



BUREAU OF ENERGY EFFICIENCY

Expression of Interest

30th October 2015

For

**Empanelment of Participating Financial Institutions
under “Partial Risk Guarantee Fund for Energy
Efficiency”**

To be submitted to:

***Bureau of Energy Efficiency,
Ministry of Power, Govt. of India,
4th Floor, Sewa Bhawan,
R. K. Puram, New-Delhi 110066,
INDIA***

Table of Contents

1. Letter of Invitation for EoI	3
2.General Information.....	4
3.Key Abbreviations / Definitions.....	5
4.Introduction.....	6
5. Summary of PRGF	6
6.Objective of PRGFEE.....	7
7.ELIGIBILITY.....	8
8.Scope of Work	8
9.Application Fee and GuaranteeFee.....	9
10.Performance review.....	10
11>Returns and Inspection.....	10
12.Duration and Fee for participation in PRGFEE.....	11
13.Evaluation Criteria.....	11
14. Preparation and submission of EOI.....	11
15.Documents Comprising the EoI Submission.....	14

List of Annexures:

Annexure – I: Check list for Enclosure.....	23
Annexure –II: Format for Annual report.....	24
Annexure-III: Memorandum of Understanding to be signed between PFI and BEE.....	26

1. Letter of Invitation for EoI

Subject: Empanelment of Participating Financial Institution under “Partial Risk Guarantee Fund for Energy Efficiency”

The “Invitation to Expression of Interest” applies to all scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies. Detailed information regarding the services required is available in Operations Manual for PRGFEE.

Organizations which are interested to participate in this empanelment process are requested to send their application in requisite format, mentioned in Para 15 of this EoI, **at BEE’s office**. BEE will receive the applications for empanelment from PFIs on an on-going basis and after processing of documents shall empanel the eligible PFIs.

BEE reserves the right to alter any or all conditions, eligibility criteria and terms specified in this document and in the OM. The terms and conditions governing the proposed empanelment are not exhaustive and additional conditions, may be included herein. These conditions are also subject to modifications or deletions, if any, considered absolutely necessary.

Any request or clarification in writing or request for Operations manual for PRGFEE, by e-mail must be sent to 'vkanwal@beenet.in', or can also be sent via hard copy to the following:

**The Secretary
Bureau of Energy Efficiency,
4th Floor, SewaBhawan
Sector 1, R.K. Puram
New Delhi-110066.**

2. General Information

This Expression of interest (Eoi) document is for selecting interested Participating Financial Institution for empanelment with Bureau of Energy Efficiency (BEE).

How to Obtain Eoi	
Availability of Eoi	On-going Process
Website link	http://www.beeindia.gov.in/
How to Submit Eoi	
Eoi Processing fees	Rs. 5000/-
Draft in favour of	Bureau of Energy Efficiency, New Delhi
Submission of Eoi in one sets of hardcopy and one softcopy (both)	On-going Process
Date and time for Clarification Meeting	9th November, 2015 at 2:30 PM
Venue for clarification meeting	BEE's Conference room, 4 th Floor, Sewa Bhawan, R.K Puram, New Delhi
Contact Person for queries	Ms. Vineeta Kanwal Assistant Energy Economist Bureau of Energy Efficiency 4th Floor, Sewa Bhawan R.K. Puram, New Delhi -110066 India Tel:(+91)-11-2617-9699, Fax:(+91)-11-2617-8352, Email: vkanwal@beenet.in
Contact Person for submission of Proposal	The Secretary Bureau of Energy Efficiency 4th Floor, Sewa Bhawan R.K. Puram, New Delhi -110066 India Tel:(+91)-11-2617-9699

Note: If any public holiday falls on any of the above mentioned dates then next working day shall be applicable for the said activity.

3. Key Abbreviations / Definitions

BEE	Bureau of Energy Efficiency
RECPDCL	REC Power Distribution Company Ltd.
REC	Rural Electrification Corporation Ltd.
EESL	Energy Efficiency Services Ltd.
ESCO	Energy Service Company
ESPC	Energy saving Performance Contracting
IA	Implementing Agency
INR	Indian Rupees
M& V	Measurement and Verification
OM	Operations Manual
PFI	Participating Financial Institution
PRGFEE	Partial Risk Guarantee Fund for Energy Efficiency

4. Introduction

The Government of India enacted the Energy Conservation Act 2001 (52 of 2001) in September 2001 with an objective to promote and enforce the progressive regime of Energy Conservation. The EC Act laid the foundation for establishment of Bureau of Energy Efficiency (BEE). BEE's objective is to facilitate the Central Government in formulation of a regulatory framework for energy efficiency and conservation in India, promote energy efficiency by increasing awareness via dissemination of information for efficient use of energy and its conservation, and develop promotional financing schemes. BEE is co-ordinating and managing entity for the Partial Risk Guarantee Fund for Energy Efficiency scheme.

The Participating Financial Institution (PFI), intends to promote energy efficiency in Government Buildings, Municipalities, Private Buildings (Commercial Building or Multi-storey Residential accommodations) SMEs and Industries based on the scheme parameters laid down by Bureau of Energy Efficiency, Ministry of Power, Govt. of India under the "Partial Risk Guarantee Fund for Energy Efficiency" scheme under Framework for Energy Efficient Economic Development (FEEED), which is one of the initiatives under National Mission for Enhanced Energy Efficiency (NMEEE). NMEEE is one of the eight National Missions under the National Action Plan on Climate Change, and in pursuance of clause (l) of sub-section (2) of section 13 of the Energy Conservation Act, 2001 (52 of 2001).

Through this EoI, PFI accepts to empanel itself under PRGFEE to promote for energy efficiency projects in the country.

5. Summary of "PRGFEE"

Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) is one of the risks sharing mechanism under Framework for Energy Efficient Economic Development (FEEED), which is one of the initiatives under National Mission for Enhanced Energy Efficiency (NMEEE).

PRGFEE will act as a first-loss and subordinated recovery guarantee, to be placed in a guarantee reserve account and paid out to participating banks in the event of loss or default in energy efficiency projects. PRGFEE shall be used for promoting energy efficiency in India through the Energy Service Company (ESCO) route. The amount paid out will be equal to the agreed-upon percentage of the outstanding principal and will not cover the interest or other fees owed to the bank. The Guarantee will not exceed Rs 3 crore per project (has been proposed to increase to Rs 15 crore) or 50% of loan amount, whichever is less.

The support under PRGFEE will be limited to Government Buildings, Municipalities, Private Buildings (Commercial Buildings or Multi-storey Residential accommodations), SMEs and Industries.

BEE has appointed the consortium of RECPDCL-REC-EESL as the Implementing Agency for operationalization of PRGFEE.

6. Objective of PRGFEE

The main objective of PRGFEE is to scale-up Energy Efficiency investments in India by providing Partial Risk Guarantee to the financing of energy efficiency projects proposed by Energy Service Companies (ESCOs).

The PRGFEE will support the financing of energy efficiency projects by:

- Addressing the risks and barriers faced and/or perceived by the financial institutions to financing ESCOs for implementing ESPC-based EE projects in India,
- Structuring the transactions involved in financing EE projects by standardizing appraisal and other supporting documents, and
- Engaging Participating Financial Institutions and building their capacity to finance EE projects on a commercially-sustainable basis

The PRGFEE program has been explained in detail in the OM and the applicants are required go through the same carefully as the same are applicable for the purposes of their engagement as well.

7. ELIGIBILITY

A. Participating Financial Institutions (PFIs)

Under PRGFEE, a Participating Financial Institution needs to fulfill all the following criteria for empanelment as a PFI as on the date of application submission to BEE:

- a. Should be a scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies.
- b. Should have a minimum net worth of INR 300 crore or its equivalent in foreign currency in at least two of the last three (3) years
- c. Should be in active business for a minimum period of 5 years and profitable for last 3 years
- d. Should have appraised and sanctioned at least 5 loans for energy savings/ renewable energy projects/ power projects/ infrastructure projects in last three years.
- e. Should not be involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this contract
- f. Should not be black-listed by any Central/ State Government/ Public Sector Undertaking in India
- g. The above points (b to d) will not be applicable for Public sector banks (other than regional rural banks). Public Sector Banks can apply directly for the empanelment by sending their application form along with signed copy of MoU (attached at Annexure-III) to BEE.**

- B. The eligibility criterion for Projects and the Borrowers is provided in the enclosed Operations Manual for PRGFEE.**

8. Scope of Work

The detailed scope of work of PFI is enclosed in the Operations Manual for PRGFEE.

9. Application Fee and Guarantee Fee

(a) Application fee shall be of the maximum guaranteed amount applied for by the participating financial institution at the time of application which shall be non-refundable;

(b) The guarantee fee shall be one-time fee of the amount guaranteed for each project which shall be payable after approval and before signing of Guarantee Agreement.

10. Performance review

a) BEE shall monitor the annual performance of all PFIs, with the assistance of Implementing Agency (format attached at **Annexure-II**).

b) If the Guarantee Claim submitted by the PFI/borrower is found to be fraudulent, or if there are serious deficiencies, such as inadequate appraisal / renewal / follow-up / conduct of the project or multiple lodgement of claim, or suppression of any material information for the settlement of claims, etc.

c) In case of above condition mentioned at (b), Implementing Agency will propose to Supervisory Committee for de-empowerment of PFI.

11. Returns and Inspection

a) The PFI shall also furnish to the IA all such documents, receipts, certificates and other writings as the latter may require and shall be deemed to have affirmed that the contents of such documents, receipt, certificate and other writings are true, provided that no claim shall be rejected and no liability shall attach to the PFI or any officer thereof for anything done in good faith.

b) The IA shall, insofar as it may be necessary for the purposes of the scheme, have the right to inspect or call for copies of the books of account and other records (including any book of instructions or manual or circulars covering general instructions regarding conduct of advances) of the PFI, and of any Borrower from the PFI. Such inspection may be carried out either by Bureau or Implementing Agency or any other person appointed by Bureau or Implementing Agency for the purpose of Inspection.

Every officer or other employee of the PFI or the Borrower, who is in a position to do so, shall make available to Bureau or the person appointed for the inspection as the case may be, the books of account and other records and information which are in his possession.

12. Duration and Fee for participation in PRGFEE

A. Duration

The empanelment of PFIs will be valid for five year from date of signing the MoU (attached at **Annexure-III**) with BEE or till the PRGFEE fund remains operational, whichever is earlier. If PRGFEE fund remains operational after 5 years, same procedure for fresh empanelment shall be followed.

B. Cost of Proposal

The PFIs shall bear all costs associated with the preparation and submission of its Proposal, including cost of presentation for the purposes of clarification of the Proposal, if so desired by the Purchaser. BEE will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

13. Evaluation Criteria

- a) All the applicants are found to be responsive shall be considered for technical evaluation based on the criteria as stipulated below:-

S.No.	Criteria	Yes/No
1	➤ PFI is a scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies.	
2	➤ Has a minimum net worth of INR 300 crore or its equivalent in foreign currency in at least two of the	

	last three (3) years	
3	➤ PFI is in active business for a minimum period of 5 years and profitable for last 3 years	
4	➤ PFI has appraised and sanctioned at least 5 loans for energy savings/ renewable energy projects/ power projects/ infrastructure projects in last three years.	
5	➤ PFI is not involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this contract	
6	➤ PFI is not black-listed by any Central/ State Government/ Public Sector Undertaking in India	

- b) PFIs meeting all the above criteria will be eligible for empanelment under BEE. However, the above points (2 to 4) will not be applicable for Public sector banks (other than regional rural banks). These institutions can get directly empanelled under BEE by sending across application form along with signed copy of MoU attached at **Annexure-III**.

14. Preparation and submission of EOI

While preparing the EOI the PFIs are expected to examine the objective and scope of the work together with the OM. The application for the empanelment shall be submitted along with relevant enclosures (Please refer the Para 15 of the Eoi) adhering to the format furnished in the EOI document.

The application for empanelment shall be sealed in an envelope clearly marked with **“EMPANELMENT OF PARTICIPATING FINANCIAL INSTITUTION UNDER PARTIAL RISK GUARANTEE FUND FOR ENERGY EFFICIENCY”**. This envelope shall be sent to **The Secretary, Bureau of Energy Efficiency, 4th Floor, Sewa Bhavan, R.K. Puram, New Delhi-110066.**

BEE will receive the applications for empanelment from PFIs on an on-going basis and after processing of documents, with the assistance of IA, shall approve the empanelment of PFI and shall sign MoU with it.

A. Confidentiality

Information relating to evaluation of application and recommendations concerning empanelment shall not be disclosed to the applicants.

B. Contents of the Proposal

The PFIs is expected to examine all instructions, forms, terms & conditions and Statement of Work in the Proposal. Failure to furnish all information required or submission of a Proposal not substantially responsive to the Proposal in every respect will be at the PFI's risk and may result in the rejection of the application.

C. Language of Proposal

The Proposals prepared by the PFIs and all correspondence and documents relating to the proposal exchanged by the PFIs and BEE, shall be written in the English language, provided that any printed literature furnished PFIs may be written in another language so long the same is accompanied by an English translation in which case, for purposes of interpretation of the Proposal, the English translation shall govern.

D. Authorized Signatory for PFIs

The "PFIs" as used in the Proposal shall mean the one who has signed the Bid document forms. The authorized signatory should be the duly Authorized Representative of the PFI, for which a certificate of authority will be submitted. All certificates and documents (including any clarifications sought and any subsequent correspondences) received hereby, shall, as far as possible, be furnished and signed by the Authorized Representative.

E. Contact details of the PFIs

PFI who wants to receive BEE's response to queries should give their contact details to BEE in Form 2. The PFI should send their contact details in writing at the BEE's contact address indicated in Para 2 of this EoI.

F. Queries on the EoI

PFI's requiring any clarification on this document may send a query in writing at the BEE's contact address indicated in Para 2 of this EoI. BEE's response (including an explanation of the query but without identifying the source of inquiry) to all the queries, will be made available on the website and sent to all consultants who have given their contact details. BEE may also hold a Clarification Meeting if needed to give clarifications and invitation of the same will be sent to the consultants who have given their contact details.

G. Amendment of EoI

At any time BEE, may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective PFI's, modify the PFI's by an amendment.

H. Bid Processing Fees

All Proposals must be accompanied by a bid processing fee of INR 5,000/- (INR Five Thousand only) in the form of a crossed demand draft drawn on any nationalized/scheduled bank payable at par in New Delhi, in favour of "Bureau of Energy Efficiency, New Delhi". The EoI document can be downloaded from the website, <http://www.beeindia.gov.in/>.

I. Other Terms & Condition

- BEE will receive the applications for empanelment from PFI's on an on-going basis and after processing of documents, the applications for empanelment will be approved by Supervisory Committee. Thereafter, a MoU will be signed between the PFI and the BEE for empanelment.
- The Supervisory Committee will annually review the lending performance and process compliance of the empanelled PFI's.

- BEE reserves the right to reject any or all the applications received at its discretion, without assigning any reason whatsoever and no costs would be paid to applicant for the same.
- In case of any dispute during process of verification, the decision by DG, BEE, will be considered as final decision.
- Acceptance of the application will rest with the Competent Authority of the BEE. No reasons will be given for acceptance or rejection of the empanelment thereof.
- BEE reserves the right to cancel this EoI before the empanelment of PFI. Any and all applications may be rejected in whole or in part when it is in the best interest of the BEE.

J. Disclaimer

BEE and/or its officers, employees disclaim all liability from any loss or damage, whether foreseeable or not, suffered by any person acting on or refraining from acting because of any information including statements, information, forecasts, estimates or projections contained in this document or conduct ancillary to it whether or not the loss or damage arises in connection with any omission, negligence, default, lack of care or misrepresentation on the part of BEE and/or any of its officers, employees.

15.0 Documents Comprising the EoI Submission

Form 1: Letter of Performa

Form 2: Details of Organisation

Form 3: Letter of Undertaking

Form 4: Enclosures indicating Prior Experience and Credentials

Form 5: Details of Agency carrying out TEV study

Applicants are required to submit the following details and documents along with the empanelment application:

- Proof of Registration with RBI
- Audited Financial Sheet of Financial Institute duly signed by C.A.
- Relevant proof of financing energy efficiency project's experience in the past, if any
- In case of Public Sector Banks, enclose signed copy of MoU to be signed with BEE
- Certificate in favour of duly authorized representative, certifying him/her as an authorized signatory for the purpose of this EoI

Form 1

Letter of Performa

To,
The Secretary,
Bureau of Energy Efficiency,
4th Floor Sewa Bhawan,
RK Puram
New Delhi 110066

Sub: Empanelment of Participating Financial Institution under the PRGFEE scheme of BEE

Sir,

We, the undersigned have understood the PRGFEE concept under the FEEED and have read the TORs mentioned in the EoI and thus intend to empanel under the PRGFEE scheme of BEE. We hereby express our willingness to participate in this voluntary initiative of the Bureau of Energy Efficiency and financially support Energy Efficiency projects under PRGFEE scheme.

We are submitting this letter and enclose all the relevant information as desired in the attached form 2.

We hereby declare that all the information and statements made in here are true and understand that the above information is accepted by the BEE in good faith, and if found false will lead to our de-empanelment.

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

Date:

Form 2

Details of Organisation

This form is to be filled by all participating Financial Institutions (PFIs) under the PRGFEE scheme project. The term 'PFI' refers to any Financial Institution who wish to empanel with BEE under the PRGFEE scheme.

S.No.	Particulars	Response		
1.	Name of the Participating Financial Institution			
2.	Address of the Registered Corporate Office(s) – along with the web address	<i><Address of the registered office; submit proof of registration></i>		
3.	Is the Above registered office in India	<input type="checkbox"/> Yes <input type="checkbox"/> No		
	If the answer is No, The PFI confirms to establish or identify a project implementer with a registered office in India.	<input type="checkbox"/> Yes		
4.	Details of the Contact Person(s)			
	a.	Name	a.	
	b.	Designation	b.	
	c.	Landline Number	c.	
	d.	Mobile Number	d.	
	e.	Email ID	e.	
5.	Will the projects be self financed?	<input type="checkbox"/> Yes <input type="checkbox"/> No <i>(attach a MoU with funding organization)</i>		
6.	Manpower <number of human resource>			
	Financial Year		FY 12-13	FY 13-14
	a.	Networth in (INR)		
	b.	Profit in (INR)		
7.	PAN Card No.	<i>(Submit the Proof)</i>		
8.	Whether PFI has financed/ funded any energy savings/ renewable energy projects/ power projects/	<input type="checkbox"/> Yes <i>(If yes indicate the numbers)</i>		

	<p>infrastructure projects in India or abroad.</p> <p>if yes, furnish details</p>	<p><input type="checkbox"/> <i>No</i></p> <p>.....(<i>no. of projects</i>)</p>
<p>9.</p>	<p>Confirm to sign MoU with BEE</p>	<p><input type="checkbox"/></p>

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Date:

Form 3

Letter of Undertaking

Letter No:

Dated:

To,
The Secretary,
Bureau of Energy Efficiency,
4th Floor, Sewa Bhawan,
Sector 1, R.K. Puram,
New Delhi-110066.
Fax: 91(11) 26178352,

Subject: Letter of Undertaking

Sir/ Madam,

This is to certify that we < Please insert the name of the Organisation> are voluntarily empanelling ourselves with BEE to participate in the “PRGFEE” scheme of BEE. We confirm that we are not involved in any major litigation and have never been blacklisted by any state Government or Central Government department.

We also confirm to submit quarterly performance report and annual financial statements of PFI along with performance indicators regarding the quality of loan with respect to the guaranteed Energy Efficiency projects to Implementing Agency and Annual Performance Report (format at Annexure-II) to BEE

Yours sincerely,

Signature of the Authorised Signatory>

Name:

Designation:

E-mail ID:

Form 4

Prior Experience and Credentials

Using the format below, please provide information on each project for which your Organization was legally contracted for funding **energy savings/ renewable energy projects/ power projects/ infrastructure projects in last five years.**

S.No.	Name of Project	Loan Amount Sanctioned (INR)	Loan Amount disbursed (INR)	Year

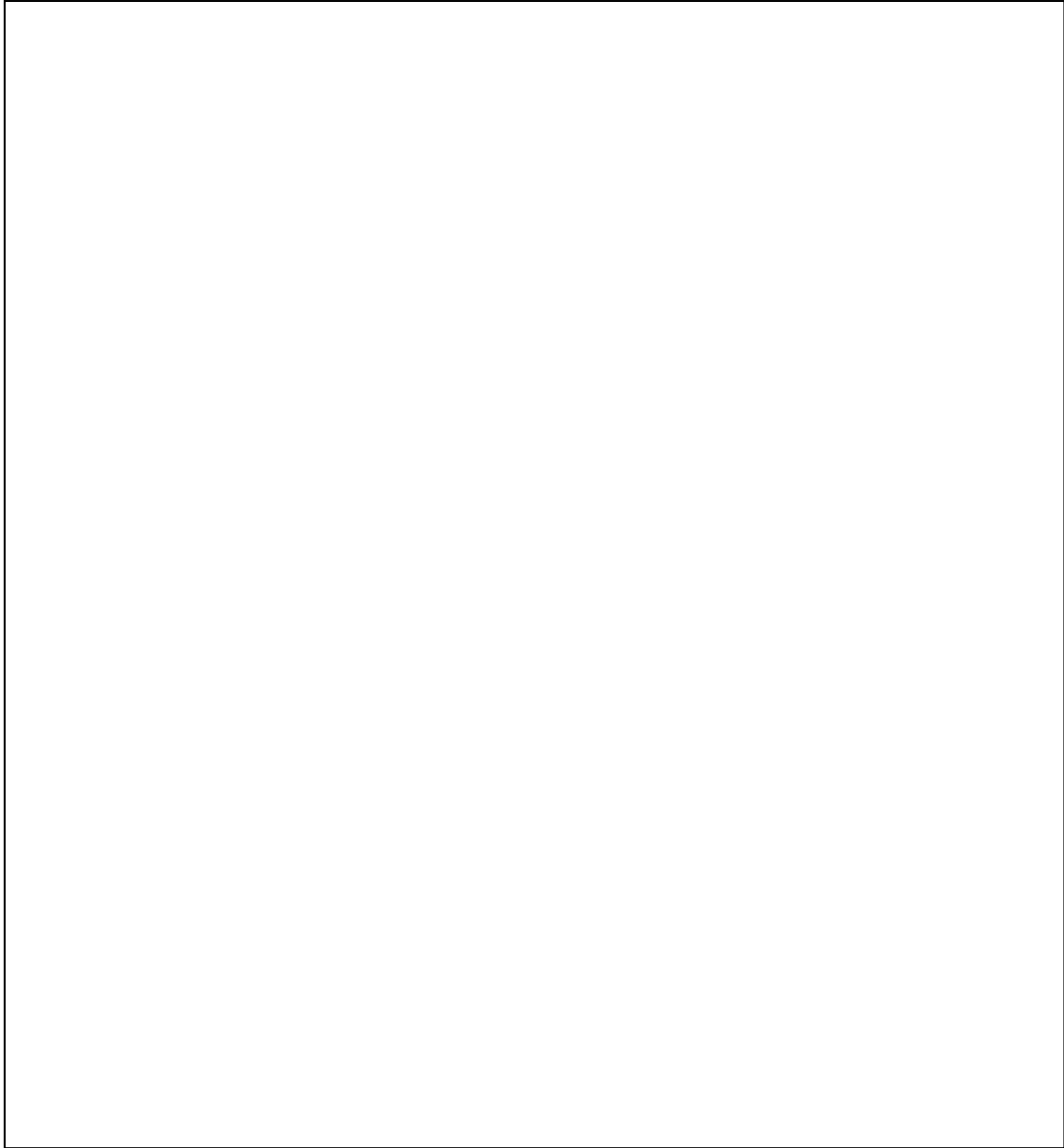
Authorized Signature [In full and initials]:

Name and Title of Signatory:

Date:

Form 5

Details of Agency carrying out TEV study



Authorized Signature [In full and initials]:

Name and Title of Signatory:

Date:

Annexure I:Check list

S.No	Enclosures (Tick in the Bracket)	PFI Check (Tick if the relevant enclosure is attached)
1.	letter of Performa(signed and Stamped)	<input type="checkbox"/>
2.	Filled and signed Form 2	<input type="checkbox"/>
3.	Attach Attested supporting documents as desired in Form.	<input type="checkbox"/>
	a. Proof of Registration withRBI	<input type="checkbox"/>
	b. Financial details of PFI (duly signed by C.A. or published annual reports)	<input type="checkbox"/>
	c. Relevant proof of past energy efficiency (savings) / renewable energy projects/ power projects/ infrastructure project's experience, if any	<input type="checkbox"/>
	d. Certificate in favour of duly authorized representative, certifying him/her as an authorized signatory for the purpose of this EoI	<input type="checkbox"/>
4.	Details of Agency carrying out the Techno-Economic Viability study for the Financial Institution	<input type="checkbox"/>
5.	Letter of Undertaking	<input type="checkbox"/>
6.	Bid processing fee	<input type="checkbox"/>

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Date:

Annexure II: Annual Performance Report

S.	Year	Project Name	Loan amount disbursed to ESCO (INR)	Date of loan disbursement to ESCO	Status of Re-payment(Smooth/Default)	Guarantee claimed under PRGFEE (Y/N)	Status/Remarks	Enclosed loan disbursed proof (Y/N) *
	Year-1							
	Year-2							
	Year-3							

* **Loan disbursement letter and latest loan account statement.**

Note: For subsequent years, the table can be further extended on the above lines.

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Date:

Annexure III: MoU to be signed between BEE and PFI

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“**MoU**”) is entered into on this ___ day of _____, 2015 (“Effective Date”) at _____

BY AND BETWEEN

Bureau of Energy Efficiency, a statutory body constituted under Energy Conservation Act, 2001 (hereinafter referred to as “**Act**”) having its registered office at 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi -110066 (hereinafter referred to as “**BEE**”, which expression shall, unless contrary to the context, mean and include its successors and permitted assigns), of the First Part;

AND

_____, a scheduled commercial bank (other than regional rural bank) or public financial institutions (registered under section 4A of the Companies Act 1956 (1 of 1956)) or non-banking financial companies with the certificate of registration from Reserve Bank of India, registered under the category of non-deposit taking non-banking financial companies, Systemically Important Core Investment Company not raising public deposit or Infrastructure Finance Companies. applying for guarantee facility under Partial Risk Guarantee Fund for Energy Efficiency (“**PRGFEE**”) having its registered office at _____ (hereinafter referred to as “Participating Financial Institution (**PFI**)”, which expression shall, unless contrary to the context, mean and include its successors and permitted assigns) of the Other Party;

BEE and PFI are individually also referred to as “**Party**” and collectively “**Parties**”.

WHEREAS:

- A. BEE is a statutory body set up by the Government of India on 1st March 2002 under the provisions of the Act, with the aim to assist in developing policies and strategies with a thrust on self-regulation and market principles, within the overall framework of the Act with the primary objective of reducing energy intensity of the Indian economy.
- B. National Mission for Enhanced Energy Efficiency (“**NMEEE**”) is one of the eight National Missions, constituted under the National Action Plan on Climate Change (“**NAPCC**”), and is in pursuance of clause (I) of sub-section (2) of section 13 of the Act. BEE, in its efforts to create a market for energy efficiency projects, has set up, under the NMEEE the PRGFEE program, a fund being a risk-sharing mechanism to provide participating financial institutions with a partial coverage of risk involved in extending loans for energy-efficiency projects.

C. PRGFEE is one of the risks sharing mechanism under Framework for Energy Efficient Economic Development (“**FEEED**”), which is one of the initiatives under NMEEE, created specifically for promoting innovative financing of energy efficiency projects.

D. The PRGFEE will directly support financing of energy efficiency projects by:

- a) Addressing credit risk and barriers faced and/or perceived by the financial institutions in financing Energy Service Company (“**ESCO**”) which are empanelled with BEE, for implementing energy efficiency projects in India. A list of empanelled ESCOs is available on BEE’s website;
- b) Structuring the transactions involved in financing energy efficiency projects by standardising appraisal and other supporting documents; and
- c) Engaging participating financial institutions and building their capacity to finance energy efficiency projects on a commercially-sustainable basis.

E. In order to promote the said objectives, BEE intends to get associated with various financial institutions and have invited applications from various financial institutions for empanelling them under the PRGFEE via Expression of Interest (EoI) dated [●]2015 released by BEE.

F. Accordingly PFI had submitted its application dated [●]for the empanelment of the PFI with BEE.

G. After scrutiny and detailed evaluation of the application received from PFI, BEE and Supervisory Committee (“**SC**”), a committee constituted of representatives from BEE, Ministry of Power, Ministry of Finance and other members nominated by Ministry of Power as provided for in the Energy Conservation (Partial Risk Guarantee Fund for Energy Efficiency), 2014 (“**Rules**”), have accepted the application of PFI for empanelment with BEE and accordingly, BEE and PFI are desirous of entering in to this MoU to set out the terms and conditions as mutually agreed.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties hereby agree to the terms and conditions as defined below:

1. Key Abbreviations used in the MoU

MoU	Memorandum of Understanding
BEE	Bureau of Energy Efficiency
NAPCC	National Action Plan on Climate Change
NMEEE	National Mission for Enhanced Energy Efficiency
ESCO	Energy Service Company
FEEED	Framework for Energy Efficient Economic Development
ESPC	Energy saving Performance Contracting
IA	Implementing Agency
INR	Indian Rupees
M & V	Measurement and Verification
OM	Operations Manual
PFI	Participating Financial Institution
PRGFEE	Partial Risk Guarantee Fund for Energy Efficiency
SC	Supervisory Committee
TRA	Trust and Retention Account
PSU	Public Sector Undertaking
EE	Energy Efficiency

2. PRGFEE Guarantee

This MoU pertains to the understanding arrived at between BEE and the PFI with respect to the PFIs participation in PRGFEE in order to enable the PFI to derive benefit of the PRGFEE guarantees. The OM *inter alia* details the procedure pertaining to the issuance of PRGFEE guarantees, handling of PFIs claims there under, approval/appraisal of projects/borrowers for the purposes of determining eligibility to receive benefit under PRGFEE, roles and responsibilities of various parties including the PFI, BEE and IA etc, and therefore, the Parties acknowledges and agrees that the OM shall be the governing document as regards the operational and other modalities of PRGFEE and accordingly, hereby agrees to abide by the OM at all times during the subsistence of this MoU or any PRGFEE guarantee of which it is deriving the benefit of, whichever is later. In the event of any inconsistency between the terms of this MoU and the OM, the terms of the OM shall prevail and be followed.

3. Performance Review

3.1. PFI shall provide/submit progress report on a quarterly basis to IA in the format prescribed by IA from time to time. Further, PFI shall also submit annual performance report to SC/ BEE, in the format as prescribed by BEE, from time to time. Further, PFI shall be required to attend annual meeting conducted by IA to soundboard their experiences and suggestions on successful running of PRGFEE, under the presence of BEE. The said meeting should be attended at least by a senior officer of the empanelled PFI not being below the rank of _____.

4. Directions

4.1. The PFI shall be required to comply with all directions as may be issued by IA/ BEE/ SC, from time to time. Further, The PFI shall be required to comply with all other documents/ regulations/ guidelines/ manual as issued by BEE, from time to time, with respect to PRGFEE, the copy of which shall be available on BEE website.

5. Amendment

5.1. BEE shall have right to amend the terms and conditions defined in this MoU or in any document any time, at its sole discretion, subject to the same being notified to PFI within 30 (thirty) business days from the amendment to take effect.

6. Term and Termination

6.1 This MoU shall become effective on the Effective Date and shall remain in force for 5 (five) years from date of signing the MoU with BEE or till the PRGFEE fund remains operational, whichever is earlier. If PRGFEE fund remains operational or if the PFI is de-empanelled as per clause 7 appearing herein below after 5 (five) years, same procedure for fresh empanelment of PFI shall be followed.

6.2 Save as otherwise provided in this MoU, in the event that any of the defaults specified below in Clause 6.2.1 or in the MoU, shall have occurred, and the PFI fails to cure the default within a Cure Period of 30 (thirty) days, the PFI shall be deemed to be in default of this MoU (the "PFI Default"), unless the default has occurred solely as a result of any breach of this MoU by BEE or due to Force Majeure. The defaults referred to herein shall include:

6.2.1 De-Empanelment of PFI

PFI would be de-empanelled by BEE on the occurrence of the following events:

- (a) PFI is involved in any major litigation that may have an impact of affecting or compromising the delivery of services as required under this MoU;
- (b) PFI is black-listed by any Central/ State Government / Public Sector Undertaking (PSU) in India during the tenure of the project under PRGFEE scheme;
- (c) PFI deviates from the scope of work or the OM defined under PRGFEE;
- (d) PFI fails to comply with directions as may be issued by BEE/ IA/ SC from time to time;

(e) the Guarantee Claim submitted by PFI to IA is found to be fraudulent, or in the event of serious deficiencies, such as inadequate appraisal/ renewal/ follow-up/ conduct of the EE Project or multiple lodgement of claim, or suppression of any material information for the settlement of claims, etc.

7. Applicability of the terms of this MoU to other funds/ programs organized by BEE

7.1. BEE shall have right to create, organize new funds/ programs which shall have the similar aim of promoting finance to EE Projects. The terms and conditions applicable on the financing of the EE Projects through the said new funds/ programs shall be same except to modifications, as BEE consider necessary.

8. Co-operation

- 8.1. BEE and the PFI will consult each other, whenever it may be appropriate, on the matters covered by this MoU, and will use their best endeavor to ensure that staff of both the organizations cooperate in good faith with one another.
- 8.2. Parties should apprise / keep each other informed on EE Project related matters and shall provide support to BEE/ IA on such other activities as are necessary to achieve the objectives of PRGFEE underlined in this MoU.
- 8.3. PFI shall carry out capacity building programmes internally and shall also nominate its employees for participating in training programmes organized by BEE.
- 8.4. BEE for increasing awareness regarding funds like PRGFEE, VCFEE, etc. shall be circulating advertisement materials like Brochures/ Hoardings/ Flyers etc. and the same shall be circulated internally by the PFI for making the drive more effective.

9. Confidential Information

- 9.1. In consideration of the disclosure of Confidential Information (defined below) by the Disclosing Party (defined below) to the Receiving Party (defined below) solely for the performance under this MoU, the Receiving Party undertakes whether by itself, its successors and heirs (if applicable), not to disclose Confidential Information to any third party, unless in accordance with Clause 13.4 and 13.5 and 13.7.
- 9.2. In addition to the undertaking in Clause 13.3, the Receiving Party shall be liable for:
- (a) any loss, theft or other inadvertent disclosure of Confidential Information, and
 - (b) any unauthorized disclosure of Confidential Information by persons (including, but not limited to, present and former employees) or entities to whom the Receiving Party under this MoU has the right to disclose Confidential Information, except where, the Receiving Party has used the same degree of care in safeguarding such Confidential Information as it uses for its own Confidential Information of like importance and in no event less than a reasonable degree of care; and upon becoming aware of such inadvertent or unauthorized disclosure the Receiving Party has promptly notified the Disclosing Party thereof and taken all reasonable measures to mitigate the effects of such disclosure and to prevent further disclosure.
- 9.3. The Receiving Party understands and agrees that:
- (a) any information known only to a few people to whom it might be of commercial interest and not generally known to the public is not public knowledge;
 - (b) a combination of two or more parts of the Confidential Information is not public knowledge merely because each part is separately available to the public.
- 9.4. The Receiving Party acknowledges the technical, commercial and strategic value of the Confidential Information provided by the Disclosing Party and understands that unauthorized disclosure of such Confidential Information will be injurious to the Disclosing Party. In terms of this MoU:

- (a) **'Disclosing Party'** means the Party disclosing Confidential Information to the other Party under this MoU.
- (b) **'Receiving Party'** means the Party receiving Confidential Information from the other Party under this MoU.
- (c) **'Confidential Information'** means any information, which shall include but is not limited to, design, fabrication & assembly drawings, know-how, processes, product specifications, raw materials, trade secrets, market opportunities, or business or financial affairs of the Parties or their customers, product samples, inventions, concepts and any other technical and/or commercial information, disclosed directly or indirectly and in any form whatsoever (including, but not limited to, disclosure made in writing, oral or in the form of samples, models, computer programs, drawings or other instruments) furnished by the Disclosing Party to the Receiving Party under this MoU.

(a) Such Confidential Information shall also include, but shall not be limited to:

1. Information disclosed by the Disclosing Party in writing marked as confidential at the time of disclosure;
2. information disclosed by the Disclosing Party orally which is stated to be confidential at the time of disclosure;
3. information disclosed in any other manner is designated in writing as Confidential Information at the time of disclosure; or
4. Notwithstanding above sub-clauses (1), (2), (3), any information whose nature makes it obvious that it is confidential.

(b) Such Confidential Information shall not include, any information which:

1. is, at the time of disclosure, publicly known; or
2. becomes at a later date, publicly available otherwise than as a result of wrongful act or negligence or breach of this MoU by the Receiving Party; or
3. the Receiving Party can demonstrate by its written records which was in its possession, or known to the Receiving Party, before receipt under this MoU, and which was not previously acquired under an obligation of confidentiality; or
4. is legitimately obtained at any time by the Receiving Party from a third party without restrictions in respect of disclosure or use; or
5. the Receiving Party can demonstrate to the satisfaction of the Disclosing Party, that the information has been developed independently of its obligations under this MoU and without access to the Confidential Information.

9.5. The Receiving Party may disclose in confidence Confidential Information to any of its affiliates and employees, in which event the affiliate and employee shall be entitled to use the Confidential Information but only to the same extent the Receiving Party is permitted to do so under this MoU. The Receiving Party agrees that such affiliates or employees are subject to confidentiality obligations no less restrictive than those of this MoU.

9.6. The Receiving Party may disclose Confidential Information to its consultants, contractors, sub-contractors, agents or similar persons and entities having a need to receive such information to carry out the necessary responsibilities of PFI under this MoU only the prior written consent of the Disclosing Party. In the event that the Disclosing Party gives such consents, the Receiving Party agrees that such individuals are subject to confidentiality obligations no less restrictive than those of this MoU.

9.7. Notwithstanding anything to the contrary contained herein, the Receiving Party shall not be prevented from disclosing Confidential Information, where (i) such disclosure is in response to a valid order of a court or any other governmental body having jurisdiction over this MoU or (ii) such disclosure is otherwise required by law, provided that the Receiving Party, to the extent possible, has first given prior written notice to the Disclosing Party and made reasonable efforts to protect the Confidential Information in connection with such disclosure.

9.8. The Receiving Party shall not be entitled to copy samples, models, computer programs, drawings, documents or other instruments furnished by the Disclosing Party hereunder and containing Confidential Information, unless and to the extent it is necessary for the purpose. All samples, models, computer programs, drawings, documents and other instruments furnished hereunder and containing Confidential Information shall remain the Disclosing Party's property. At any time upon request from the Disclosing Party or upon the termination/ expiry of this MoU, the Receiving Party, at its own cost, will return or procure the return, promptly and in any

event within 14 (fourteen) days of receipt of such request, of each and every copy of Confidential Information given by the Disclosing Party, and satisfy the Disclosing Party that it no longer holds any further Confidential Information.

10. Representations and Warranties

10.1. Both Parties covenant and confirm:

- (a) They are duly organised and validly existing under the laws of the country where they carry on work and/or undertake business;
- (b) They have the power to execute this MoU and to perform their obligations under this MoU and have taken all necessary actions to authorise such execution, delivery and performance;
- (c) They have not made any misstatements and/or misrepresentations, while discharging their respective rights and obligations under this MoU; and
- (d) This MoU has been duly executed and delivered by both Parties and constitutes a legal valid and binding obligation on both Parties, enforceable against Party in accordance with its terms.

11. Governing Law

This MoU is governed by and shall be construed in accordance with the laws of India.

12. Dispute Resolution

- 12.1. Any person aggrieved by an order made by the IA can approach the SC constituted under PRGFEE. Any decision taken by the SC will be final and binding.
- 12.2. Although, any person aggrieved, by an order made by SC under the Act, may prefer an appeal to the Appellate Tribunal for Energy Conservation established under Section 30 of the Act. The person making appeal to Appellate Tribunal shall file the same in accordance with Appellate Tribunal for Energy Conservation (Procedure, Form, Fee and Record of Proceedings) Rules, 2012 notified vide G.S.R. 510 (E) dated 28th June 2012. The orders of the Appellate Tribunal would be final and binding to all the Parties.

13. Force Majeure

- 13.1. If and to the extent that a Party's performance of any of its obligations pursuant to this MoU is prevented, hindered or delayed by reason of fire, flood, earthquake, explosion or other casualty or accident or act of God, war or terrorist attacks or other violence, or any applicable law, order proclamation, regulation, ordinance, demand or requirement of any governmental or regulatory authority and such non-performance, hindrance or delay could not have been prevented by reasonable foresight or precautions (including proper planning and execution of the disaster recovery or business continuity plan) or circumvented through the use of alternate sources, work - around plans or other means, (in each case, a "**Force Majeure Event**"), then the non-performing, hindered or delayed Party will be excused for such non-performance, hindrance or delay, as applicable, of those obligations to the extent that they are affected by the Force Majeure Event for as long as such Force Majeure Event continues, provided that the affected Party intimates the other party within 3 working days of such a Force Majeure Event and such Party continues to use its commercially reasonable efforts to re-commence performance whenever and to whatever extent possible without delay, including through the use of alternate sources, workaround plans or other means. If the period of non-performance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, BEE shall have right to terminate this MoU after giving written notice.

14. General Clauses

14.1 No Agency

This MoU does not create any principal-agent relationship between the Parties, nor does it make or authorize any Party to act for or on behalf of, or make any representations on behalf of the other Party. This MoU does

not seek to create any joint venture. This MoU is on non-exclusive basis. This MoU only seeks to record an understanding of the Parties to seek to work together in certain areas.

14.2 Severability

It is expressly agreed and declared that if for any reason whatsoever after execution hereof, a court of competent jurisdiction holds any provision hereof to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision(s) of this MoU.

14.3 Statutory Compliances

BEE and PFI agree that all services rendered and operations conducted pursuant to this MoU shall be in compliance with all legislations, statutes, ordinances, regulations, administrative rulings or requirements of law.

14.4 Notices

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any Party shall be sufficiently given if delivered personally or if transmitted by fax or other form of recorded communication test prior to transmission to such Party.

Notices shall be sent to the addresses as under:-

In the case of notice to BEE at:

**Bureau of Energy Efficiency
Government of India, Ministry of Power
4th Floor, Sewa Bhawan
R. K. Puram, New Delhi - 110 066 (INDIA)
Telephone:+911126179699
Fax:+911126178352**

In case of a notice to PFI at:

Or such other address as the Party to whom such writing is to be given shall have last notified to the Party in writing. Any notice against acknowledgment personally delivered to the Party to whom it is addressed as provided in this Clause shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice mailed to the address and in the manner provided for in this Clause shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing. Any notice transmitted by fax or other form of recorded communication shall be deemed given and received on the first business day after its transmission.

14.5 Miscellaneous

- (i) The headings hereof are descriptive only and not to be construed in interpreting the provisions of this MoU.
- (ii) Neither Party shall assign or otherwise transfer this MoU without the prior written consent of the other Party. This MoU and each Party's obligations hereunder shall be binding on the assigns and successors of the recipient and shall inure to the benefit of the assigns and successors of the Provider.

(iii) PRGFEE's liability to be terminated in certain cases:

- a) If a project becomes ineligible for being granted any Guarantee Amount coverage under the scheme, by any reason, the liability of the PRGFEE in respect of Guarantee Amount coverage granted to PFI for the respective project under the scheme shall lapse.
- b) If the Guarantee Claim submitted by the PFI/borrower is found to be fraudulent, or if there are serious deficiencies, such as inadequate appraisal / renewal / follow-up / conduct of the project or multiple lodgement of claim, or suppression of any material information for the settlement of claims, etc.

14.6 Supplementary Provisions

Words and expressions used but not defined in this MoU and provided for in the Rules shall have the same meaning respectively assigned to them in this MoU.

IN WITNESS WHEREOF the Parties to the MoU have caused their respective duly authorised persons to execute these presents on the date first hereinabove written.

FOR Bureau of Energy Efficiency(BEE)	FOR PARTICIPATING INSTITUTION (PFI)	FINANCIAL
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Signed	Signed	
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Name:	Name:	
Designation:	Designation:	
Address:	Address:	

Witness		
1.	2	
Name:	Name:	
Place;	Place;	
Date:	Date:	

Note: Signing this MoU the warrants that the respective signatory as the duly authority to execute the MoU on behalf of the respective organisation.