SALEM CITY MUNICIPAL CORPORATION

Corrigendum – V

Salem 24x7 Water Supply System

Tender No: E6/12006/2021- Dated: 28/12/2024 Date:25/04/2025

The following clause is amended as provided herein below:

S.No	Clause Bid Date Details	Existing Clause	Amended Clause
1	Article 35 – Change In Law	35.1 Increase in costs If as a result of Change in Law during the Construction Period, the Concessionaire suffers an increase in costs or reduction in net after-tax return or other financial burden, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) or 2% (two per cent) of the total annual Payments in any Concession Year during the Construction Period, the Concessionaire may so notify the Authority and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in increased costs, reduction in return or other financial burden as aforesaid. Upon notice by the Concessionaire, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on amendments to this Agreement or on any other mutually agreed arrangement. Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Concessionaire may by notice require the Authority to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice,	35.1 Increase in costs If as a result of Change in Law during the **Concession** Period, the Concessionaire suffers an increase in costs or reduction in net after-tax return or other financial burden, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) or 2% (two per cent) of the total annual Payments in any Concession Year during the **Concession** Period, the Concessionaire may so notify the Authority and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in increased costs, reduction in return or other financial burden as aforesaid. Upon notice by the Concessionaire, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on amendments to this Agreement or on any other mutually agreed arrangement. Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Concessionaire may by notice require the Authority to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice,

S.No	Clause Bid Date Details	Existing Clause	Amended Clause
		along with particulars thereof, the Authority shall pay the amount specified therein; provided that if the Authority shall dispute such claim of the Concessionaire, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Article 35.1 shall be restricted only to events of changes in law directly affecting the Concessionaire's costs of performing its obligations during the Construction Period under this Agreement. 35.2 Reduction in costs If as a result of Change in Law during the Construction Period, the Concessionaire benefits from a reduction in costs or increase in net after-tax return or other financial gains, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) and 2% (two per cent) of the total Payments in any Concession Year during the Construction Period, the Authority may so notify the Concessionaire and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in decreased costs, increase in return or other financial gains as aforesaid. Upon notice by the Authority, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on such amendments to this Agreement or on any other mutually agreed arrangement: Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Authority may by notice require the Concessionaire to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Concessionaire shall pay the amount specified therein to the Authority; provided that if the Concessionaire shall dispute such claim of the Authority, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Article 35.2 shall be restricted only to changes in law directly affecting the Concessionaire's costs of performing its obligations during the Construction Period under this Agreement.	along with particulars thereof, the Authority shall pay the amount specified therein; provided that if the Authority shall dispute such claim of the Concessionaire, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Article 35.1 shall be restricted only to events of changes in law directly affecting the Concessionaire's costs of performing its obligations during the **Concession** Period under this Agreement. 35.2 Reduction in costs If as a result of Change in Law during the **Concession** Period, the Concessionaire benefits from a reduction in costs or increase in net after-tax return or other financial gains, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) and 2% (two per cent) of the total Payments in any Concession Year during the **Concession** Period, the Authority may so notify the Concessionaire and propose amendments to this Agreement so as to place the Concessionaire in the same financial position as it would have enjoyed had there been no such Change in Law resulting in decreased costs, increase in return or other financial gains as aforesaid. Upon notice by the Authority, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on such amendments to this Agreement or on any other mutually agreed arrangement: Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Authority may by notice require the Concessionaire to pay an amount that would place the Concessionaire in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Concessionaire shall pay the amount specified therein to the Authority; provided that if the Concessionaire shall dispute such claim of the Authority, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Article 35.2 shall be restricted only to changes in law directly affecting the Concessionaire's costs of performing its obligations during the **Concession** Period under this Agreement.

S.No	Clause Bid Date Details	Existing Clause	Amended Clause
		35.3 Protection of NPV Pursuant to the provisions of Articles 35.1 and 35.2 and for the purposes of placing the Concessionaire in the same financial position as it would have enjoyed had there been no Change in Law affecting the costs, returns or other financial burden or gains, the Authority at its discretion shall use the Financial Plan or the Financial Model to establish a net present value (the "NPV") of the net cash flow and make necessary adjustments in costs, revenues, compensation or other relevant parameters, as the case may be, to procure that the NPV of the net cash flow is the same as it would have been if no Change in Law had occurred. For the avoidance of doubt, the Parties expressly agree that for determination of NPV, the discount rate to be used shall be the applicable Bank Rate. 35.4 Restriction on cash compensation The Parties acknowledge and agree that the demand for cash compensation under this Article 35 shall be restricted to the effect of Change in Law during the respective Concession Year and shall be made at any time after commencement of such year, but no later than one year from the close of such Concession Year. Any demand for cash compensation payable for and in respect of any subsequent Concession Year shall be made after the commencement of the Concession Year to which the demand pertains, but no later than 2 (two) years from the close of such Concession Year. 35.5 Additional Time If as a result of a Change in Law, the execution of any of the obligations of the Concessionaire under this Agreement is affected the Concessionaire may notify the Authority and propose amendments to this Agreement. Upon notice by the Concessionaire, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on amendments to this Agreement or on any other mutually agreed arrangement. The Concessionaire shall be	35.3 Protection of NPV Pursuant to the provisions of Articles 35.1 and 35.2 and for the purposes of placing the Concessionaire in the same financial position as it would have enjoyed had there been no Change in Law affecting the costs, returns or other financial burden or gains, the Authority at its discretion shall use the Financial Plan or the Financial Model to establish a net present value (the "NPV") of the net cash flow and make necessary adjustments in costs, revenues, compensation or other relevant parameters, as the case may be, to procure that the NPV of the net cash flow is the same as it would have been if no Change in Law had occurred. For the avoidance of doubt, the Parties expressly agree that for determination of NPV, the discount rate to be used shall be the applicable Bank Rate. 35.4 Restriction on cash compensation The Parties acknowledge and agree that the demand for cash compensation under this Article 35 shall be restricted to the effect of Change in Law during the respective Concession Year and shall be made at any time after commencement of such year, but no later than one year from the close of such Concession Year. Any demand for cash compensation payable for and in respect of any subsequent Concession Year shall be made after the commencement of the Concession Year to which the demand pertains, but no later than 2 (two) years from the close of such Concession Year. 35.5 Additional Time If as a result of a Change in Law, the execution of any of the obligations of the Concessionaire under this Agreement is affected the Concessionaire may notify the Authority and propose amendments to this Agreement. Upon notice by the Concessionaire, the Parties shall meet, as soon as reasonably practicable as but no later than 30 (thirty) days from the date of notice and either agree on amendments to this Agreement or on any other mutually agreed arrangement. The Concessionaire shall be

S.No	Clause Bid Date Details	Existing Clause	Amended Clause
		entitled to extension of time for a period no more than the days for which the obligations of the Concessionaire were affected.	entitled to extension of time for a period no more than the days for which the obligations of the Concessionaire were affected.

Implementing Agency and address for Communication:

The Commissioner,
Salem City Municipal Corporation
Salem- 636 001
Tel: : +91 - 0427 – 2212844
Email: commr.salem@tn.gov.in

Commissioner,

Salem City Municipal Corporation