proceedings of this meeting shall be recorded by the Project In-charge.

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## 12.3 Arbitration or Adjudication

1. In the event that the parties are unable to resolve the Dispute through Direct Discussion under Article 10.2, the Parties shall submit the Dispute for arbitration in accordance with the Arbitration and Conciliation Act, 1996. There shall be board of 3 (three) arbitrators of whom 1 (one) shall be appointed by the ULB, 1 (one) shall be appointed by the "EESL" and the third appointed by the 2 (two) arbitrators appointed as aforesaid and shall be the Principal Secretary LSG.
2. The arbitration proceedings shall be conducted in the English language only.
3. The cost incurred on the process of arbitration including inter alia the fees of the arbitral tribunal and the cost of the proceedings shall be borne by the parties in equal proportions. Each Party shall bear its own legal fees incurred as of any Dispute under this Article.
4. The arbitration proceeding shall be conducted at Jaipur, Rajasthan.
5. If any dispute goes to the court of law, the jurisdiction of the court shall be the Court of Jaipur, Rajasthan. This is only subject to adjudication of dispute resolution through arbitration.

## 13 Cooperation

1. ULB and EESL will consult with each other, whenever it may be appropriate, on the matters covered by this AGREEMENT and will use their best endeavors to ensure that staffs of the organizations cooperate in good faith with one another.
2. All Parties should apprise / keep each other informed on project related matters. If any Issue or dispute arises between ULB and EESL, they will use their best endeavors to resolve the dispute promptly.

ULB

EESL



## 14 SIGNATURES

Both parties shall, in principle agree to the above points and its implementation in the ULBs shall be as per the approval by PPP Cell guideline as per rules of Govt. of Rajasthan.

IN WITNESS WHEREOF, the Parties have entered into this AGREEMENT, the day and year as mentioned above.

1.

Name K.C. Meena.

Designation CEO Nagah Nigam Kota

Executed for ULB  
By its duly Authorized  
Representative

Witness 1

04/02/15  
Ram Charan Sharma  
Commissioner, Nagah Nigam  
Kota. (Ray.)

Witness 2

M. K. Bairwa  
M. K. Bairwa  
Commissioner (Genl)  
J.M.C. Jaipur

2.

Name VIVEK TALWAR

Designation Regional Manager

Executed for EESL  
By its duly Authorized  
Representative

Witness 1

praj  
[ROUNAK BANDOPADHYAY]

Witness 2

Mukesh Kumar  
(Mukesh Kumar Ray)

04/02/2015  
मुख्य कार्यकारी अधिकारी  
एन एन आर  
नगर निगम, कोटा

ULB

EESL

# 15Annexure 1

## TENTATIVE SCHEDULE FOR STREET LIGHTING PROJECTS FOR 1 ULB AT RAJASTHAN

The entire implementation is done in a span of 12-16 weeks from initial discussions or 12-13 weeks from the date of signing of Implementation agreement, whichever is later. The draft work-plan to be adhered for each of the ULB is listed below.

PROJECT IMPLEMENTATION SCHEDULE FOR 1 ULB FOR STREET LIGHTING ESCO PROJECT BY EESL																
Project Milestone Envisaged	Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13	Wk 14	Wk 15	Wk 16
Preliminary study and Initial discussions & Inventory Data Collection																
Field Survey and Baseline Estimations																
Finalization of Implementation modalities and Signing of Implementation agreements																
RFP and solicitation of bids by EESL																
Pre-Bid Meeting & Issuance of amendments																
Bids opening and Issuance of LOA																
Ramping Up/Initialization Period																
Supply and commissioning of street lights by EESL/Vendor																
Post project PMV by EESL & ULB																
Completion certification from ULB and Annuity Calculations																
O&M for 7 Years																

मुख्य कार्यकारी अधिकारी  
एव पटेल आयुक्त  
नगर निगम, कोटा

ULB

EESL



## 16Annexure 2

[Kindly Refer Section "Payment Terms"]

We hereby done verification of the LED Street Light Project implementations and the final deemed energy savings and annuity calculations are as hereunder:

Particulars	Unit	Different Types of Conventional Street Lights				
		Type 1	Type 2	Type 3	Type 4	Others
Quantity						
Wattage of existing Street Lighting						
Losses						
Total Wattage of existing Street Lighting						
Wattage of LED Street Lighting						
Hours of Usage						
Hours of Usage						
Operating days per year						
Existing Energy Consumption per year						
New Energy Consumption per year						
Energy saved per year						
Energy Saved per year						

Financial Calculation for Street Lighting Project								
1	Cost per LED Watt (INR)							
2	Cost per Driver (INR)							
3	Cost per CCMS (INR)							
4	Total number of Street Lights to be replaced							
5	Total LED Watts to be replaced							
6	Infrastructure Development Cost							
7	Project Management Consultancy %							
8	Capital cost of the Project							
9	Project life							
10	Financial Years	1	2	3	4	5	6	7
11	Equity portion							
12	Debt portion							
13	Debt at the beginning of the Financial year							
14	Debt at the End of the Financial year							
15	Principal payout annually							
16	Interest Rate/ Interest amount							
17	Annual maintenance charges (Warranty, Maintenance & Manpower) @ Rs 300 per LED with 5% annual escalation	-	-	-	-	-	-	-
18	Recovery of equity investment	-	-	-	-	-	-	-
19	Annual repayment to be made to EESL Excluding Service Tax	-	-	-	-	-	-	-
20	Service Tax @ 12.36%	-	-	-	-	-	-	-
21	Annual repayment to be made to EESL Including Service Tax	-	-	-	-	-	-	-
26	Trade-Off between Annual Payments to EESL and Savings in Electricity Bill							
	Energy Savings per Annum in units							
	Tariff Rate per Unit (INR)							
	Benefit: Annual Savings in Electricity Consumption (INR Crores)							
	Benefit: Annual Savings in Maintenance Cost (INR Crores)							
	Payout: Payment to EESL (INR Crores)	-	-	-	-	-	-	-

1.


Name

Designation

2.

Name

Designation

  
मुख्य कार्यकारी अधिकारी  
एव पब्लिक आयुक्त  
नगर निगम, कोटा


ULB

EESL

## 17 DEFINITIONS

The following expressions shall have the following meanings:

Expression	Meaning
"MOU"	Memorandum of Understanding
"ULB"	Urban Local Bodies
"LSG"	Local Self Government
"EESL"	Energy Efficiency Services Limited (A Joint Venture Company of PSUs of Ministry of Power, Govt. of India)
"NLC"	National Lighting Code
"IS"	Indian Standard
"PSU"	Public Sector Undertaking
"AMC"	Annual Maintenance Charge
"SDA"	State Designated Agency

  
मुख्य कार्यकारी अधिकारी  
एन वी एन आर  
नगर निगम, कोटा

ULB

  
EESL





एनर्जी एफिशिएंसी सर्विसेज लिमिटेड

(भारत सरकार, विद्युत मंत्रालय के सार्वजनिक क्षेत्र के उपक्रम की संयुक्त उद्यम कंपनी)

**ENERGY EFFICIENCY SERVICES LIMITED**

(A Joint Venture Company of PSUs of Ministry of Power, Govt. of India)

VN2  
9821  
1/6/15

Ref No. EESL/01/RAJ-SL/964

FIS  
2015/7391  
29/5/15

20th May, 2015

To,

The Municipal Commissioner  
Nagar Parishad, Kota Nagar Nigam  
Kota Nagar Nigam, Rajasthan

Subject: LED Streetlight Project Implementation at Kota Nagar Nigam Nagar Parishad.

Dear Sir,

This has reference to the LED Streetlight Project Implementation Agreement signed between EESL and Municipal Council, Kota Nagar Nigam dated 04.02.2015.

I would like to bring to your kind notice that, EESL has engaged M/s Rajasthan Electronics & Instrument Limited as Project Management Consultants (PMC) for this project and they have been assigned the responsibility of project coordination, project execution and project monitoring at Municipal Council, Kota Nagar Nigam.

I may like to bring to your kind notice that, as per the signed agreement following may please be confirmed to EESL at the earliest.

1. As per Clause 7.12 Kota Nagar Nigam Nagar Parishad shall through a schedule bank at Rajasthan, open ESCROW account for monthly payments which will have a balance of three months of annuity and that will be reviewed annually. In this regard you are requested to share with us the bank and revenue account details
2. As per Clause 5.1 (1), provide all approvals, permissions and necessary support during project preparation, implementation and service period under this agreement i.e. Road Permit, Nodal Officer for the ongoing project, shut down permission from DISCOM etc.
3. As per Clause 5.1 (2), provide grant of all such permissions, authorizations which EESL or their authorized vendor/representatives may require or is obliged to seek from ULBs, in connection with implementation of the project and the performance of its obligations under this agreement.

As EESL is supposed to take an insurance policy to cover for any failure of lighting in addition to the warranty or manufacturing defect, please confirm on the ownership of streetlights poles where LED streetlights are being installed. This detail is required for processing the insurance coverage including for addressing the safety and security aspects.

I look forward for your kind consideration in the matter and necessary cooperation.

Yours faithfully

Prabhat Kumar  
Program Manager

Copy To: Principal Secretary, LSG, Main Building, Secretariat, Jaipur (Rajasthan), India

कॉर्पोरेट ऑफिस : चौथा तल, आई.डब्ल्यू.ए.आई भवन ए-13, सेक्टर - 1, नोएडा - 201301, (उत्तर प्रदेश) वेबसाइट/Website : www.eesl.co

Corporate Office : 4th floor, IWAI Building, A-13, Sector - 1, Noida - 201301, (UP)

दूरभाष/Phone : 91-120-4908000 फैक्स/Fax : 91-120-4908049

रजिस्टर्ड ऑफिस : चौथा तल, सेवा भवन, आर० के० पुरम, नई दिल्ली-110066

Registered Office : 4th Floor, Sewa Bhawan, R. K. Puram, New Delhi - 110066