

POWER PURCHASE AGREEMENT

Between

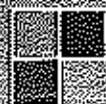
1. Paschimanchal Vidyut Vitran Nigam Limited
2. Purvanchal Vidyut Vitran Nigam Limited
3. Madhyanchal Vidyut Vitran Nigam Limited
4. Dakshinanchal Vidyut Vitran Nigam Limited

[U.P. Power Corporation Ltd.]



§

M/S KSK MAHANADI POWER COMPANY
LIMITED



POWER PURCHASE AGREEMENT

FOR

PROCUREMENT OF POWER

FOR LONG TERM

Under Case - I Bidding Procedure

THROUGH

TARIFF BASED COMPETITIVE BIDDING PROCESS

(As per Guidelines issued by the Government of India for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees)

FOR MEETING THE BASE LOAD REQUIREMENTS

Between

Paschimanchal Vidyut Vitran Nigam Limited
("Procurer 1")


Purvanchal Vidyut Vitran Nigam Limited
("Procurer 2")


Madhyanchal Vidyut Vitran Nigam Limited
("Procurer 3")


Dakshinanchal Vidyut Vitran Nigam Limited
("Procurer 4")

And

KSK Mahanadi Power Company Limited
("Seller")


Paschimanchal Vidyut Vitran
Nigam Limited


Purvanchal Vidyut Vitran
Nigam Limited


Madhyanchal Vidyut
Vitran Nigam Limited



Dakshinanchal Vidyut
Vitran Nigam Limited





KSK Mahanadi Power
Company Limited


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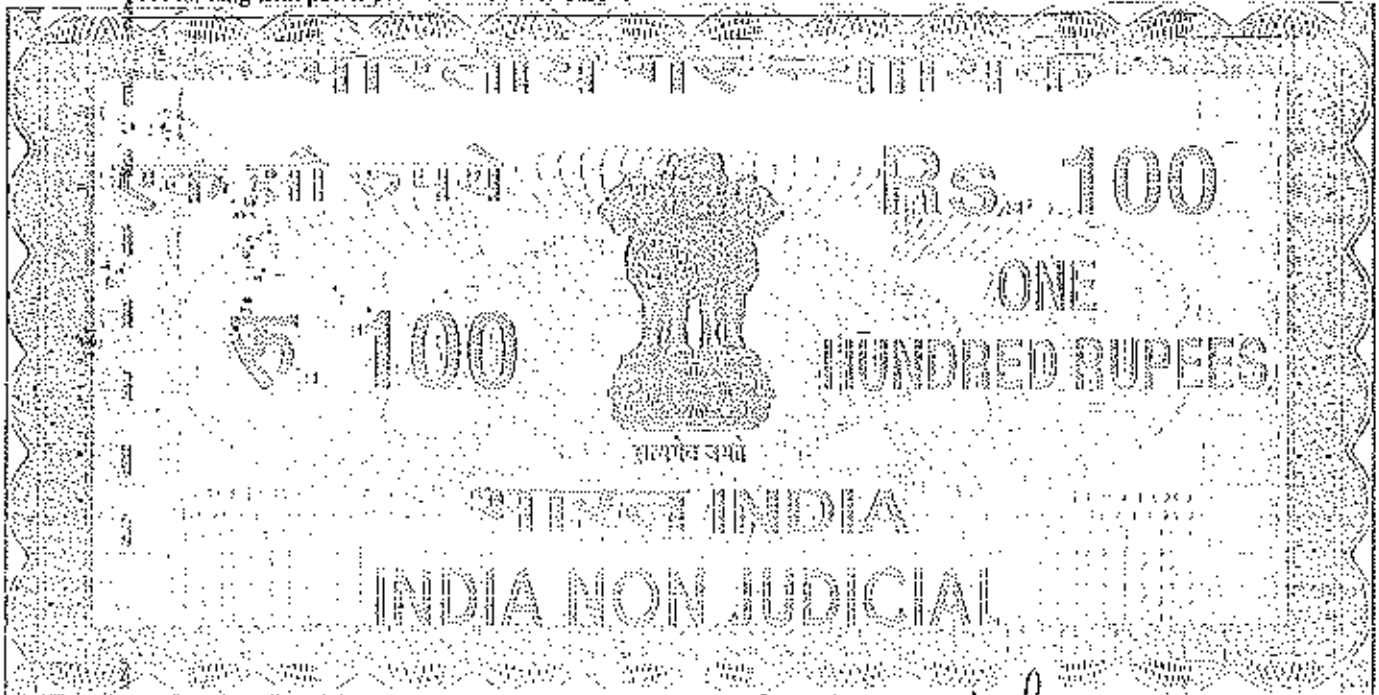

 Poshimanchal Vidyut Vitran
Nigam Limited


 Puvanchal Vidyut Vitran
Nigam Limited


 Madhyanchal Vidyut
Vitran Nigam Limited
2


 Dakshinanchal Vidyut
Vitran Nigam Limited


 KSK Mahanagar Power
Company Limited



ఆంధ్రప్రదేశ్ రాష్ట్రం ANDHRA PRADESH

BC 285990

M. GUDERSHAM RAO

LICENSED STAMP VENDOR

LICENSE No. 15-23-025/2012

H.No. 14-1-90/206, Gayathrinagar Main Road

Allapur Village, Balanagar Mandal, H.R. Dist.

Phono No. 02455 71053

Sl. No. 16 Date 12/2/14

Sold to: A. Sreeranth
S/o. D/o. W/o. A.V. Charyulu R/o Gayathrinagar - H.R. Dist.
For Whom: K.S.K. Mahanadi Power Company Ltd, H.R. Dist.

THIS AGREEMENT IS MADE ON THE [26] DAY OF [Feb] 20[14] AT LUCKNOW

Between

Paschimanchal Vidyut Vitran Nigam Limited, (the "Procuree 1")

Purvanchal Vidyut Vitran Nigam Limited, (the "Procuree 2")

Madhyanchal Vidyut Vitran Nigam Limited, (the "Procuree 3")

Dakshinanchal Vidyut Vitran Nigam Limited, (the "Procuree 4")

and

KSK Mahanadi Power Company Limited (the "Seller")

[The "Procuree 1", "Procuree 2", "Procuree 3" & "Procuree 4" are (hereinafter collectively referred to as the "Procurees" and individually as a "Procuree"), and each of the "Procuree" and the "Seller" are individually referred as "Party" and collectively to as the "Parties"]






Paschimanchal Vidyut Vitran Nigam Limited	Purvanchal Vidyut Vitran Nigam Limited	Madhyanchal Vidyut Vitran Nigam Limited	Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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Whereas:

- A. In accordance with the Competitive Bidding Guidelines (as defined hereunder), the Authorized Representative, had initiated a competitive bidding process through issue of RFP for procurement of power for long term under Case-1 bidding procedure for meeting the Procurers base load power requirements.
- B. Pursuant to the said bidding process, KSK Mahanadi Power Company Limited has been selected by the Authorized Representative, as the Successful Bidder for sale and supply of electricity in bulk to the Procurers, for the Aggregate Contracted Capacity (as defined hereunder) of 1000 MW, in accordance with the terms of this Agreement.
- C. The Seller has provided to the Procurers, Contract Performance Guarantee(s) as per format specified in Schedule 9 of this Agreement.
- D. Not Used-
- E. The Parties hereby agree to execute this Power Purchase Agreement setting out the terms and conditions for the sale of power up to the Aggregate Contracted Capacity by the Seller to the Procurers.
- F. The Procurers agree, on the terms and subject to the conditions of this Agreement, to procure power up to the Aggregate Contracted Capacity and pay the Seller the Tariff as determined in accordance with the terms of this Agreement.
- G. The Procurers has further agreed to make an application to the Appropriate Commission for the adoption of the Tariff under Section 63 of the Electricity Act, 2003.
- H. All the other RFP Documents have been executed by the Procurers and the Seller simultaneously with the signing of this Agreement.
- I. Not Used

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the Parties as follows:


 Panchanath Vidyut Vitran Nigam Limited	 Parvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 4	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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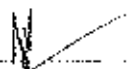
1. ARTICLE 1: DEFINITIONS AND INTERPRETATION

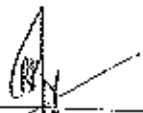
1.1 Definitions

The terms used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed there under, including those issued/ framed by Appropriate Commission (as defined hereunder), as amended or re-enacted from time to time.

"Act" or "Electricity Act, 2003"	shall mean the Electricity Act, 2003 and any rules, amendments, regulation, notifications, guidelines or policies issued there under from time to time;
"Affiliate"	shall mean a company that either directly or indirectly i. controls or ii. is controlled by or iii. is under common control with a Bidding Company (in the case of a single company) or a Member (in the case of a Consortium) and "control" means ownership by one company of at least twenty six percent (26%) of the voting rights of the other company;
"Aggregate Contracted Capacity"	with respect to the Seller, shall mean the aggregate capacity in 1000 MW contracted with the Procurers for supply at the Interconnection Point from the Power Station's Net Capacity;
"Agreement" or "Power Purchase Agreement" or "PPA"	shall mean this Power Purchase Agreement including its recitals and Schedules, amended or modified from time to time in accordance with the terms hereof;
"Appropriate Commission"	shall mean the CERC, or the SERC or the Joint Commission referred to in Section 83 of the Electricity Act 2003, as the case may be;
"Assessed Capacity"	in relation to the Power Station, shall mean the result of the most recent capacity assessment carried out by the Control Centre or the Seller in accordance with Article 5.5 of this Agreement;
"Authorized Representative"	shall mean Uttar Pradesh Power Corporation Limited (UPPCL), the body corporate authorized by the Procurers to carry out the bidding process for the selection of the Successful Bidder on their behalf;


Pashchimanchal Vidyut Nigam Limited


Pashchimanchal Vidyut Nigam Limited


Madhyanchal Vidyut Nigam Limited
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Dakshinanchal Vidyut Nigam Limited


KSK Mahanadi Power Company Limited

"Availability Based Tariff" or "ABT"	shall mean all the regulations contained in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, as amended or revised from time to time, to the extent applied as per the terms of this Agreement;
"Availability Factor" or "Availability"	shall have the meaning ascribed thereto in ABT (provided that in place of Installed capacity and Normative auxiliary consumption it shall be Aggregate Contracted Capacity);
"Available Capacity"	shall have the meaning ascribed thereto in ABT;
"Bid"	shall mean Non-Financial Bid and Financial Bid submitted by the Successful Bidder, in response to the RFP, in accordance with the terms and conditions of the RFP;
"Bid Deadline"	shall mean the last date and time for submission of the Bid in response to the RFP;
"Bidding Company"	shall refer to such single company that has submitted the Bid in accordance with the provisions of the RFP;
"Bidding Consortium" or "Consortium"	shall mean a group of companies that has collectively submitted the Bid;
"Bidding Guidelines" or "Competitive Bidding Guidelines"	shall mean the "Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees", issued by Ministry of Power, Government of India, under Section 63 of the Electricity Act, 2003 on January 19, 2005 and as amended from time to time till the Bid Deadline;
"Bill Dispute Notice"	shall mean the notice issued by a Party raising a Dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;
"Business Day"	shall mean with respect to Seller and Procurer(s), a day other than Sunday or a statutory holiday, on which the banks remain open for business in the State of Uttar Pradesh in which the concerned Procurer's registered office is located;
"Capacity Charge" or "Capacity Charges"	shall have meaning ascribed thereto in Schedule 4;
Capital Cost"	shall mean the lower of the following: <ul style="list-style-type: none"> (a) actual capital cost of the Power Station on a relevant date which shall not be later than the Delivery Date, as certified by the auditors appointed jointly by the Seller and Procurers(jointly); or (b) total cost of the Power Station as set forth in the Financing Agreements,



Pashchimanchal Vidyut Viton Nigam Limited	Parvanchal Vidyut Viton Nigam Limited	Madhyanchal Vidyut Nigam Limited	Dakshinanchal Vidyut Viton Nigam Limited	KSK Mahanadi Power Company Limited

Provided that Capital Cost shall always exclude cost overruns arising due to a Seller Event of Default, or costs due to events for which compensation has been received by Seller from the Procurer(s) or Insurers or third parties;

Provided further that the Capital Cost in relation to an unit shall be the total cost of the Power Station allocated in proportion to the Aggregate Contracted Capacity;

"Capital Structure Schedule"	shall mean sources of finance used to finance the Capital Cost of the Power Station as provided in the Financing Agreements;
"Central Transmission Utility" or "CTU"	shall mean the utility notified by the Central Government under Section-38 of the Electricity Act 2003;
"CERC"	shall mean the Central Electricity Regulatory Commission of India, constituted under sub section (1) of Section 76 of the Electricity Act, 2003, or its successors;
"Change in Law"	shall have the meaning ascribed thereto in Article 10.1.1 of this Agreement;
"Competent Court of Law"	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
"Consents, Clearances and Permits"	shall mean all authorizations, licenses, approvals, registrations, permits, waivers, privileges, acknowledgements, agreements, or concessions required to be obtained from or provided by any concerned authority for the purpose of setting up of the generation facilities and/ or supply of power;
"Consultation Period"	shall mean the period of ninety (90) days or such other longer period as the Parties may agree, commencing from the date of issuance of a Seller Preliminary Default Notice or a Procurer Preliminary Default Notice as provided in Article 11 of this Agreement, for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances;
"Contract Performance Guarantee"	shall mean the irrevocable unconditional bank guarantee, submitted or to be submitted by the Seller or the Successful Bidder on behalf of the Seller to the Procurer(s) from a bank mentioned in Schedule 11 of this Agreement in the form attached hereto as Schedule 9, in accordance with the terms of this Agreement and RPP;

 Tachinanchal Vidyut Nigam Limited	 Paryanchal Vidyut Nigam Limited	 Mahyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Contract Year" shall mean the period commencing on the Effective Date (as defined hereunder) and ending on the immediately succeeding March 31 and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31;

Provided that:

(i) in the financial year in which the Scheduled Delivery Date would occur, the Contract Year shall end on the date immediately before the Scheduled Delivery Date and a new Contract Year shall commence once again from the Scheduled Delivery Date and end on the immediately succeeding March 31, and thereafter each period of twelve (12) months commencing on April 1 and ending on March 31, and

(ii) provided further that the last Contract Year of this Agreement shall end on the last day of the Term of this Agreement;

And further provided that for the purpose of payment, the Tariff shall be the Quoted Tariff for the applicable Contract Year as per Schedule 8 of this Agreement;

"Contracted Capacity" with respect to each Procurer, shall mean the allocation of the Aggregate Contracted Capacity to each of the Procurers as provided in Schedule 1 hereof, subject to adjustment as per terms of this Agreement;



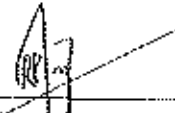


"Control Centre" shall mean the RLDC and/or SLDC or such other load control centre designated by the Procurer(s) from time to time through which the Procurer(s) shall issue Dispatch Instructions to the Seller for supply of power;

"Debt Service" shall mean the amounts which are due under the Financing Agreements by the Seller to the Lenders, expressed in Rupees (with all amounts denominated in currencies other than Rupees being converted to Rupees at the reference exchange rate, which is the selling rate in Rupees for the foreign currency on the relevant Day, as notified by the State Bank of India as its TT Rate at 12:00 noon of the date of Notice to Proceed);






"Declared Capacity" shall mean the Power Station's Net Capacity at the relevant time at the Interconnection Point (expressed in MW) as declared by the Seller in accordance with the Grid Code and dispatching procedures as per the Availability Based Tariff;

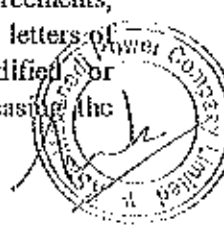
"Delivery Date" shall mean the date on which the Seller commences supply of the Aggregate Contracted Capacity to the Procurers;




 Pashchimanchal Vidyut Nigam Limited	 Pashchimanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 8	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Delivery Point"	shall mean the STU Interface(s) as specified in Schedule 1 of this Agreement;
"Direct Non-Natural Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Dispatch Instruction"	shall mean any instruction issued by the Procurers through the concerned SLDC / RLDC to the Seller, in accordance with applicable Grid Code and this Agreement;
"Dispute"	shall mean any dispute or difference of any kind between a Procurer and the Seller or between the Procurers (jointly) and the Seller, in connection with or arising out of this Agreement including but not limited to any issue on the interpretation and scope of the terms of this Agreement as provided in Article 14 of this Agreement;
"Due Date"	shall mean the thirtieth (30th) day after a Monthly Bill or a Supplementary Bill is received and duly acknowledged by the Procurer(s) or, if such day is not a Business Day, the immediately succeeding Business Day, by which date such Monthly Bill or a Supplementary Bill is payable by such Procurer(s);
"Effective Date"	shall have the meaning ascribed thereto in Article 2.1 of this Agreement;
"Electricity Laws"	shall mean the Electricity Act, 2003 and the rules and regulations made thereunder from time to time along with amendments thereto and replacements thereof and any other Law pertaining to electricity including regulations framed by the Appropriate Commission;
"Energy Charge" or "Energy Charges"	shall have the meaning ascribed to this term under Schedule 4 of this Agreement;
"Event of Default"	shall mean the events as defined in Article 11 of this Agreement;
"Expiry Date"	shall mean the date which is the twenty fifth (25th) anniversary of the Delivery Date or such extended period as mutually agreed upon by both Parties;
"Financial Closure"	shall mean the execution of all the Financing Agreements required for the Power Station and fulfillment of conditions precedents and waiver, if any, of any of the conditions precedent for the initial draw down of funds there under;
"Financing Agreements"	shall mean the agreements pursuant to which the Seller has sought financing for the Power Station including the loan agreements, security documents, notes, indentures, security agreements, letters of credit and other documents, as may be amended, modified or replaced from time to time, but without in anyway increasing the liabilities of the Procurer(s);


 Paschimanchal Vidyut Nigam Limited	 Paschimanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Force Majeure" or "Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Fuel"	shall mean the primary fuel used to generate electricity namely domestic coal;
"Fuel Supply Agreement(s)"	shall mean the agreement(s) entered into between the Seller and the fuel supplier for the purchase, transportation and handling of the Fuel, required for the operation of the Power Station. In case the transportation of the Fuel is not the responsibility of the fuel supplier, the Fuel Supply Agreement shall also include the separate agreement between the Seller and the fuel transporter for the transportation of Fuel in addition to the agreement between the Seller and the fuel supplier for the supply of the Fuel;
"Grid Code" / "IEGC" or "State Grid Code"	shall mean the Grid Code specified by the Central Commission under Clause (h) of Sub-section (1) of Section 79 of the Electricity Act and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) of Sub-section (1) of Section 86 of the Electricity Act 2003, as applicable;
"Indian Governmental Instrumentality"	shall mean the Government of India, Governments of state(s) of Uttar Pradesh, Andhra Pradesh and Chhattisgarh and any ministry, department, board, authority, agency, corporation, commission under the direct or indirect control of Government of India or any of the above state Government(s) or both, any political sub-division of any of them including any court or Appropriate Commission(s) or tribunal or judicial or quasi-judicial body in India but excluding the Seller and the Procurers;
"Indirect Non-Natural Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Injection Point"	shall mean the PGCL 765/400 kV Champa Pooling Station in Chhattisgarh Inj as specified by the Successful Bidder in Format 4.10 of the Selected Bid (Schedule 10 of this Agreement);
"Installed Capacity"	shall mean the sum of nameplate capacities of the units of the Power Station, confirmed by the respective performance tests;
"Insurances"	shall mean the insurance cover to be obtained and maintained by the Seller in accordance with Article 7 of this Agreement;


Paschimanchal Vidyut Nigam Limited


Paschimanchal Vidyut Nigam Limited


Madhyanchal Vidyut Nigam Limited
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Dakshinanchal Vidyut Nigam Limited







RSK Mahandi Power Company Limited



"Interconnection Facilities"	shall mean the facilities on the Procurers' side of the Delivery Point for receiving and metering the electrical output in accordance with this Agreement and which shall include, without limitation, all other transmission lines and associated equipments, transformers, relay and switching equipment and protective devices, safety equipment and, subject to Article 6, the Metering System required for supply of power as per the terms of this Agreement;
"Interconnection Point"	shall mean the point where the power from the Power Station switchyard bus of the Seller is injected into the interstate/intrastate transmission system (including the dedicated transmission line connecting the Power Station with the interstate/intrastate transmission system);
"Invoice" or "Bill"	shall mean either a Monthly Invoice, or a Supplementary Invoice by any of the Parties;
"Late Payment Surcharge"	shall have the meaning ascribed thereto in Article 8.3.5 of this Agreement;
"Law"	shall mean in relation to this Agreement, all laws including Electricity Laws in force in India and any statute, ordinance, regulation, notification or code, rule, or any interpretation of any of them by an Indian Governmental Instrumentality and having force of law and shall further include without limitation all applicable rules, regulations, orders, notifications by an Indian Governmental Instrumentality pursuant to or under any of them and shall include without limitation all rules, regulations, decisions and orders of the Appropriate Commission;
"Lead Procurer"	shall have the meaning ascribed thereto in Article 15.1;
"Lender(s)"	shall mean the banks, other financial institutions, multilateral agencies, RBI registered non banking financial companies, mutual funds and agents or trustees of debenture/ bond holders, including their successors and assignees, who have agreed as on or before commencement of supply of power from the Power Station to provide the Seller with the debt financing described in the Capital Structure Schedule, and any successor banks or financial institutions to whom their interests under the Financing Agreements may be transferred or assigned;





Provided that, such assignment or transfer shall not relieve the Seller of its obligations to the Procurers under this Agreement in any manner and does not lead to an increase in the liability of the Procurers at any given point of time;








 Panchsanchal Vidyut Nigam Limited	 Parmanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 11	 Dakshinanchal Vidyut Nigam Limited	 ESK Mahanadi Power Company Limited
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"Lender's Representative"	shall mean the person notified by the Lenders in writing as being the representative of the Lenders and such person may from time to time be replaced by the Lenders pursuant to the Financing Agreements by written notice to the Seller;
"Letter of Credit" or "LC"	shall have the meaning ascribed thereto in Article 8.4.1 of this Agreement;
"Letter of Intent" or "LOI"	shall mean the letter issued by the Procurer / Authorized Representative to the Successful Bidder for supply of power pursuant to the RFP;
"Majority Procurers"	shall have the meaning ascribed thereto in Article 15.1.4 of this Agreement.
"Meters" or "Metering System"	shall mean meters used for accounting and billing of electricity in accordance with Central Electricity Authority (Installation and Operations of Meters) Regulations, 2006, Grid Code and AIT, as amended from time to time;
"Minimum Offtake Guarantee"	shall mean guaranteed offtake of sixty five percent (65%) of the Aggregate Contracted Capacity for all Procurers taken together, as the case may be, during a Contract Year.
"Month"	shall mean a period of thirty (30) days from (and excluding) the date of the event, where applicable, else a calendar month;
"Monthly Bill" or "Monthly Invoice"	shall mean a monthly invoice comprising of Capacity Charges (applicable after Delivery Date) and Energy Charges (as applicable), including incentive and penalty, as per Schedule 4 hereof;
"Natural Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Non-Natural Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Normative Availability"	shall mean eighty five percent (85%) Availability of the Aggregate Contracted Capacity at the Interconnection Point on Contract Year basis.
"Notice to Proceed" or "NTP"	shall mean the date on which the Seller shall fulfill the conditions as contained in Article 3.1.1 of this Agreement in accordance with the provisions of this Agreement;
"Operating Period"	shall mean the period commencing from the Delivery Date, until the Expiry Date or date of earlier termination of this Agreement in accordance with Article 2 of this Agreement;
"Parent Company" or "Parent"	shall mean a company that holds at least twenty six percent (26%) of the paid-up equity capital directly or indirectly in the Seller or in the Member, as the case may be;



 Panchanath Vidyut Nigam Limited	 Panchanath Vidyut Nigam Limited	 Mahanadi Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Party" and "Parties"	shall have the meaning ascribed thereto in the recital to this Agreement;
"Payment Mechanism"	shall have the meaning ascribed thereto in Article 8.4 of this Agreement;
"Power Station"	<p>shall mean KSK Mahanadi Power Company Limited power generation facility of installed capacity of 6x600 MW, located at Village Nariyara, Akaltara Tehsil, in Distt: Janjgir Champa, Chhattisgarh;</p> <p>This includes all units and auxiliaries such as associated Fuel handling, treatment or storage facilities; water supply, treatment or storage facilities; the ash disposal system including ash dyke; bay/s for transmission system in the switchyard, dam, intake, water conductor system, and all the other assets, buildings/structures, equipments, plant and machinery, facilities and related assets required for the efficient and economic operation of the power generation facility;</p> <p>whether completed or at any stage of development and construction or intended to be developed and constructed for the purpose of supply of power as per this Agreement;</p>
"Power Station's Net Capacity"	<p>shall mean 3600 MW, being Installed Capacity of the Power Station measured at the bus-bar, reduced by the normative auxiliary power consumption as prescribed by CHRC from time to time;</p> <p>In case of a dedicated transmission line connecting the bus-bar and the Interconnection Point, the Power Station's Net Capacity shall be 3294 MW, being the Installed Capacity of the Power Station measured at the Interconnection Point and reduced by the normative auxiliary power consumption and losses, if any, of such dedicated transmission line;</p>
"Preliminary Default Notice"	shall have the meaning ascribed thereto in Article 11 of this Agreement;
"Project Company"	shall mean the company where incorporated by the Successful Bidder, as per Indian laws, to undertake all rights and obligations of the Seller and to sign this Agreement for the supply of power to the Procurers as per the terms of this Agreement;
"Provisional Bill"	shall mean the bill raised by the Seller as ascribed thereto in Article 8.3.6 of this Agreement;

 Panchamohar Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Maheshwari Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Prudent Utility Practices"

shall mean the practices, methods and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring the safe, efficient and economic design, construction, commissioning, operation and maintenance of power generation equipment and which practices, methods and standards shall be adjusted as necessary, to take account of:

- a) operation and maintenance guidelines recommended by the manufacturers of the plant and equipment to be incorporated in the Power Station;
- b) the requirements of Indian Law; and

the physical conditions at the site of the Power Station;

"Quoted Capacity Charges"

shall mean the sum total of Quoted Non Escalable Capacity Charges and Quoted Escalable Capacity Charges;

"Quoted Energy Charges"

shall mean the sum total of Quoted Non Escalable Energy Charges and Quoted Escalable Energy Charge;

"Quoted Escalable Capacity Charges"

shall have the meaning as ascribed thereto in Column 5 of Schedule 8 of this Agreement;

"Quoted Escalable Energy Charges"

shall have the meaning as ascribed thereto in Column 7 of Schedule 8 of this Agreement;

"Quoted Escalable Inland Transportation Charges"

shall have the meaning as ascribed thereto in Column 11 of Schedule 8 of this Agreement;

"Quoted Non Escalable Capacity Charges"

shall have the meaning as ascribed thereto in Column 4 of Schedule 8 of this Agreement;

"Quoted Non Escalable Energy Charges"

shall have the meaning as ascribed thereto in Column 6 of Schedule 8 of this Agreement;

"Quoted Non Escalable Inland Transportation Charges"

shall have the meaning as ascribed thereto in Column 10 of Schedule 8 of this Agreement;

"Quoted Tariff"

shall mean the sum total of Quoted Energy Charges and Quoted Capacity Charge;

"RBI"






shall mean the Reserve Bank of India;

"Rebate"






shall have the same meaning as ascribed thereto in Article 8.3.6 of this Agreement;

"Receivables"






shall have the meaning as ascribed thereto in Article 8.4.11 of this Agreement;

 Poochinanchal Vidyut Nigam Limited	 Pervanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Regional Energy Accounts" or "REA"	shall have the same meaning as in the Grid Code and issued by the relevant RPC secretariat or other appropriate agency for each Week and for each Month (as per their prescribed methodology), including the revisions and amendments thereof;
"Revised Scheduled Delivery Date"	shall have the meaning ascribed thereto in Article 4.1 of this Agreement;
"RFP"	shall mean the Request For Proposal document along with all formats dated 27-07-2012 issued by the Authorized Representative and shall include any modifications, amendments or alterations and clarifications thereto;
"RFP Documents"	shall mean the following documents entered into in respect of the procurement of power, by the Parties to the respective agreements: <ol style="list-style-type: none"> PPA; Default Escrow Agreement; and Agreement to Hypothecate cum Deed of Hypothecation
"RLDC"	shall mean the relevant Regional Load Dispatch Centre established under Sub-section (1) of Section 27 of the Electricity Act, 2003;
"RPC"	shall mean the relevant Regional Power Committee established by the Government of India for a specific region in accordance with the Electricity Act, 2003 for facilitating integrated operation of the power system in that region;
"Rupees" or "Rs."	shall mean Indian rupees, the lawful currency of India;
"SBAR"	shall mean the prime lending rate per annum applicable for loans with one (1) year maturity as fixed from time to time by the State Bank of India. In the absence of such rate, SBAR shall mean any other arrangement that substitutes such prime lending rate as mutually agreed to by the Parties;
"Scheduled Delivery Date"	shall have the meaning ascribed thereto in Article 4.1 of this Agreement;
"Scheduled Energy" or "Scheduled Generation"	Shall mean scheduled generation as defined in the ABT;
"Scheduled Outage"	shall mean the final outage plan as approved by the RPC as per the provisions of the Grid Code;
"Selected Bid"	shall mean the Bid of the Successful Bidder as accepted by the Procurer/ Authorized Representative, copy of which is attached herewith and marked as Schedule 10 of this Agreement;


 Paschimanchal Vidyut Nigam Limited	 Porvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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"Selectee"	shall mean a new company (i) proposed by the Lenders pursuant to Schedule 12 hereof and approved by the Procurers (ii) or proposed by the Procurer in accordance with Schedule 12 hereof and approved by the Lenders, for substituting the Seller for the residual period of the PPA by amendment of the PPA or by execution of a fresh PPA in accordance with the terms and conditions contained in the said Schedule;
"SERC"	shall mean the Electricity Regulatory Commission of any State in India constituted under Section-82 of the Electricity Act, 2003 or its successors, and includes a Joint Commission constituted under Sub-section (1) of Section 83 of the Electricity Act 2003;
"Settlement Period"	shall mean the time period for the issuance of daily generation and drawl schedules as provided in ABT;
"SLDC"	shall mean the centre established under Sub-section (1) of Section 31 of the Electricity Act 2003, relevant for the State(s) where either of the Interconnection Point, the Injection Point and/or the Delivery Point are located;
"SLDC Charges"	shall mean the charges levied by any of the relevant SLDCs for the supply of power by the Seller to the Procurer(s);
"State Transmission Utility" or "STU"	shall mean the Board or the Government company notified by the respective State Government under Sub-section (1) of Section 39 of the Act;
"STU Interface"	shall mean the point at which the CTU network is connected to the intrastate transmission system of the Procurers State, and at which the Procurers agree to receive power up to the Requisitioned Capacity; For generation source in the same state as that of the Procurers, the STU Interface shall be the bus-bar of the generating station from which power is contracted to be supplied, at an appropriate voltage level as specified by the STU.
"Substitution Notice"	shall have the same meaning as ascribed to in Clause 12.3 of Schedule 12 of this Agreement;
"Successful Bidder"	shall mean the Bidder selected by the Authorized Representative pursuant to the RFP for supply of power by itself or through the Project Company to the Procurers as per the terms of PPA and other RFP Documents, and to whom a LOI has been issued;
"Supplementary Bill"	shall mean a bill other than a Monthly Bill raised by any of the Parties in accordance with Article 8 of this Agreement;
"Tariff"	shall mean the tariff as computed in accordance with Schedule 4 of this Agreement;


 Peshinanchal Vidyut Nigam Limited	 Pervanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 16	 Dakshinanchal Vidyut Nigam Limited	 KSEB Kishanji Power Company Limited
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- "Tariff Payment" shall mean the payments to be made under Monthly Bills as referred to in Schedule 4 and the relevant Supplementary Bills;
- "Termination Notice" shall mean the notice given by either Parties for termination of this Agreement in accordance with Articles 3.4.2, 3.4.3, 3.4.4, 3.4.5, 4.1.1, 11.3.4, 11.4.5, 11.5.1 and Clause 7.2.3 of Schedule 7 of this Agreement;
- "Term of Agreement" shall have the meaning ascribed thereto in Article 2.2 of this Agreement;
- "Total Debt Amount" shall mean the sum of the following amounts, expressed in Rupees (with all amounts denominated in currencies other than Rupees being converted to Rupees at the reference exchange rate, which is the selling rate in Rupees for the foreign currency on the relevant Day, as notified by the State Bank of India as its telegraphic transfer rate at 12:00 noon on the date of issuance of Substitution Notice by the Lenders
- the principal amount of the debt incurred by the Seller (as per the terms of the Financing Agreements) to finance the Power Station according to the Capital Structure Schedule which remains outstanding on the date of issuance of Substitution Notice by the Lender after taking account of any debt repayments which could have been made out of the Tariff Payments received by the Seller on or before the date of issuance of Substitution Notice by the Lender as per the terms provided in the Financing Agreements; and
 - all accrued interest and financing fees payable under the Financing Agreements on the amounts referred to in (a) above from the date of the Capacity Charge payment (as specified in Clause 4.2.1 of Schedule 4 hereof) immediately preceding the date of issuance of Substitution Notice by the Lender or, if the Capacity Charges have not yet fallen due to be paid, from the most recent date when interest and financing fees were capitalised.
- "Transmission Service Agreement" shall mean the agreements(s) signed by the Seller and the relevant transmission licensee for transmission of power up to the Aggregate Contracted Capacity from the Injection Point to the Delivery Point;
- "Ultimate Parent Company" shall mean a company which directly or indirectly owns at least twenty six percent (26%) paid up equity capital in the Seller or Member (as the case may be) and such Seller or Member (as the case may be) shall be under the direct control or indirectly under the common control of such company;


Panchimal Vidyut Nigam Limited


Panchimal Vidyut Nigam Limited


Madhyanchal Vidyut Nigam Limited


Dakshinanchal Vidyut Nigam Limited


KSK Mahesh Power Company Limited






"Unscheduled Interchange" or "UI"	shall have the meaning ascribed thereto in the CERC (Unscheduled Interchange charges and related matters) Regulations 2009 and its amendments or revised from time to time; In case the Power Station and the Procurers being within the same state, the Unscheduled Interchange shall be regulated by the respective SERC regulations;
"Unscheduled Outage"	shall mean an outage that is not a Scheduled Outage and is for the purpose of performing work on specific plant and equipments, which work could not be postponed till the next Scheduled Outage;
"Week"	shall mean a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;
"Wheeling Charges" or "Transmission Charges"	shall mean the charges to be paid by the Seller and reimbursed by the Procurers as transmission tariff for usage of intervening CTU networks for the transmission of power from the Injection Point up to the Delivery Point, as approved by the Appropriate Commission (excluding the charges for the STU network or charges of STU system operation or SLDC Charges, if any);

1.2 Interpretation

Save where the contrary is indicated, any reference in this Agreement to:

- 1.2.1 "Agreement" shall be construed as including a reference to its Schedules, Appendices and Annexures;
- 1.2.2 An "Article", a "Recital", a "Schedule" and a "paragraph / clause" shall be construed as a reference to an Article, a Recital, a Schedule and a paragraph/clause respectively of this Agreement;
- 1.2.3 A "crore" means a reference to ten million (10,000,000) and a "lakh" means a reference to one tenth of a million (1,00,000);
- 1.2.4 An "encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;
- 1.2.5 "Indebtedness" shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;



 Pashchimanchal Vidyut Nigam Limited	 Purnvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 18	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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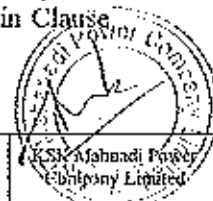
- 1.2.6 A "person" shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests;
- 1.2.7 "Rupee", "Rupees" and "Rs." shall denote Indian Rupees, the lawful currency of India;
- 1.2.8 The "winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the Law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors;
- 1.2.9 Words importing the singular shall include the plural and vice versa;
- 1.2.10 This Agreement itself or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented;
- 1.2.11 A Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time;
- 1.2.12 A time of day shall, save as otherwise provided in any agreement or document be construed as a reference to Indian Standard Time;
- 1.2.13 Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part;
- 1.2.14 The tables of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement;
- 1.2.15 All interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty five (365) days;
- 1.2.16 The words "hereof" or "herein", if and when used in this Agreement shall mean a reference to this Agreement;
- 1.2.17 The terms "including" or "including without limitation" shall mean that any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;
- 1.2.18 The contents of Schedule 10 shall be referred to for ascertaining accuracy and correctness of the representations made by the Successful Bidder / Seller in Clause 7.2.1(vi) of Schedule 7 hereof.

Paschimanchal Vidyut Vitran
Nigam Limited

Purvanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
Vitran Nigam Limited
19

Dakshinanchal Vidyut
Vitran Nigam Limited



2 ARTICLE 2 : TERM OF AGREEMENT

2.1 *Effective Date*

2.1.1 This Agreement shall come into effect from the date it is executed and delivered by the last of all the Parties and such date shall be referred to as the Effective Date.

2.2 *Term of Agreement*

2.2.1 This Agreement shall be valid for a term commencing from the Effective Date until the Expiry Date ("Term of Agreement"), unless terminated earlier pursuant to Article 2.3. Upon the occurrence of the Expiry Date, this Agreement shall, subject to Article 2.4, automatically terminate, unless mutually, extended by all the Parties on mutually agreed terms and conditions, at least one hundred and eighty (180) days prior to the Expiry Date, subject to approval of the Uttar Pradesh Electricity Regulatory Commission.


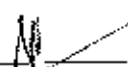
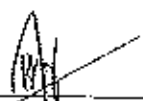

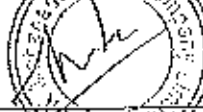
2.3 *Early Termination*

2.3.1 This Agreement shall terminate before the Expiry Date:

- i. if either all the Procurers (jointly) or the Seller exercises a right to terminate, pursuant to Articles 3.4.2, 3.4.3, 3.4.4, 3.4.5, 4.1.1, 11.3.4, 11.4.5, 11.5.1 or Clause 7.2.3 of Schedule 7 of this Agreement; or
- ii. in such other circumstances as the Seller and all the Procurers (jointly) may agree, in writing.

2.4 *Survival*

2.4.1 The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive liquidated damages as per the terms of this Agreement, nor shall it affect the survival of any continuing obligations for which this Agreement provides, either expressly or by necessary implication, which are to survive after the Expiry Date or termination including those under Article 3.4.2, Article 9 (Force Majeure), Article 11 (Events of Default and Termination), Article 12 (Liability and Indemnification), Article 14 (Governing Law and Dispute Resolution), Article 15 (Miscellaneous Provisions), and other Articles and Schedules of this Agreement which expressly or by their nature survive the Term or termination of this Agreement shall continue and survive any expiry or termination of this Agreement.

 Pwchinchal Vidyut Vitran Nigam Limited	 Pervanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 20	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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3 ARTICLE 3 : CONDITIONS SUBSEQUENT TO BE SATISFIED BY SELLER/ PROCURER(S)

3.1 Satisfaction of conditions subsequent by the Seller

3.1.1 The Seller agrees and undertakes to duly perform and complete the following activities at the Seller's own cost and risk within twelve (12) months from the Effective Date, unless such completion is affected by any Force Majeure event or due to the Procurers' failure to comply with their obligations under Article 3.2.1 of this Agreement, or if any of the activities is specifically waived in writing by the "Procurers jointly":

a) Deleted-

b) In case the Power Station is located outside the state of the Procurers, the Seller shall have obtained all the necessary permission for the long term open access for the intrastate transmission system from the Power Station bus bar to the Injection Point (except in case of dedicated transmission lines) and shall have executed all necessary agreements for such transmission access and provided a copy of the same to the Procurers;






c) The Seller shall have obtained the necessary permission for long term open access for the transmission system from the Injection Point up to the Delivery Point and have executed the Transmission Service Agreement with the transmission licensee for transmission of power from the Injection Point up to the Delivery Point and provided a copy of the same to the Procurers;

d) "The Seller shall have acquired and taken the possession of the balance area of land out of the total land requirement as mentioned in the proposal filed before the competent authority at the RFP stage;".

The Seller shall submit the letter of possession and equivalent documents for such area of land as mentioned above to the Procurers.

e) "The Seller shall have awarded the Engineering, Procurement and Construction contract ("EPC contract) or main plant contract for boiler, turbine and generator ("BTG"), for setting up of the Power Station and shall have given to such contractor an irrevocable NTP and shall have submitted a letter to this effect to the Procurers;"

f) The Seller shall have obtained all Consents, Clearances and Permits required for supply of power to the Procurers as per the terms of this Agreement. In case a Project Company is incorporated and the Consents, Clearances and Permits have been obtained in the name of a company other than the Project Company, all such Consents, Clearances and Permits shall have been transferred in the name of such Project Company;

 Panchajanya Vidya Vitaran Nigam Limited	 Panchajanya Vidya Vitaran Nigam Limited	 Madhyaanchal Vidya Vitaran Nigam Limited 21	 Dakshinanchal Vidya Vitaran Nigam Limited	 KSR Mahanadi Power Company Limited
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- g) The Seller shall have sent a written notice to all the Procurers indicating the Aggregate Contracted Capacity and total Installed Capacity for each unit and for the Power Station as a whole expressed in MW;
- h) The Seller shall have achieved Financial Closure and has provided a certificate from the lead banker to this effect;
- i) The Seller shall have provided an irrevocable letter to the Lenders duly accepting and acknowledging the rights provided to the Lenders under the terms of this Agreement and all other RFP Documents;

3.2 Satisfaction of conditions subsequent by the Procurers

3.2.1 The Procurers agree and undertake to duly perform and complete the following activities at the Procurers' own cost and risk within ten(10) Months from the Effective Date, unless such completion is affected by any Force Majeure event or due to the Seller's failure to comply with their obligations under Article 3.1.1 of this Agreement or if any of the activities is specifically waived in writing by the Seller:

- a) The Procurers shall facilitate the representation of the Seller in the relevant RPC forum in coordinating on applicable inter-state/regional transmission linkages required from the Injection Point to the Delivery Point.
- b) - Not Used-
- c) The Procurers shall have obtained the order of the Uttar Pradesh Electricity Regulatory Commission for adoption of the tariff under Section 63 of the Electricity Act 2003 and given a copy of the same to the Seller.






3.3 Joint responsibilities of the Procurers and the Seller

3.3.1 The Lead Procurer and the Seller shall have jointly agreed on the specific date(s) for commencement of supply of power and quantum of the Contracted Capacity to be supplied to Procurers from each such date. Such mutually agreed date(s) shall not be later than the Scheduled Delivery Date, and the total quantum of power shall be equal to the Aggregate Contracted Capacity.

3.3.2 These date(s) shall be mutually agreed upon within twelve (12) Months and shall be the Revised Scheduled Delivery Date(s) for the respective quantum of power.

3.4 Consequences of non-fulfillment of conditions subsequent

3.4.1 If any one or more of the conditions specified in Article 3.1 is not duly fulfilled by the Seller, even within three (3) Months after the time specified under Article 3.1, otherwise than for the reasons directly attributable to the Procurer(s) or Force Majeure event in terms of Article 3.4.3, then on and from the expiry of such period and until the Seller has satisfied all the conditions specified in Article 3.1, the Seller shall, on a weekly basis, be liable to furnish to the Procurer(s) additional Contract Performance

 Paschimanchal Vidyut Vitan Nigam Limited	 Purvanchal Vidyut Vitan Nigam Limited	 Madhyanchal Vidyut Vitan Nigam Limited 22	 Dakshinanchal Vidyut Vitan Nigam Limited	 KSK Mahanadi Power Company Limited
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Guarantee from any of the banks listed in Schedule II of this Agreement, of Rs. Fifteen Crores Only Rs.15,00,00,000/-), which has been provided separately to each of the Procurers for the amount calculated pro-rata (and rounded off to Fifty Thousand [Rs 50,000]) with the principle that amounts below Rupees to Fifty Thousand [Rs 50,000] shall be rounded down and amounts of Rupees to Fifty Thousand [Rs 50,000] and above shall be rounded up) in the ratio of Contracted Capacities", within two (2) Business Days of expiry of every such Week. Such additional Contract Performance Guarantee shall initially be valid till the Scheduled Delivery Date, and the Procurers shall be entitled to hold and/ or invoke the Contract Performance Guarantee, including such additional Contract Performance Guarantee, in accordance with the provisions of this Agreement. However, upon satisfaction of the conditions subsequent by the Seller, the additional Contract Performance Guarantee shall be returned by the Procurers.

3.4.2 Subject to Article 3.4.3, if:

- (i) fulfillment of any one or more of the conditions specified in Article 3.1 is delayed beyond the period of three (3) Months after the date specified in Article 3.1 above, and the Seller fails to furnish the additional Contract Performance Guarantee to the Procurer(s) in accordance with Article 3.4.1 hereof; or
- (ii) the Seller furnishes additional Contract Performance Guarantee to the Procurers in accordance with Article 3.4.1 hereof, but fails to fulfill the conditions specified in Article 3.1 for a period of six (6) Months beyond the period specified in Article 3.1 above,





all the Procurers (jointly) shall have the right to terminate this Agreement by giving a Termination Notice to the other Party in writing of at least seven (7) days. The termination of the Agreement shall take effect upon the expiry of the last date of the said notice period ("Termination Date").

If the Procurers elects to terminate this Agreement in the event specified in the preceding paragraph of this Article, the Seller shall be liable to pay to the Procurers on the Termination Date an amount of Rupees Four Hundred Crores Only (Rs.400,00,00,000/-) only as liquidated damages.

The Procurers shall be entitled to recover this amount of liquidated damages on the Termination Date, by invoking the Contract Performance Guarantee and shall then return the balance Contract Performance Guarantee, if any, to the Seller. If the Procurers is unable to recover the amount of liquidated damages or any part thereof from the Contract Performance Guarantee, the amount of liquidated damages not recovered from the Contract Performance Guarantee, if any, shall be payable by the Seller to the Procurers within ten (10) days from the Termination Date.

For the avoidance of doubt, it is clarified that this Article shall survive the termination of this Agreement.



 Paschimanchal Vidyut Nigam Limited	 Puvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 23	 Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited
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- 3.4.3 In case of inability of the Seller to fulfill any one or more of the conditions specified in Article 3.1 due to any Force Majeure event, the time period for fulfillment of the Conditions Subsequent as mentioned in Article 3.1, shall be extended for the period of such Force Majeure event, subject to a maximum extension period of ten (10) Months, continuous or non-continuous in aggregate. Thereafter, this Agreement may be terminated by either the Procurers (jointly) or the Seller by giving a Termination Notice of at least seven (7) days, in writing to the other Party. The termination of the Agreement shall take effect upon the expiry of the last date of the said notice period.
- 3.4.4 Similarly, in case of inability of the Procurers to fulfill the conditions specified in Article 3.2 due to any Force Majeure event, the time period for fulfillment of the condition subsequent as mentioned in Article 3.2, shall be extended for the period of such Force Majeure event, subject to a maximum extension period of ten (10) Months, continuous or non-continuous in aggregate. Thereafter, this Agreement may be terminated by either Procurers (jointly) or the Seller by giving a Termination Notice of at least seven (7) days, in writing to the other Party. The termination of the Agreement, shall take effect upon the expiry of the last date of the said notice period.
- 3.4.5 In case of inability of the Procurers to perform the activities specified in Article 3.2 within the time period specified therein, otherwise than for the reasons directly attributable to the Seller or Force Majeure event, the time period for the fulfillment of condition subsequent by the Procurers as mentioned in Article 3.2 would be extended for an additional time period which may be required by the Procurers to complete the activities mentioned in Article 3.2, subject to a maximum additional time period of three (3) months. Thereafter, this Agreement may be terminated by the Seller at its option, by giving a Termination Notice of at least seven (7) days, in writing to the Procurers. If the Seller elects to terminate this Agreement, the Procurers shall, within a period of thirty (30) days of termination by the Seller, release the Contract Performance Guarantee of the Seller forthwith. In addition, the Procurers shall pay to the Seller as liquidated damages, a sum equivalent to ten percent (10%) of the value of the Contract Performance Guarantee.
- 3.4.6 No Tariff adjustment shall be allowed on account of any extension of time arising under any of the sub-articles of Article 3.4;

Provided that due to the provisions of Articles 3.4.3, 3.4.4 and 3.4.5, any increase in the time period for completion of conditions subsequent mentioned under Article 3.1, shall also lead to an equal extension in the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be.

3.5 Contract Performance Guarantee

- 3.5.1 The Performance Guarantee furnished under this Agreement shall be for guaranteeing the commencement and continuity of the supply of power up to the Contracted Capacity within the time specified in this Agreement.
- 3.5.2 The failure on the part of the Seller to furnish and maintain the Contract Performance Guarantee shall be a material breach of the term of this Agreement on the part of the Seller.



 Panchamahal Vidyal Vison Nigam Limited	 Purvashakti Vidyal Vison Nigam Limited	 Mudhyanilal Vidyal Vison Nigam Limited 24	 Dakshinimal Vidyal Vison Nigam Limited	KSK Mahanadi Power Company Limited
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3.5.3 If the Seller fails to commence supply of power on the respective Revised Scheduled Delivery Date(s) or the Scheduled Delivery Date specified in this Agreement, subject to conditions mentioned in Article 4.7.1, the Procurers jointly shall have the right to encash the Contract Performance Guarantee and appropriate in their favour as liquidated damages an amount specified in Article 4.8.1, without prejudice to the other rights of the Procurers under this Agreement.

3.6 Reduction in the amount of Contract Performance Guarantee

3.6.1 On successful supply of power as per the terms of this Agreement for a duration of five (5) years from the Delivery Date and provided that there has been no Seller Event of Default in the immediately preceding thirty-six (36) Months, the value of the Contract Performance Guarantee shall be reduced by an aggregate amount of Rupees One Hundred Fifty Crores Only (Rs. 150,00,00,000/-). The Seller shall thereafter provide such reduced Contract Performance Guarantee to separately to each of the Procurers for the amount calculated pro-rata (and rounded off to Fifty Thousand [Rs 50,000]) with the principle that amounts below Rupees Fifty Thousand [Rs 50,000] shall be rounded down and amounts of Rupees Fifty Thousand [Rs 50,000] and above shall be rounded up) in the ratio of Contracted Capacities, in lieu of the Contract Performance Guarantee, of an amount of Rupees Three Hundred Crores Only (Rs.300,00,00,000/-). Such reduced Contract Performance Guarantee shall be initially valid for a period, which is the lower of five (5) years or the balance Term of this Agreement.

3.7 Renewal of Contract Performance Guarantee

3.7.1 The Seller shall ensure the renewal of the Contract Performance Guarantee before a date, which is thirty (30) days prior to the expiry of the then existing validity of the Contract Performance Guarantee.

3.7.2 Such renewed Contract Performance Guarantee shall be initially valid for a period which is the lower of five (5) years or the balance Term of this Agreement.


3.7.3 If such extended Contract Performance Guarantee is not received as per the date specified above, the Procurers shall have the right to encash the then existing Contract Performance Guarantee.


3.8 Return of Contract Performance Guarantee


3.8.1 The Procurers shall return / release the Contract Performance Guarantee in the event of (i) applicability of Article 3.4.2 to the extent the Contract Performance Guarantee is valid for an amount in excess of Rupees Four Hundred Crores Only (Rs.400,00,00,000/-), or (ii) termination of this Agreement by any Party under Article 3.4.3, 3.4.4 or Article 3.4.5 of this Agreement.


3.8.2 Subject to the provisions of Article 3.8.1, the Procurers shall return / release the Contract Performance Guarantee to the Seller at the end of the Term of this Agreement.


3.8.3 The return / release of the Contract Performance Guarantee shall be without prejudice to other rights of the Procurers under this Agreement.


Paschimanchal Vidyut Vitran
Nigam Limited


Puvanchal Vidyut Vitran
Nigam Limited


Madhyanchal Vidyut
Vitran Nigam Limited
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Dakshinanchal Vidyut
Vitran Nigam Limited


KSK Mahanadi Power
Company Limited



4 ARTICLE 4 : SUPPLY OF POWER

4.1 Commencement of Supply of Power to Procurers

4.1.1 The Seller shall be responsible to commence supply of power up to the Aggregated Contracted Capacity by the Scheduled Delivery Date in accordance with the provisions of this Agreement, which is October 30, 2016. However, the Seller and the Procurers may mutually agree for commencement of supply of power in a phased manner from the Revised Scheduled Delivery Date(s) as specified in Article 3.3 of this Agreement.






4.1.2 The Seller shall give the Procurers and the concerned RLDC at least sixty (60) days advance preliminary written notice and at least thirty (30) days advance final written notice, of the date on which it intends to commence supply of power.

4.2 Seller's Obligations

4.2.1 Subject to the terms and conditions of this Agreement, the Seller undertakes to be responsible, at Seller's own cost and risk, for:

- a) obtaining all Consents, Clearances and Permits other than those obtained under Article 3.1.1 and maintaining all Consents, Clearances and Permits in full force and effect during the Term of this Agreement;
- b) the commencement of supply of power, up to the Aggregated Contracted Capacity, to the Procurers no later than the Scheduled Delivery Date or the Revised Scheduled Delivery Date(s), as the case may be, such that as much of the Contracted Capacity as can be made available through the use of Prudent Utility Practices will be made available reliably to meet the Procurers' scheduling and dispatch requirements throughout the Term of this Agreement;
- c) obtaining all the necessary permissions for the long term open access for the interstate transmission system for evacuation of power from the Power Station bus bar to the Injection Point (except in case of dedicated transmission lines) and execute all necessary agreements for such transmission access and provide a copy of the same to the Procurers;
- d) obtaining open access for transmission of Aggregated Contracted Capacity of power from the Injection Point to the Delivery Point;
- e) Owning the Power Station throughout the Term of this Agreement free and clear of encumbrances, except those expressly permitted under Article 13";
- f) Procuring electricity at the Power Station (including construction, commissioning and start-up power) and to comply in a timely manner all formalities for getting such a supply of electricity";
- g) providing on a timely basis, all relevant information to the Procurers which may be required for receiving power at the Delivery Point; and



 Poshimanchal Vidyut Nigam Limited	 Parvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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- h) fulfilling all obligations undertaken by the Seller under this Agreement.
- i) Execution of the Fuel Supply Agreement and providing the copy of the same to the Procurer(s) at least 18 months prior to the Scheduled Delivery Date.

Where fuel is gas, the GSPA should have been signed as per the Government of India guidelines or before scheduled delivery date."

4.3 *Procurers' Obligations*

4.3.1 Subject to the terms and conditions of this Agreement, the Procurers shall:

- a) ensure the availability of Interconnection Facilities and evacuation of power from the Delivery Point before the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be;
- b) be responsible for payment of the Transmission Charges (from the Injection Point onwards) and applicable RLDC / SLDC charges, limited to the charges applicable to the Contracted Capacity of Procurers. The Procurers shall reimburse any of the above charges, if paid by the Seller;
- c) Not Used-
- d) Not Used-
- e) make all reasonable arrangements for the evacuation of the Infirm Power from the Power Station; subject to the availability of transmission capacity; and
- f) fulfill all obligations undertaken by the Procurers under this Agreement.

4.4 *Purchase and sale of Available Capacity and Scheduled Energy*






4.4.1 Subject to the terms and conditions of this Agreement, the Seller undertakes to sell to the Procurers, and the Procurers undertakes to pay Tariff for all of the Available Capacity up to the Contracted Capacity and corresponding Scheduled Energy.

4.4.2 Unless otherwise instructed by all the Procurers (jointly), the Seller shall sell all the Available Capacity to each Procurer in proportion of each Procurer's then existing Contracted Capacity pursuant to Dispatch Instructions of such Procurer.

4.5 *Right to Contracted Capacity and Scheduled Energy*

4.5.1 Subject to provisions of this Agreement, the entire Aggregate Contracted Capacity shall be for the exclusive benefit of the Procurers and the Procurers shall have the exclusive right to purchase the entire Aggregate Contracted Capacity from the Seller. The Seller shall not grant to any third party or allow any third party to obtain any entitlement to the Contracted Capacity and/or Scheduled Energy.



 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 27	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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4.5.2 a) Notwithstanding Article 4.5.1, the Seller is free to sell such power to any third party prior to the Scheduled Delivery Date or Revised Scheduled Delivery Date(s) as the case may be and any capacity which is in excess of the quantum of power agreed to be supplied under this Agreement from each such Revised Scheduled Delivery Date(s).

b) Further notwithstanding Article 4.5.1, the Seller shall be permitted to sell power, being a part of the Contracted Capacity to third parties, if:





- i) there is a part of Available Capacity corresponding to the Contracted Capacity which has not been Dispatched by the Procurers, ordinarily entitled to receive such part ("Concerned Procurer"); and
- ii) such part has first been offered, at the same Tariff, to the other Procurer(s) (by the Seller), who were not ordinarily entitled to receive such part and they have chosen to waive or not to exercise their first right to receive such part of the Available Capacity within two (2) hours of being so offered the opportunity to receive such part subject to the provisions regarding scheduling as per ITC.

4.5.3 If a Procurer does not avail of power up to the Available Capacity provided by the Seller corresponding to such Procurer's Contracted Capacity, and the provisions of Article 4.5.2 (b) have been complied with, the Seller shall be entitled to sell such Available Capacity not scheduled by the Procurer(s), to any person without losing the right to receive the Capacity Charges from the Concerned Procurer for such unavailed Available Capacity. In such a case, the sale realization in excess of Energy Charges, shall be equally shared by the Seller with the Concerned Procurer. In the event, the Seller sells such Available Capacity to any direct or indirect Affiliate of the Seller/ shareholders of the Seller without obtaining the prior written consent of the Procurer, the Seller shall be liable to sell such Available Capacity to such entity at Tariffs being not less than the Tariff payable by the Concerned Procurer whose capacity is being sold pursuant to this Article. If more than one Procurers do not avail of the Available Capacity corresponding to their Contracted Capacity, provisions of this Article shall be applicable to them mutatis mutandis and in such case, fifty percent (50%) of the excess over Energy Charges recovered by the Seller from sale to third party shall be retained by the Seller and the balance fifty percent (50%) shall be provided by the Seller to the Concerned Procurer(s) in the ratio of their Available Capacity not dispatched by such Concerned Procurer(s) and sold by the Seller to third parties. During this period, the Seller will also continue to receive the Capacity Charges from such Procurers.

4.5.4 The sale under Unscheduled Interchange shall not be considered as sale to third party for the purposes of this Agreement.

4.5.5 Upon the Procurers or any Procurer who has not availed of the Available Capacity, as envisaged under this Article, intimating to the Seller of its intention and willingness to avail of the part or whole of the Available Capacity corresponding to the Contracted Capacity not availed of and therefore sold to the third party, the Seller shall notwithstanding anything contained in the arrangement between the Seller and any third party, commence supply of such capacity to the Concerned Procurer(s) from the later of two (2) hours from receipt of notice in this regard from the Concerned



 Panchamahal Vidyut Vitan Nigam Limited	 Purvanchal Vidyut Vitan Nigam Limited	 Madhyanchal Vidyut Vitan Nigam Limited 28	 Dakshinanchal Vidyut Vitan Nigam Limited	KSK Mahanadi Power Company Limited
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Procurer(s) or the time for commencement of supply specified in such notice subject to the provisions regarding scheduling as per IEGC.

4.6 *Alternative Source of Power Supply*

4.6.1 During the Operating Period, if the Seller is unable to provide supply of power to the Procurer(s) up to the Aggregate Contracted Capacity from the Power Station except due to a Force Majeure Event or due to a Procurer Event of Default, the Seller is free to supply power up to the Aggregate Contracted Capacity from an alternative generation source to meet its obligations under this Agreement. Such power shall be supplied to the Procurer(s) at the same Tariff as per the terms of this Agreement and subject to provisions of Article 4.6.2. In case the transmission and other incidental charges, including but not limited to application fees for open access, RIJD/SLDC charges, etc., applicable from the alternative source of power supply are higher than the applicable Transmission Charges from the Injection Point to the Delivery Point, the Seller would be liable to bear such additional charges.

4.6.2 The Seller shall be permitted to supply power to the Procurer(s) from any alternative source for a maximum continuous duration of six (6) Months or a maximum non continuous period of twelve (12) months during the Operating Period, excluding any period of supply from alternative generation source that the Seller avails prior to the commencement of supply from the generation source named in this Agreement as provided for in Article 4.8.

4.7 *Extensions of Time*


4.7.1 In the event that the Seller is prevented from performing its obligations under Article 4.1.1 by the Revised Scheduled Delivery Date(s) or the Scheduled Delivery Date, as the case may be, due to:


- a) any Procurer Event of Default; or
- b) Force Majeure Events affecting the Procurer(s), or
- c) Force Majeure Events affecting the Seller;

the Revised Scheduled Delivery Date(s), Scheduled Delivery Date and the Expiry Date shall be deferred, subject to the limit prescribed in Article 4.7.2, for a reasonable period but not less than 'day for day' basis, to permit the Seller or the Procurer(s) through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the Seller or the Procurer(s), or till such time such Event of Default is rectified by the Procurer(s).

4.7.2 In case of extension occurring due to reasons specified in Article 4.7.1(a), any of the dates specified therein can be extended, subject to the condition that the Scheduled Delivery Date would not be extended by more than twelve (12) Months or the date on which the Seller elects to terminate this Agreement, whichever is later.





Peshawar Vidyut Nigam Limited


Peshawar Vidyut Nigam Limited


Muzaffargarh Vidyut Nigam Limited

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Dakhshinanchal Vidyut Nigam Limited

KSK Mahanadi Power Company Limited

- 4.7.3 In case of extension due to reasons specified in Article 4.7.1(b) and (c), and if such Force Majeure Event continues even after the maximum period of twelve (12) Months, any of the Parties may choose to terminate the Agreement as per the provisions of Article 11.5.
- 4.7.4 If the Parties have not agreed, within thirty (30) days after the affected Party's performance has ceased to be affected by the relevant circumstance, on the time period by which the Revised Scheduled Delivery Date(s), Scheduled Delivery Date or the Expiry Date should be deferred by, any Party may raise the Dispute to be resolved in accordance with Article 14.
- 4.7.5 As a result of such extension, the Scheduled Delivery Date and the Expiry Date newly determined shall be deemed to be the Scheduled Delivery Date and the Expiry Date for the purposes of this Agreement.

4.8 Liquidated Damages for delay in commencement of supply of power to Procurers

- 4.8.1 If the Seller is unable to commence supply of power to the Procurers by the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, other than for the reasons specified in Article 4.7.1, the Seller shall pay to each Procurer liquidated damages as per this Article 4.8.1 proportionate to the then existing Contracted Capacity, for the delay in such commencement of supply of power and making the Contracted Capacity available for dispatch by the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be.

Provided that the Seller shall have the option to supply power from any alternative generation source from the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, for a continuous period not exceeding twelve (12) months at the same Tariff as per the terms of this Agreement. Provided further that the cumulative Availability from such alternative generation source in the twelve (12) months period shall not be less than the Normative Availability. If the Seller fails to commence such supply of power or fails to achieve the required Availability as mentioned above in this para, it shall pay to the Procurers liquidated damages as per this Article 4.8.1.

In case the transmission and other incidental charges, including but not limited to application fees for open access, RLDC/SLDC charges, etc., applicable from the alternative source of power supply are higher than the applicable Transmission Charges from the Injection Point to the Delivery Point, the Seller would be liable to bear such additional charges.






The sum total of the liquidated damages payable by the Seller to the Procurer(s) shall be calculated as follows:

$$SLDb = [CC * d * DR1], \quad \text{if } d \leq 60$$

$$SLDb = [CC * 60 * DR1] + [CC * (d - 60) * DR2], \quad \text{if } d > 60$$

where:



 Pashchimanchal Vidyut Vitran Nigam Limited	 Parywanth Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 30	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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- a) "SLDb" are the liquidated damages payable by the Seller during the period beginning with the day from the Scheduled Delivery Date or the Revised Scheduled Delivery Date or from the end of continuous period of supply from the alternative generation source or for the period during which the Availability from the alternative generating source is less than the Normative Availability, as the case may be, up to and including the day on which supply of power to the Procurers actually commences from the generation source as provided in this Agreement;
- b) "CC" is the Contracted Capacity;
- c) "d" is the number of days in the period beginning with the day after the Scheduled Delivery Date or the Revised Scheduled Delivery Date or from the end of continuous period of supply from the alternative generation source or for the period during which the Availability from the alternative generating source is less than the Normative Availability, as the case may be, up to and including the day on which supply of power to the Procurers actually commences from the generation source as provided in this Agreement;
- d) "DR1" is Rs. Ten Thousand (10,000) of damages per MW per day of delay in case "d" is equal to or less than 60 days and "DR2" is Rs. Fifteen Thousand (15,000) of damages per MW per day of delay in case "d" is more than 60 days.

4.8.2 The Seller's maximum liability under this Article 4.8 shall be limited to the amount of liquidated damages calculated in accordance with Article 4.8.1 for and up to twelve (12) Months of delay for commencement of supply of power from the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be.

Provided that in case of failure of the Seller to start supply of power to Procurers even after expiry of twelve (12) Months from its Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, it shall be considered as a Seller Event of Default and provisions of Article 11 shall apply.

4.8.3 The Seller shall pay the amount calculated pursuant to Article 4.8.1 to the Procurers within ten (10) days of the earlier of:

- a) the date on which the Seller commences supply of power to the Procurers, or
- b) expiry of the twelve (12) Months period mentioned in Article 4.8.2.

4.8.4 If the Seller fails to pay the amount of liquidated damages within the period of ten (10) days as specified in Article 4.8.3, the Procurers shall be entitled to recover the said amount of the liquidated damages by invoking the Contract Performance Guarantee. If the then existing Contract Performance Guarantee is for an amount which is less than the amount of the liquidated damages payable by the Seller to the Procurers under this Article 4.8, then the Seller shall be liable to forthwith pay the balance amount within ten (10) days of the invocation of the Contract Performance Guarantee by the Procurers.



Purchasable Vidyut Vitran
Nigam Limited

Purchasable Vidyut Vitran
Nigam Limited

Madhyam Vidyut
Vitran Nigam Limited
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Delivered Vidyut Vitran
Nigam Limited

RSE Mahanadi Power
Company Limited

4.8.5 The Parties agree that the formula specified in Article 4.8.1 for calculation of liquidated damages payable by the Seller under this Article 4.8, read with Article 11 is a genuine and accurate pre-estimation of the actual loss that will be suffered by the Procurers in the event of Seller's delay in starting supply of power by the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be.

4.8.6 -Not Used-

4.9 *Liquidated Damages for delay due to Procurer Event of Default or Indirect Non Natural Force Majeure Events or Natural Force Majeure Event (affecting the Procurer)*

4.9.1 If the Seller is otherwise ready to commence supply of power and has given due notice, as per provisions of Article 4.1.2, to the Procurers of the date of commencement of power supply, where such date is on or before the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, but is not able to commence supply of power by the said date specified in the notice, due to a Procurer Event of Default or due to Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer(s)) provided such Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer(s)) has continued for a period of more than three (3) continuous or non-continuous Months, the Seller shall, until the effects of the Procurer Event of Default or of Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer(s)) no longer prevent the Seller from providing supply of power to the Procurers, be deemed to have an Available Capacity equal to the Aggregated Contracted Capacity relevant to that date and to this extent, be deemed to have been providing supply of power with effect from the date notified, and shall be treated as follows:

- a) In case of delay on account of the Procurer Event of Default, the Procurers shall make payment to the Seller of Capacity Charges in proportion to their Contracted Capacity, calculated on Normative Availability of Contracted Capacity for and during the period of such delay.
- b) In case of delay due to Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer(s)), the Procurers shall make payment to the Seller for Debt Service, subject to a maximum of Capacity Charges calculated on Normative Availability of Contracted Capacity, which is due under the Financing Agreements for the period of such events in excess of three (3) continuous or non-continuous Months.
- c) In case of delay due to Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurer(s)) or Procurer Event of Default, the Procurers shall be liable to make payments mentioned in (a) and (b) above, after commencement of supply of power, in the form of an increase in Capacity Charges. These amounts shall be paid from the date, being the later of a) the date of cessation of such Indirect Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurer(s)) or Procurer Event of Default and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurer(s) from the Seller.



 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 32	 Dakshinanchal Vidyut Nigam Limited	 KSK Mohadi Power Company Limited
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Provided such increase in Capacity Charges shall be determined by Appropriate Commission on the basis of putting the Seller in the same economic position as the Seller would have been in case the Seller had been paid amounts mentioned in (b) above in a situation where the Force Majeure Event or Procurer Event of Default had not occurred.

For the avoidance of doubt, it is specified that the charges payable under this Article 4.9.1 shall be paid by the Procurers in proportion to their then Contracted Capacity.






4.10 Liquidated Damages for delay due to Direct Non Natural Force Majeure Event

4.10.1 If the Seller is otherwise ready to commence supply of power and has given due notice, as per provisions of Article 4.1.2, to the Procurers of the date of commencement of power supply, where such date is on or before the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, but is not able to commence supply of power by the said date specified in the notice, due to a Direct Non Natural Force Majeure Event, provided such Direct Non Natural Force Majeure Event has continued for a period of more than three (3) continuous or non-continuous Months, the Seller shall, until the effects of the Direct Non Natural Force Majeure Event no longer prevent the Seller from providing supply of power to the Procurer, be deemed to have an Available Capacity equal to the Contracted Capacity relevant to that date and to this extent, be deemed to have been providing supply of power with effect from the date notified, and shall be treated as follows:

- a) In case of delay due to Direct Non Natural Force Majeure not attributable to the Procurers, the Procurers shall make payment for Debt Service, subject to a maximum of Capacity Charges calculated on Normative Availability of Contracted Capacity which are due under the Financing Agreements for the period of such events in excess of three (3) continuous or non-continuous Months.
- b) In case of delay due to Direct Non Natural Force Majeure attributable to the Procurers, the Procurers shall make payment to the Seller of Capacity Charges calculated on Normative Availability of Contracted Capacity for the period of such events in excess of three (3) continuous or non-continuous Months.
- c) In case of delay due to Direct Non Natural Force Majeure Event, the Procurers shall be liable to make payments mentioned in (a) and (b) above, after commencement of supply of power, in the form of an increase in Capacity Charges. These amounts shall be paid from the date, being the later of a) the date of cessation of such Direct Non Natural Force Majeure Event and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurers from the Seller.

Provided such increase in Capacity Charges shall be determined by Appropriate Commission on the basis of putting the Seller in the same economic position as the Seller would have been in case the Seller had been paid amounts mentioned in (a) and (b) above in a situation where the Force Majeure Event had not occurred.



 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 33	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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For the avoidance of doubt, it is specified that the charges payable under this Article 4.10.1 shall be paid by the Procurers in proportion to their then Contracted Capacity.

4.11 In every case referred to in Article 4.9.1 and 4.10.1 hereinabove, the Seller shall undertake to commence supply of the Contracted Capacity, relevant to such date, to the Procurers as soon as reasonably practicable [and in no event later than two (2) Weeks or such longer period as mutually agreed between the Seller and the Procurers (jointly) after the point at which it is no longer prevented from doing so by the effects of Force Majeure Events or Procurer Event of Default (as applicable). If the Seller is unable to provide supply of the Contracted Capacity in such a situation, then:

- a) the Seller shall repay to the Procurers, all sums received by way of Capacity Charge for the deemed supply of power with interest at the same rate as Late Payment Surcharge; and
- b) If the Seller fails to provide supply of power to Procurers by the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, it shall also pay liquidated damages to the Procurers calculated in accordance with Article 4.8.

4.12 Limit on amounts payable due to default



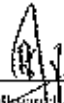


4.12.1 The Parties expressly agree that the Procurers' only liability for any loss of profits or any other loss of any other kind or description whatsoever (except claims for indemnity under Article 12), suffered by the Seller by reason of the Procurers' failure to meet its obligations under Article 4.3.1 shall be to pay the Seller the amounts specified in Article 4.9 and Article 11.

4.12.2 Similarly, Seller's only liability for any loss suffered by the Procurers of any kind or description whatsoever (except claims for indemnity under Article 12), by reason of the Seller's failure to meet its obligation of providing supply of power on the Scheduled Delivery Date or Revised Scheduled Delivery Date(s), as the case may be, shall be as per Article 4.8 and Article 11.

4.13 Transmission Losses

4.13.1 Transmission losses from the Interconnection Point onwards would be borne by the Procurers, and power lost on account of transmission loss would be to the account of the Procurers.



 Poochammaiah Vidyut Vitran Nigam Limited	 Poochammaiah Vidyut Vitran Nigam Limited	 Madhyamprasth Vidyut Vitran Nigam Limited 34	 Dakshinamurthi Vidyut Vitran Nigam Limited	 KSK Mahuli Power Company Limited
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5 ARTICLE 5: CAPACITY, AVAILABILITY AND DISPATCH

5.1 *Obligation to Supply the Contracted Capacity*

5.1.1 Notwithstanding any Scheduled Outage or Unscheduled Outage of the generating unit(s) and/or of the transmission system, the Seller shall offer for sale the Contracted Capacity to the Procurers at the Interconnection Point and arrange for transmission up to the Injection Point.

5.2 *Allocation of Generation Capacity*

5.2.1 The Seller shall provide thirty point three five eight percent (30.358%) of the Power Station's Net Capacity to the Procurers as per the terms of this Agreement.

5.3 *Availability*

5.3.1 The Seller shall comply/complies with the provisions of the applicable Law regarding Availability including, in particular, to the provisions of the ABT and Grid Code relating to declaration of Availability and the matters incidental thereto.

5.3.2 In case the Aggregate Contracted Capacity is a part of the Power Station's Net Capacity; in the event of declared capacity being less than the sum total of all contracted capacities of the Power Station having duration of contracts in excess of one year, the available capacity to the Procurers for dispatch shall be reduced proportionately. However if the declared capacity exceeds the sum total of all contracted capacities of the Power Station having duration of contracts in excess of one year, the excess capacity will be at the disposal of the Seller.

5.4 *Scheduling and Dispatch*






5.4.1 The Seller shall comply/complies with the provisions of the applicable Law regarding Dispatch Instructions, in particular, to the provisions of the ABT and Grid Code relating to scheduling and Dispatch and the matters incidental thereto.

5.4.2 The Seller further agrees that the Availability entitlement of the Procurers for dispatch over any Settlement Period cannot be offered to any third party other than for conditions under Articles 4.5.2. If the Seller willfully offers the power meant for dispatch to the Procurers to any third party without complying with the conditions specified in Article 4.5.2, the Seller agree(s) to and acknowledges the Procurers' right to instruct the RLDC / SLDC, as the case may be, not to schedule such power to any third party, after due approval from the Appropriate Commission.

5.5 *Demonstration of Power Station's Net Capacity*

5.5.1 The Procurers jointly may from time to time during the Operating Period, but only if the Available Capacity with respect to the Procurers has not been one hundred percent (100%) of the Aggregate Contracted Capacity even for one continuous period of at least three (3) hours during any last three (3) continuous months, request the relevant Control Centre to assess the Power Station's Net Capacity. Such capacity assessment of the Power Station, by the Control Centre at the request of the Procurers, shall not be done more than once in a continuous period of six (6) Months.



 Panchajanya Vidyut Nigam Limited	 Parvati Vidyut Nigam Limited	 Madhyamahal Vidyut Nigam Limited	 Dakshinamahal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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5.5.2 If the Power Station's Net Capacity after such capacity assessment is determined to be less than the sum total of all contracted capacities of the Power Station having duration of contracts in excess of one year, then the provisions of Article 5.6.1 shall apply and the Seller shall have a right to demonstrate to the satisfaction of the Control Centre the Power Station's Net Capacity only after a period of six (6) Months from the date of such assessment..

5.5.3 If the Seller wishes to take any unit of the Power Station or the Power Station, out of service for repair before any assessment by the Control Centre, it shall inform the Control Centre in writing before its scheduled start of the repairs and the estimated time required to complete the repairs. The Parties shall then schedule a maintenance outage in accordance with the Grid Code to enable the Seller to carry out those repairs and in such a case, the Procurers requiring the Control Centre to conduct the assessment, shall defer such assessment until such unit or the Power Station is returned to service following that maintenance outage.

5.6 Derating

5.6.1 Based on the assessment carried out by the Control Centre, if the Power Station's Assessed Capacity is less than the sum total of all contracted capacities of the Power Station having duration of contracts in excess of one year, the Seller shall not be permitted to declare the Available Capacity of the Power Station at a level greater than its Assessed Capacity, in which case:

a) The Power Station's Net Capacity shall be reduced to its most recent Assessed Capacity and Quoted Capacity Charges for the Aggregate Contracted Capacity shall be paid with respect to such reduced Power Station's Net Capacity until the next assessment by the concerned Control Centre.






b) Further, the Quoted Non-Escalable Capacity Charge shall be reduced by the following:

Rs. 0.25/kwh x [1 - (Assessed Capacity of the Power Station)/Power Station's Net Capacity];

c) the Aggregate Contracted Capacity of the Procurers shall be reduced proportionately, and the Availability Factor shall be calculated by reference to the reduced Aggregate Contracted Capacity, in each case with effect from date on which all the Procurers jointly first requested the Control Centre to assess the Power Station's Net Capacity.


d) the Capital Cost and each element of the Capital Structure Schedule shall be reduced in proportion to the reduction in the Aggregate Contracted Capacity as a result of that derating.




 Panchamahal Vidyut Nigam Limited	 Paryapehal Vidyut Nigam Limited	 Madhyamahal Vidyut Nigam Limited 36	 Dakshinamahal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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- 5.6.2 If at the end of subsequent demonstration of the Power Station's Net Capacity by the Seller at the end of the six Month period referred to in Article 5.5.2, the Assessed Capacity comes out to be still less than the sum total of all contracted capacities of the Power Station having duration of contracts in excess of one year, the consequences mentioned in Article 5.6.1 shall apply on such Assessed Capacity for a period of at least one year from such date of demonstration of the Power Station's Net Capacity after which the Seller shall once again have the right to demonstrate the Power Station's Net Capacity. The consequences mentioned in Article 5.6.1 shall be modified based on the most recent Assessed Capacity of the Power Station.
- 5.6.3 If the Control Centre is unable to assess the Power Station's Net Capacity because of events or circumstances beyond the Seller's reasonable control, the Control Centre shall reschedule an assessment as soon as reasonably practicable.


Pashchimanchal Vidyut Nigam Limited


Parywanth Vidyut Nigam Limited


Madhyanchal Vidyut Nigam Limited
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Dakshinanchal Vidyut Nigam Limited


KSK Mahanadi Power Company Limited

6 ARTICLE 6: METERING

6.1 Meters

- 6.1.1 For installation of Meters, Meter testing, Meter calibration and Meter reading and all matters incidental thereto, the Seller and the Procurers shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, the Grid Code and ABT as amended and revised from time to time.

 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 38	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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7 ARTICLE 7: INSURANCES

7.1 Insurance

7.1.1 The Seller shall effect and maintain or cause to be effected and maintained during and before the Operating Period, Insurances against such risks, with such deductibles and with such endorsements and co-insured(s), which the Prudent Utility Practices would ordinarily merit maintenance of and as required under the Financing Agreements.

7.2 Application of Insurance Proceeds

7.2.1 Save as expressly provided in this Agreement or the Insurances, the proceeds of any insurance claim made due to loss or damage to the Power Station or any part of the Power Station shall be first applied to reinstatement, replacement or renewal of such loss or damage.

7.2.2 If a Natural Force Majeure Event renders the Power Station no longer economically and technically viable and the insurers under the Insurances make payment on a "total loss" or equivalent basis, the Procurers shall have no claim on such proceeds of such Insurance.

7.3 Effect on liability of the Procurers

7.3.1 Notwithstanding any liability or obligation that may arise under this Agreement, any loss, damage, liability, payment, obligation or expense which is insured or for which the Seller can claim compensation, under any Insurance shall not be charged to or payable by the Procurers.



Poochammaiah Vidyal Vitran
Nigam Limited

Poochammaiah Vidyal Vitran
Nigam Limited

Mallayyaiah Vidyal Vitran
Nigam Limited

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Dakshinanchal Vidyal
Vitran Nigam Limited

KSR Mahanadi Power
Company Limited

8 ARTICLE 8: BILLING AND PAYMENT

8.1 General

- 8.1.1 From the commencement of supply of power, Procurers shall pay the Seller the monthly Tariff Payment, on or before the Due Date, comprising of Tariff for every Contract Year, determined in accordance with this Article 8 and Schedule 4. All Tariff Payments by the Procurers shall be in Indian Rupees.

Provided however, if the Procurers avails of any Infirm Power from the Power Station, then Procurers shall be liable to pay only Energy Charges (as applicable for the Contract Year in which the Infirm Power is supplied or next Contract Year in case no Energy Charges are mentioned for such Contract Year), for any Infirm Power generated by any unit of the Power Station. The quantum of Infirm Power generated shall be computed from the energy accounting and audit meters installed at the Power Station as per Central Electricity Authority (Installation and Operation of Meters) Regulations 2006 as amended from time to time.

8.2 Delivery and Content of Monthly Bills/Provisional Bills

- 8.2.1 The Seller shall issue to each Procurer a signed Monthly Bill for the immediately preceding Month not later than ten (10) days of the next Month. In case the Monthly Bill for the immediately preceding Month is issued after ten (10) days of the next Month, the Due Date for payment of such Monthly Bill shall be extended by thirty (30) days.

Provided that:





- if the date of commencement of supply of power falls during the period between the first (1st) day and up to and including the fifteenth (15th) day of a Month, the first Monthly Bill shall be issued for the period until the last day of such Month, or
- if the date of commencement of supply of power falls after the fifteenth (15th) day of a Month, the first Monthly Bill shall be issued for the period commencing from the Delivery Date until the last day of the immediately following Month.

Provided further that if a Monthly Bill is received on or before the second (2nd) day of a Month, it shall be deemed to have been received on the second (2nd) Business Day of such Month.

- 8.2.2 Each Monthly Bill and Provisional Bill shall include:

- Availability and REA for the relevant Month for Monthly Bill and RLDC's daily energy account for Provisional Bill;
- the Seller's computation of various components of the monthly Tariff Payment in accordance with Schedule 4; and
- supporting data, documents and calculations in accordance with this Agreement.



 Panchannchal Vidyut Vitran Nigam Limited	 Puvanchal Vidyut Vitran Nigam Limited	 Mudhyanchal Vidyut Vitran Nigam Limited 40	 Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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8.3 *Payment of Monthly Bills*

8.3.1 The Procurers shall pay the amount payable under the Monthly Bill on the Due Date to such account of the Seller, as shall have been previously notified by the Seller in accordance with Article 8.3.4 below.

8.3.2 All payments made by the Procurers shall be appropriated by the Seller in the following order of priority:

- i) towards Late Payment Surcharge, if any;
- ii) towards the earlier unpaid Monthly Bill(s), if any; and
- iii) towards the then current Monthly Bill.

8.3.3 All payments required to be made under this Agreement shall only include any deduction or set off for:





- i) deductions required by the Law; and
- ii) amounts claimed by the Procurers from the Seller, through an invoice duly acknowledged by the Seller, to be payable by the Seller, and not disputed by the Seller within thirty (30) days of receipt of the said invoice and such deduction or set-off shall be made to the extent of the amounts not disputed. It is clarified that the Procurers shall be entitled to claim any set off or deduction under this Article, after expiry of the said thirty (30) Days period.

Provided further, the maximum amounts that can be deducted or set-off by by all the Procurers taken together under this Article in a Contract Year shall not exceed Rupees Twenty Five Crores Only (Rs.25,00,00,000/-) only, except under sub Article (i) above.

8.3.4 The Seller shall open a bank account at Lucknow (the "Seller's Designated Account") for all Tariff Payments to be made by Procurers to the Seller, and notify Procurers of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. Procurers shall also designate a bank account at Lucknow (the "Procurers' Designated Account") for payments to be made by the Seller (including Supplementary Bills) to Procurers and notify the Seller of the details of such account ninety (90) Days before the Scheduled Delivery Date. The Procurers and the Seller shall instruct their respective bankers to make all payments under this Agreement to the Seller's Designated Account or the Procurers' Designated Account, as the case may be, and shall notify either Party of such instructions on the same day.

8.3.5 In the event of delay in payment of a Monthly Bill by the Procurers beyond its Due Date, a Late Payment Surcharge shall be payable by such Procurers to the Seller at the rate of two percent (2%) in excess of the applicable SBAR per annum, on the amount of outstanding payment, calculated on a day to day basis (and compounded with monthly rest), for each day of the delay. The Late Payment Surcharge shall be claimed by the Seller through the Supplementary Bill.



 Parvanchal Vidyut Vitran Nigam Limited	 Madhyaanchal Vidyut Vitran Nigam Limited	 Dakshinanchal Vidyut Vitran Nigam Limited	 ESK Mahanadi Power Company Limited
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8.3.6 For payment of any Bill before Due Date, the following Rebate shall be paid by the Seller to the Procurer in the following manner.

- The Provisional Bill shall be raised by the Seller on the last Business Day of the Month where the Capacity Charges shall be based on the Declared Capacity for the entire Month and the Energy Charges shall be based on the final implemented Scheduled Energy up to 25th day of the Month. Rebate shall be payable at the rate of two point two five percent (2.25%) of the amount (which shall be the full amount due under the Provisional Bill) credited to Seller's account on first day of the Month and Rebate amount shall reduce at the rate of zero point zero five percent (0.05%) for each day, up to fifth (5th) day of the Month.
- Applicable rate of Rebate at (a) above shall be based on the date on which payment has been actually credited to the Seller's account. Any delay in transfer of money to the Seller's account, on account of public holiday, bank holiday or any other reasons shall be to the account of the Procurers.
- Two percent (2%) Rebate shall be provided for credit of payment to the Seller's account made within one (1) day of the presentation of Monthly Bill for the Month for which the Provisional Bill was raised earlier.
- For credit to Seller's account made on other days the Rebate on Monthly Bill shall be as under:

Number of days before Due Date of Monthly Bill	Rates of Rebate applicable
29	Two percent (2.00%)
Each day thereafter up to the Due Date	Two percent (2%) less $\{0.033\% \times \{29 \text{ less number of days before Due Date when the payment is made by the Procurers}\}\}$

In case of presentation of Monthly Bill beyond the sixth (6th) day of the Month, two percent (2%) Rebate will be applicable only on the day of presentation of Monthly Bill and beyond that Rebate will be applicable as per the table above.

- Rebate of two point two five percent (2.25%) to two point zero five percent (2.05%) will be available to the Procurers who credits one hundred percent (100%) of the Provisional Bill within first five (5) days of the Month to Seller's account/ designated account and balance amount, if any, based on Monthly Bill (as per REA) within the Month.
- In the event only part amount of Provisional Bill is credited to the Seller's account, within first five (5) days and the balance amount is credited to the Seller's account during other days of the Month, Rebate will be paid on such part amount, at the rate of two percent (2%) plus zero point zero three three percent (0.033%) per day for the number of days earlier than the 6th day when such part amount is credited to the Seller's account;

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Purvanchal Vidyut Nigam Limited

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- g) The above Rebate will be allowed only to the Procurer(s) who credits to the Seller's account the full Monthly Bill.
- h) No Rebate shall be payable on the Bills raised on account of Change in Law relating to taxes, duties and cess;
- i) If the Provisional Bill has not been paid by the date of receipt of the Monthly Bill then such Provisional Bill shall not be payable, provided in case the Provisional Bill has already been paid, then only the difference between the Monthly Bill and Provisional Bill shall be payable.

8.4 Payment Mechanism

Letter of Credit:






- 8.4.1 The Procurers shall provide to the Seller, in respect of payment of its Monthly Bills and/or Supplementary Bills, a monthly unconditional, revolving and irrevocable letter of credit ("Letter of Credit"), opened and maintained by the Procurers, which may be drawn upon by the Seller in accordance with this Article. The Procurers shall provide the Seller draft of the Letter of Credit proposed to be provided to the Seller six (6) Months before the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be. Further, the Letter of Credit shall be provided from the bank which is appointed as Default Escrow Agent under the Default Escrow Agreement.
- 8.4.2 Not later than one (1) Month before the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, the Procurers shall through a scheduled bank at Lucknow open a Letter of Credit in favour of the Seller, to be made operative from a date prior to the Due Date of its first Monthly Bill under this Agreement. The Letter of Credit shall have a term of twelve (12) Months and shall be renewed annually, for an amount equal to:
- i) for the first Contract Year, equal to one point one (1.1) times the estimated average monthly billing based on Normative Availability;
 - ii) for each subsequent Contract Year, equal to the one point one (1.1) times the average of the monthly Tariff Payments of the previous Contract Year.

Provided that the Seller shall not draw upon such Letter of Credit prior to the Due Date of the relevant Monthly Bill and/or Supplementary Bill, and shall not make more than one drawal in a Month.

Provided further that if at any time, such Letter of Credit amount falls short of the amount specified in Article 8.4.2 otherwise than by reason of drawal of such Letter of Credit by the Seller, the Procurer/relevant Procurer shall restore such shortfall within seven (7) days.

- 8.4.3 The Procurers shall cause the scheduled bank issuing the Letter of Credit to intimate the Seller, in writing regarding establishing of such irrevocable Letter of Credit.



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8.4.4 In case of drawal of the Letter of Credit by the Seller, in accordance with Article 8.4, the amount of the Letter of Credit shall be reinstated in accordance with the terms of Article 8.4.11.3.

8.4.5 If the Procurer(s) fails to pay a Monthly Bill or Supplementary Bill or part thereof within and including the Due Date, then, subject to Article 8.6.7, the Seller may draw upon the Letter of Credit, and accordingly the bank shall pay without any reference or instructions from the Procurer, an amount equal to such Monthly Bill or Supplementary Bill or part thereof plus Late Payment Surcharge, if applicable, in accordance with Article 8.3.5 above, by presenting to the scheduled bank issuing the Letter of Credit, the following documents:

- i) a copy of the Monthly Bill or Supplementary Bill which has remained unpaid by the Procurer;
- ii) a certificate from the Seller to the effect that the bill at item (i) above, or specified part thereof, is in accordance with the Agreement and has remained unpaid beyond the Due Date; and
- iii) calculations of applicable Late Payment Surcharge, if any.

8.4.6 Further, on the occurrence of such an event as envisaged herein, the Seller shall immediately inform all the Procurers of the said failure of the Procurers to pay the Monthly Bill or Supplementary Bill or part thereof and shall send regular updates to all the Procurers, which shall not be less than one (1) day in every week, containing details of the amount claimed by the Seller as per the provisions of this Article and payments made by the Procurer pursuant to such claim.

8.4.7 The Procurer(s) shall ensure that the Letter of Credit shall be renewed not later than forty five (45) days prior to its expiry.






8.4.8 All costs relating to opening and maintenance of the Letter of Credit shall be borne by the Procurers, however, Letter of Credit negotiation charges shall be borne and paid by the Seller.

8.4.9 Where necessary, the Letter of Credit may also be substituted by an unconditional and irrevocable bank guarantee or an equivalent instrument as mutually agreed by the Procurers and the Seller.

8.4.10 Upon fulfillment of the conditions mentioned under Article 8.4.11.2 the Letter of Credit amount as mentioned in Article 8.4.2 shall be changed to one (1) time the average of the Monthly Tariff Payments of the previous Contract Year instead of one point one (1.1) times the average of the Monthly Tariff Payments of the previous Contract Year.

8.4.11 Collateral Arrangement

8.4.11.1 As a further support for the Procurers' obligations, on or prior to the Effective Date, the Procurers, the Seller and the default escrow agents shall execute separate Default Escrow Agreement (referred as "Default Escrow Agreement") for the establishment and operation of the Default Escrow Account in favour of the Seller, through which the revenues of the Procurer/relevant Procurer shall be routed and used as per the terms of the Default Escrow Agreement. The Procurers, default escrow agent and

 Paschimanchal Vidyut Nigam Limited	 Paryanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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the Seller shall contemporaneously with the execution of the Default Escrow Agreement(s) enter into separate Agreement(s) to Hypothecate Cum Deed of Hypothecation, whereby the Procurers shall agree to hypothecate, to the Seller, effective from forty five (45) days prior to the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case maybe, the amounts to the extent as required for the Letter of Credit as per Article 8.4.2 routed through the Default Escrow Account(s) and the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation. The Default Escrow Agreement(s) and the Agreement(s) to Hypothecate Cum Deed of Hypothecation are collectively referred to as the "Collateral Arrangement(s)". The minimum revenue flow in any Month in the Default Escrow Account(s) shall be at least equal to the amount required for the Letter of Credit as per Article 8.4.2.

Provided that the Procurers shall ensure that the Seller has first ranking charge on the revenues routed through the Default Escrow Accounts and the 'Receivables' in accordance with the terms of the Agreements to Hypothecate Cum Deed of Hypothecation. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of the Default Escrow Agreements.

8.4.11.2 On the occurrence of all of the following events in respect of a Procurer:

- i. A period of not less than twenty-four (24) Months from Delivery Date, has elapsed; and
- ii. The Procurer has achieved, for its ability to honour its Tariff Payment obligations to the Seller under this Agreement, a credit rating of 'A' or better, from a SIBI registered Indian credit rating agency, consistently for a period of at least three (3) years; and
- iii. Immediately prior to the three (3) year period mentioned in sub-article (ii) above, for a period of at least twelve (12) Months there has been no Procurer Event of Default under Article 11 of this Agreement,

the Procurer shall intimate the Seller in writing of the occurrence of the same and its intention to discontinue the Collateral Arrangement. If the Seller desires to continue with the Collateral Arrangement, it shall intimate the same to the Procurer in writing within thirty (30) days of receipt of intimation from the Procurer and in such case the Seller shall be liable to bear the costs of continuation of the Collateral Arrangement with effect from such date. In case the Seller fails to respond or agrees to discontinue, the Collateral Arrangement shall forthwith cease and the Default Escrow Agreement(s) and the Agreement(s) to Hypothecate Cum Deed of Hypothecation shall stand terminated as per terms thereof.

Provided that in case of any of conditions mentioned under (i), (ii) or (iii) in Article 8.4.11.2 ceases to be true, then within ninety (90) days of the occurrence of such event, the Procurer shall reinstate the Collateral Arrangement, at its own cost.

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8.4.11.3 If the Letter of Credit is insufficient to pay for the due payments to the Seller or is not replenished for the draws made, then within a period of seven (7) days from the date such shortfall in the Letter of Credit occurs, the Letter of Credit shall be reinstated to the requisite amount specified in this Agreement, and in the manner specified in the Default Escrow Agreement.

8.5 Third Party Sales on Default






8.5.1 Upon the occurrence of an event where the Procurers has/ have not made payment by the Due Date of an Invoice through the Payment Mechanism provided in Article 8.4 of this Agreement, the Seller shall follow the steps as enumerated in Articles 8.5.23 and 8.5.5.

8.5.2 -Not Used-

8.5.3 On the occurrence of the event mentioned in Article 8.5.1 and after giving a notice of at least seven (7) days to the defaulting Procurer(s), the Seller shall have the obligation to offer twenty five (25) per cent of the Contracted Capacity pertaining to such defaulting Procurer(s)¹ ("Default Electricity") to the other non-defaulting Procurers. The non defaulting Procurers have the right to receive the whole or any part of such Default Electricity by giving a notice within a further two (2) Business Days, in the following manner

- In ratios equal to their then existing Contracted Capacities at the same Tariff as would have been applicable to the defaulting Procurer. Provided that, if any of the non-defaulting Procurer(s) does not elect to receive the Default Electricity so offered, the Seller shall offer the balance of the Default Electricity to other non-defaulting Procurer(s) at the same Tariff in proportion to their additional requirement as intimated.
- At a lower Tariff as may be specified by non-defaulting Procurer(s) to the extent of their capacity requirements, in descending order of the Tariff. Provided that, the Seller has the right to obtain tariff quotes from third party(s) for sale of Default Electricity not requisitioned under (a) above. The tariff quotes received from the non-defaulting Procurer(s) and such third party(s) shall be ranked in descending order of the tariff and the Seller shall sell Default Electricity in such descending order and in compliance with Article 8.5.4., to the extent applicable.

In case of both (a) and (b) above if non-defaulting Procurer(s) receive Default Electricity, then, subject to applicability of Article 8.4.11.2 of this Agreement, such non defaulting Procurer(s) shall within seven (7) days of exercising the right of election, either open an additional Letter of Credit/ enhance the existing Letter of Credit in accordance with the principles set forth in Article 8.4 or increase the value of escrow cover under the Default Escrow Agreement and related security under Agreement to Hypothecate cum deed of Hypothecation to secure payment for that part of the Default Electricity as such non-defaulting Procurer elects to receive.

 Paschimanchal Vidyut Nigam Limited	 Purnanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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Provided further that if the non-defaulting Procurer(s) continue to receive Default Electricity for period more than two(2) months then within two (2) Months of election by the non-defaulting Procurer(s) as mentioned above, unless the event outlined in Article 8.5.9 has occurred, such Procurer(s) shall open a Letter of Credit/enhance the existing Letter of Credit in accordance with the principles set forth in Article 8.4 and shall increase the value of escrow cover under the Default Escrow Agreement and related Agreement to Hypothecation cum Deed of Hypothecation. Provided that in case the events mentioned in Article 8.4.11.2 (i), (ii) and (iii) are true, then the requirement with respect to Default Escrow Agreement and Agreement to Hypothecate cum Deed of Hypothecation in this Article 8.5.3 shall be applicable as per Article 8.4.11.2.

8.5.4 If all the non defaulting Procurers do not make the election to receive the Default Electricity or a part thereof, within two (2) Business Days of it being so offered under Article 8.5.3, or all such non-defaulting Procurers expressly waive their first right to receive the same, the Seller shall have the right (but not the obligation) to make available and sell the Default Electricity or a part thereof to a third party, namely:

- a. any consumer, subject to applicable Law; or
- b. any licensee under the Electricity Act, 2003;






8.5.5 If the Collateral Arrangement is not fully restored by the defaulting Procurer within thirty (30) days of the non-payment by the defaulting Procurer of an Invoice by its Due Date, the provisions of Article 8.5.2 or Article 8.5.3 (as the case may be) and Article 8.5.4 shall apply with respect to one hundred per cent (100%) of the Contracted Capacity. Provided that in case the events mentioned in Article 8.4.11.2 (i), (ii) and (iii) are true, then this Article 8.5.5 shall be applicable.

8.5.6 In the case of Article 8.5.4 or 8.5.5, the Seller shall ensure that sale of power to the shareholder(s) of the Seller or to any direct or indirect Affiliate of the Seller/ the shareholder(s) of the Seller is not at a price less than the Energy Charges.

8.5.7 In case of third party sales or sales to any other non-defaulting Procurers as permitted by this Article 8.5, the adjustment of the surplus revenue over Energy Charge (applicable to the defaulting Procurer) attributable to such Default Electricity sold, shall be adjusted as under :

- a) the surplus up to the Tariff shall be used towards the extinguishment of the subsisting payment liability of the defaulting Procurer towards the Seller; and
- b) the surplus if any above the Tariff shall be retained by the Seller.

8.5.8 The liability of the defaulting Procurer towards making Capacity Charge payments to the Seller even for Default Electricity sold to third parties or other non- defaulting Procurer or remaining unsold during such periods will remain unaffected.

 Paschimanchal Vidyut Nigam Limited	 Paschimanchal Vidyut Nigam Limited	 Madhyamanchal Vidyut Nigam Limited 47	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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Provided such Capacity Charge payment liability shall cease on the date which occurs on the expiry of a period of maximum of three (3) years from the date of occurrence of a Procurer Event of Default under Article 11.2.1 (i), provided if prior to such date, such Procurer Event of Default has not ceased and regular supply of power for a period of at least ninety (90) continuous Days has not occurred.

8.5.9 Sales to any person or Party, other than the defaulting Procurer under Article 8.5, shall cease and regular supply of power to the defaulting Procurer in accordance with the provisions of this Agreement shall commence and be restored on the later of the two following dates or any date before this date at the option of Seller:

- a) the day on which the defaulting Procurer pays the amount due to the Seller and renews the Letter of Credit and restores Default Escrow Account (if applicable) as mentioned in Article 8.4.11.1; or
- b) the date being "x" days from the date on which the defaulting Procurer pays the amount due to the Seller, where "x" days shall be calculated in accordance with Schedule 2.

8.6 Disputed Bill





8.6.1 If a Party does not dispute a Monthly Bill, Provisional Bill or a Supplementary Bill raised by the other Party by the Due Date, such Bill shall be taken as conclusive.

8.6.2 If a Party disputes the amount payable under a Monthly Bill, Provisional Bill or a Supplementary Bill, as the case may be, that Party shall, within thirty (30) days of receiving such Bill, issue a notice (the "Bill Dispute Notice") to the invoicing Party setting out:



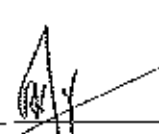


- i) the details of the disputed amount;
- ii) its estimate of what the correct amount should be; and
- iii) all written material in support of its claim.

8.6.3 If the invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 8.6.2, the invoicing Party shall revise such Bill within seven (7) days of receiving the Bill Dispute Notice. The disputing Party shall thereafter within seven (7) Days of receiving the revised Bill from the invoicing Party, make the payment thereunder, and if the disputing Party has already made the excess payment, the invoicing Party shall refund to the disputing Party such excess amount within fifteen (15) days of receiving the Bill Dispute Notice. In such a case excess amount shall be refunded along with interest at the same rate as Late Payment Surcharge, which shall be applied from the date on which such excess payment was made by the disputing Party to the invoicing Party and up to and including the date on which such payment has been received as refund.



 Peshimanchal Vidyut Vitran Nigam Limited	 Parvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited	 Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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- 8.6.4 If the invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 8.6.2, it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice (Bill Disagreement Notice) to the disputing Party providing:
- i) reasons for its disagreement;
 - ii) its estimate of what the correct amount should be; and
 - iii) all written material in support of its counter-claim.
- 8.6.5 Upon receipt of the Bill Disagreement Notice by the disputing Party under Article 8.6.4, authorized representative(s) or a director of the board of directors/ member of board of the disputing Party and the invoicing Party shall meet and make best endeavours to amicably resolve such dispute within fifteen (15) days of receipt of the Bill Disagreement Notice.
- 8.6.6 If the Parties do not amicably resolve the Dispute within fifteen (15) days of receipt of Bill Disagreement Notice pursuant to Article 8.6.4, the matter shall be referred to Dispute resolution in accordance with Article 14.
- 8.6.7 In case of Disputed Bills, it shall be open to the aggrieved Party to approach the Appropriate Commission for Dispute resolution in accordance with Article 14 and also for interim orders protecting its interest including for orders for interim payment pending Dispute resolution and the Parties shall be bound by the decision of the Appropriate Commission, including in regard to interest or Late Payment Surcharge, if any directed to be paid by the Appropriate Commission.
- 8.6.8 If a Dispute regarding a Monthly Bill, Provisional Bill or a Supplementary Bill is settled pursuant to Article 8.6 or by the Dispute resolution mechanism provided in this Agreement in favour of the Party that issues a Bill Dispute Notice, the other Party shall refund the amount, if any incorrectly charged and collected from the disputing Party or pay as required, within five (5) days of the Dispute either being amicably resolved by the Parties pursuant to Article 8.6.5 or settled by Dispute resolution mechanism along with interest at the same rate as Late Payment Surcharge from the date on which such payment had been made to the invoicing Party or the date on which such payment was originally due, as may be applicable.
- 8.6.9 For the avoidance of doubt, it is clarified that despite a Dispute regarding an Invoice, the Procuree shall, without prejudice to its/ their right to Dispute, be under an obligation to make payment, of the lower of (a) an amount equal to simple average of last three (3) Months Invoices (being the undisputed portion of such three Months' invoices) and (b) Monthly Invoice which is being disputed, provided such Monthly Bill has been raised based on the REA and in accordance with this Agreement.

 Poshimanchal Vidyut Nigam Limited	 Puvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 49	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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8.7 Quarterly and Annual Reconciliation

8.7.1 The Parties acknowledge that all payments made against Monthly Bills, Provisional Bills and Supplementary Bills shall be subject to quarterly reconciliation at the beginning of the following quarter of each Contract Year and annual reconciliation at the end of each Contract Year to take into account REA, Tariff adjustment payments, Tariff Rebate, Late Payment Surcharge, or any other reasonable circumstance provided under this Agreement.

8.7.2 The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Contract Year or a full Contract Year as the case may be has been finally verified and adjusted, the Seller and Procurers shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Seller or Procurers, as the case may be, shall raise a Supplementary Bill for the Tariff adjustment payments for the relevant quarter/ Contract Year and shall make payment of such Supplementary Bill for the Tariff adjustment payments for the relevant quarter/ Contract Year, as may be due as a result of such reconciliation. Late Payment Surcharge/ interest shall be payable in such a case from the date on which such payment had been made to the invoicing Party or the date on which any payment was originally due, as may be applicable. Any Dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of Article 14.

8.8 Payment of Supplementary Bill

8.8.1 Either Party may raise a bill on the other Party ("Supplementary Bill") for payment on account of:

- i) Adjustments required by the Regional Energy Account (if applicable);
- ii) Tariff Payment for change in parameters, pursuant to provisions in Schedule 4; or
- iii) Change in Law as provided in Article 10,

and such Supplementary Bill shall be paid by the other Party.

8.8.2 The Procurer(s) shall remit all amounts due under a Supplementary Bill raised by the Seller to the Seller's Designated Account by the Due Date and notify the Seller of such remittance on the same day or the Seller shall be eligible to draw such amounts through the Letter of Credit. Similarly, the Seller shall pay all amounts due under a Supplementary Bill raised by Procurer by the Due Date to concerned Procurer's designated bank account and notify Procurer of such payment on the same day. For such payments by the Procurer, Rebate as applicable to Monthly Bills pursuant to Article 8.3.6 shall equally apply.

8.8.3 In the event of delay in payment of a Supplementary Bill by either Party beyond its Due Date, a Late Payment Surcharge shall be payable at the same terms applicable to the Monthly Bill in Article 8.3.5.

8.9 The copies of all notices/ offers which are required to be sent as per the provisions of this Article 8, shall be sent by a Party, simultaneously to all Parties..

 Poochinthaal Vidyut Vitran Nigam Limited	 Puvonchaal Vidyut Vitran Nigam Limited	 Madhuvanchal Vidyut Vitran Nigam Limited 50	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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9 ARTICLE 9 : FORCE MAJEURE

9.1 Definitions

9.1.1 In this Article, the following terms shall have the following meanings:

9.2 Affected Party

9.2.1 An affected Party means any of the Procurers or the Seller whose performance has been affected by an event of Force Majeure.

9.2.2 Not Used-

9.2.3 An event of Force Majeure affecting the CTU/ STU or any other agent of the Seller, which has affected the transmission facilities from the Power Station to the Delivery Point, shall be deemed to be an event of Force Majeure affecting Seller.

9.2.4 Any event of Force Majeure affecting the performance of the Seller contractors shall be deemed to be an event of Force Majeure affecting Seller only if the Force Majeure event is affecting and resulting in:

- a) late delivery of plant, machinery, equipment, materials, spare parts, Fuel, water or consumables for the Power Station; or
- b) a delay in the performance of any of the Seller's contractors.

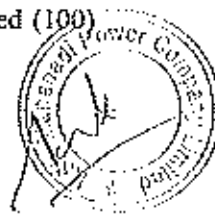
9.2.5 Similarly, any event of Force Majeure affecting the performance of the Procurers' contractor for setting up or operating Interconnection Facilities shall be deemed to be an event of Force Majeure affecting Procurers only if the Force Majeure event is resulting in a delay in the performance of Procurer's contractors.


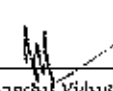
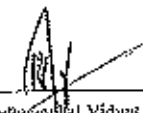

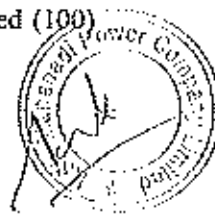
9.3 Force Majeure

9.3.1 A 'Force Majeure' means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices:

1. Natural Force Majeure Events

act of God, including, but not limited to lightning, drought, fire and explosion (to the extent originating from a source external to the site), earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years.



 Paschimanchal Vidyut Nigam Limited	 Puvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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ii. Non-Natural Force Majeure Events

1. Direct Non-Natural Force Majeure Events attributable to the Procurer(s)

a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality (under the State Government(s) of the Procurer(s) or the Central Government of India) of any material assets or rights of the Seller; or

b) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by the Seller to perform its obligations under the RFP Documents or any unlawful, unreasonable or discriminatory refusal to grant any Consents, Clearances and Permits required for the development/ operation of the Power Station, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down.

c) any other unlawful, unreasonable or discriminatory action on the part of an Indian Government Instrumentality (under the State Government(s) of the Procurers or the Central Government of India) which is directed against the supply of power by the Seller to the Procurers, provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down.

2. Direct Non-Natural Force Majeure Events not attributable to the Procurer(s)




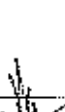

a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality (other than those under the State Government(s) of the Procurers) of any material assets or rights of the Seller; or

b) the unlawful, unreasonable or discriminatory revocation of, or refusal to renew, any Consents, Clearances and Permits required by Seller to perform its obligations under the RFP Documents or any unlawful, unreasonable or discriminatory refusal to grant any Consents, Clearances and Permits required for the development / operation of the Power Station, provided that a Competent Court of Law declares the revocation or refusal to be unlawful, unreasonable and discriminatory and strikes the same down.

c) any other unlawful, unreasonable or discriminatory action on the part of an Indian Government Instrumentality (other than those under the State Government(s) of the Procurers or the Central Government of India) which is directed against the supply of power by the Seller to the Procurer(s), provided that a Competent Court of Law declares the action to be unlawful, unreasonable and discriminatory and strikes the same down.

3. Indirect Non-Natural Force Majeure Events

a) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or

 Poshiranchal Vidyut Nigam Limited	 Parvanchal Vidyut Nigam Limited	 Marhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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b) radio active contamination or ionising radiation originating from a source in India or resulting from another Indirect Non Natural Force Majeure Event mentioned above excluding circumstances where the source or cause of contamination or radiation is brought or has been brought into or near the Power Station by the Affected Party or those employed or engaged by the Affected Party.

c) Industry wide strikes and labor disturbances having a nationwide impact in India.

9.4 Force Majeure Exclusions

9.4.1 Force Majeure shall not include (i) any event or circumstance which is within the reasonable control of the Parties and (ii) the following conditions, except to the extent that they are consequences of an event of Force Majeure:

- a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts, Fuel or consumables for the Power Station;
- b. Delay in the performance of any contractor, sub-contractor or their agents excluding the conditions as mentioned in Article 9.2;
- c. Non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment;
- d. Strikes or labour disturbance at the facilities of the Affected Party;
- e. Insufficiency of finances or funds or the agreement becoming onerous to perform; and
- f. Non-performance caused by, or connected with, the Affected Party's:
 - i. Negligent or intentional acts, errors or omissions;
 - ii. Failure to comply with an Indian Law; or
 - iii. Breach of, or default under this Agreement or any other RFP Documents.

9.5 Notification of Force Majeure Event

9.5.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than seven (7) days after the date on which such Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it unreasonable to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after such reinstatement.



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Nigam Limited

Purvanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
Vitran Nigam Limited
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Uttarakhand Vidyut
Vitran Nigam Limited

KSK Mahanadi Power
Company Limited

Provided that such notice shall be a pre-condition to the Affected Party's entitlement to claim relief under this Agreement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial measures proposed. The Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the Force Majeure Event.

- 9.5.2 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

9.6 Duty to Perform and Duty to Mitigate

- 9.6.1 To the extent not prevented by a Force Majeure Event pursuant to Article 9.3, the Affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any Force Majeure Event as soon as practicable.






9.7 Available Relief for a Force Majeure Event

- 9.7.1 Subject to this Article 9:

- (a) no Party shall be in breach of its obligations pursuant to this Agreement except to the extent that the performance of its obligations was prevented, hindered or delayed due to a Force Majeure Event;
- (b) every Party shall be entitled to claim relief in relation to a Force Majeure Event in regard to its obligations, including but not limited to those specified under Article 4.7;
- (c) For the avoidance of doubt, it is clarified that no Tariff shall be paid by the Procurers for the part of Contracted Capacity or part thereof affected by a Natural Force Majeure Event affecting the Seller, for the duration of such Natural Force Majeure Event affecting the Seller. For the balance part of the Contracted Capacity, the Procurers shall pay the Tariff to the Seller, provided during such period of Natural Force Majeure Event affecting the Seller, the balance part of the Power Station is declared to be Available for scheduling and dispatch as per ABT for supply of power by the Seller to the Procurers;

In case of a Natural Force Majeure Event affecting the Procurers no Tariff shall be paid by the Procurers to the Seller for the duration of such Natural Force Majeure Event affecting the Procurers ;

- (d) If the average Availability of the Power Station is reduced below eighty percent (80%) for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of sixty (60) Months, as a result of an Indirect Non Natural Force Majeure Event, then with effect from the end of such two (2) consecutive months or four (4) non consecutive months so long as the daily average Availability of the Power Station continues to be reduced below eighty percent (80%) as a result of

 Poshanraj Vidyut Vitan Nigam Limited	 Parvanchal Vidyut Vitan Nigam Limited	 Marhyanchal Vidyut Vitan Nigam Limited	 Dakshinanchal Vidyut Vitan Nigam Limited	 KSK Mahatani Power Company Limited
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Indirect Non Natural Force Majeure Event of any kind, the Procurer(s) shall make payments for Debt Service, subject to a maximum of Capacity Charges based on Normative Availability which are due under the Financing Agreements and these amounts shall be paid from the date, being the later of a) the date of cessation of such Indirect Non Natural Force Majeure Event and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurers from the Seller, in the form of an increase in Capacity Charge.

Provided payments for such Debt Service shall be limited to the Debt Service proportional to the Contracted Capacity of the Procurer(s) from the Power Station.

Provided such Capacity Charge increase shall be determined by Appropriate Commission the basis of putting the Seller in the same economic position as the Seller would have been in case the Seller had been paid Debt Service in a situation where the Indirect Non Natural Force Majeure Event had not occurred.

Provided that the Procurers will have the above obligation to make payment for the Debt Service only (a) after supply of power from the Power Station affected by such Indirect Non Natural Force Majeure Event has started, and (b) only if in the absence of such Indirect Non Natural Force Majeure Event, the Availability of Power Station would have resulted in Capacity Charges equal to Debt Service.

- (e) If the average Availability of the Power Station is reduced below Normative Availability for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of sixty (60) Months, as a result of a Direct Non Natural Force Majeure Event attributable to the Procurers, then, with effect from the end of such two (2) consecutive months or four (4) non consecutive months and for so long as the daily average Availability of the Power Station of the Seller continues to be reduced below Normative Availability as a result of a Direct Non Natural Force Majeure Event attributable to the Procurers, the Seller may elect through a written notice to the Procurers, to deem the Availability to be equal to Normative Availability from the end of such two (2) consecutive months or four (4) non consecutive months, regardless of its actual Available Capacity. In such a case, the Procurers shall be liable to make payment of Capacity Charges calculated on such deemed Normative Availability, after the cessation of the effects of Direct Non Natural Force Majeure Event attributable to the Procurers in the form of an increase in Capacity Charge.

Panchmahal Vidyut Vitran
Nigam Limited

Purvanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
Vitran Nigam Limited
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Dakshinanchal Vidyut
Vitran Nigam Limited

KSK Mahanadi Power
Company Limited



Provided such Capacity Charge increase shall be determined by Appropriate Commission on the basis of putting the Seller in the same economic position as the Seller would have been in case the Seller had been paid Capacity Charges in a situation where the Direct Non Natural Force Majeure Event attributable to the Procurers had not occurred.

- (f) If the average Availability of the Power Station is reduced below Normative Availability for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of sixty (60) Months, as a result of a Direct Non Natural Force Majeure Event not attributable to the Procurers, then, with effect from the end of such two (2) consecutive months or four (4) non consecutive months and for so long as the daily average Availability of the Power Station of the Seller continues to be reduced below Normative Availability as a result of a Direct Non Natural Force Majeure Event not attributable to the Procurers, the Seller may elect through a written notice to the Procurers, to deem the Availability to be equal to Normative Availability from the end of such two (2) consecutive months or four (4) non consecutive months, regardless of its actual Available Capacity. In such a case, the Procurers shall be liable to make payment for Debt Service, subject to a maximum of Capacity Charges calculated on such deemed Normative Availability, after the cessation of the effects of Direct Non Natural Direct Force Majeure Event not attributable to the Procurers in the form of an increase in Capacity Charge.






Provided such Capacity Charge increase shall be determined by Appropriate Commission on the basis of putting the Seller in the same economic position as the Seller would have been in case the Seller had been paid Capacity Charges in a situation where the Direct Non Natural Force Majeure Event not attributable to the Procurers had not occurred.

- (g) For the avoidance of doubt, it is specified that the charges payable under this Article 9 shall be paid by the Procurer(s) in proportion to their then existing Contracted Capacities

9.8 Additional Compensation and Procurer's Subrogation

- 9.8.1 If the Seller is entitled, whether actually or contingently, to be compensated by any person (other than the Procurer(s)) as a result of the occurrence of a Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurer) for which it has received compensation from the Procurers pursuant to this Article 9, including without limitation, payments made which payments would not have been made in the absence of Article 4.9.1, the Procurers shall be fully subrogated to the Seller's rights against that person to the extent of the compensation paid by the Procurers to the Seller.

Provided that in case the Seller has actually received compensation from any person other than the Procurers as well as the Procurers as a result of the occurrence of a Non Natural Force Majeure Event (or Natural Force Majeure Event affecting the Procurers), then the Seller shall forthwith refund the compensation received by it from the Procurers but only to the extent of the compensation received by the Seller from any person other than the Procurers.

 Parvanchal Vidyut Vitran Nigam Limited	 Parvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 56	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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10 ARTICLE 10: CHANGE IN LAW

10.1 Definitions

In this Article 10, the following terms shall have the following meanings:

10.1.1 "Change in Law" means the occurrence of any of the following events after the date, which is seven (7) days prior to the Bid Deadline resulting into any additional recurring/ non-recurring expenditure by the Seller or any income to the Seller:

- the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;
- a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;
- the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits; except due to any default of the Seller;
- any change in tax or introduction of any tax made applicable for supply of power by the Seller as per the terms of this Agreement.

but shall not include (i) any change in any withholding tax on income or dividends distributed to the shareholders of the Seller, or (ii) change in respect of UI Charges or frequency intervals by an Appropriate Commission or (iii) any change on account of regulatory measures by the Appropriate Commission including calculation of Availability.

10.2 Application and Principles for computing impact of Change in Law





10.2.1 While determining the consequence of Change in Law under this Article 10, the Parties shall have due regard to the principle that the purpose of compensating the Party affected by such Change in Law, is to restore through monthly Tariff Payment, to the extent contemplated in this Article 10, the affected Party to the same economic position as if such Change in Law has not occurred.

10.3 Relief for Change in Law

10.3.1 During Construction Period

As a result of any Change in Law, the impact of increase/decrease of Capital Cost of the Power Station in the Tariff shall be governed by the formula given below:



 Panchanath Vidyut Vitran Nigam Limited	 Panchanath Vidyut Vitran Nigam Limited	 Madhyamahal Vidyut Vitran Nigam Limited 57	 Dakshinahal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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For every cumulative increase/ decrease of each Rupees Seventy Lakhs (Rs. 70 lakhs) in the Capital Cost during the Construction Period, the increase/ decrease in Non Escalable Capacity Charges shall be an amount equal to 0.267% of the Non Escalable Capacity Charges. In case of Dispute, Article 14 shall apply.

It is clarified that the above mentioned compensation shall be payable to either Party, only with effect from the date on which the total increase/ decrease exceeds amount of Rupees Seventy Lakhs (Rs. 70 lakhs).

10.3.2 During Operating Period

The compensation for any decrease in revenue or increase in expenses to the Seller shall be payable only if the decrease in revenue or increase in expenses of the Seller is in excess of an amount equivalent to 1% of the value of the Letter of Credit in aggregate for the relevant Contract Year.

10.3.3 For any claims made under Articles 10.3.1 and 10.3.2 above, the Seller shall provide to the Procurers and the Appropriate Commission documentary proof of such increase/ decrease in cost of the Power Station or revenue/ expense for establishing the impact of such Change in Law.

10.3.4 The decision of the Appropriate Commission, with regards to the determination of the compensation mentioned above in Articles 10.3.1 and 10.3.2, and the date from which such compensation shall become effective, shall be final and binding on both the Parties subject to right of appeal provided under applicable Law.

10.4 Notification of Change in Law

10.4.1 If the Seller is affected by a Change in Law in accordance with Article 10.1 and the Seller wishes to claim relief for such a Change in Law under this Article 10, it shall give notice to the Procurers of such Change in Law as soon as reasonably practicable after becoming aware of the same or should reasonably have known of the Change in Law.






10.4.2 Notwithstanding Article 10.4.1, the Seller shall be obliged to serve a notice to the Procurers under this Article 10.4.2, even if it is beneficially affected by a Change in Law. Without prejudice to the factor of materiality or other provisions contained in this Agreement, the obligation to inform the Procurers contained herein shall be material.

Provided that in case the Seller has not provided such notice, the Procurers shall have the right to issue such notice to the Seller.

10.4.3 Any notice served pursuant to this Article 10.4.2 shall provide, amongst other things, precise details of:

- (a) the Change in Law; and
- (b) the effects on the Seller.



 Paschimanchal Vidyut Vitran Nigam Limited	 Paschimanchal Vidyut Vitran Nigam Limited	 Meghalanchal Vidyut Vitran Nigam Limited 58	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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10.5 Tariff Adjustment Payment on account of Change in Law

10.5.1 Subject to Article 10.2, the adjustment in monthly Tariff Payment shall be effective from:

(i) the date of adoption, promulgation, amendment, re-enactment or repeal of the Law or Change in Law; or

(ii) the date of order/ judgment of the Competent Court or tribunal or Indian Governmental Instrumentality, if the Change in Law is on account of a change in interpretation of Law.

10.5.2 The payment for Change in Law shall be through Supplementary Bill as mentioned in Article 8.8. However, in case of any change in Tariff by reason of Change in Law, as determined in accordance with this Agreement, the Monthly Invoice to be raised by the Seller after such change in Tariff shall appropriately reflect the changed Tariff.

 Paschimanchal Vidyut Vitran Nigam Limited	 Purnvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 59	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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11 ARTICLE 11: EVENTS OF DEFAULT AND TERMINATION

11.1 Seller Event of Default

11.1.1 The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by Procurer(s) of its obligations under this Agreement or a Procurer Event of Default, shall constitute a Seller Event of Default:

- (i) the failure to commence supply of power to the Procurers up to the Contracted Capacity, relevant to the Revised Scheduled Delivery Date(s) or the Scheduled Delivery Date, as the case may be, by the end of twelve (12) months, or
- (ii) after the Delivery Date, the interruption of power supply by the Seller for a continuous period of two (2) Months and such default is not rectified within thirty (30) Days from the receipt of first notice from the Procurers in this regard, or
- (iii) After the Delivery Date, the Seller fails to achieve Normative Availability for a period of twelve (12) consecutive or non-consecutive Months within any continuous period of thirty six (36) Months;

or






- (iv) the Seller fails to make any payment (a) of an amount exceeding Rupees One (1) Crore in aggregate required to be made to Procurers under this Agreement, within three (3) Months after the Due Date of undisputed invoice(s) /demand raised by the said Procurers on the Seller or (b) of an amount up to Rupees One (1) Crore required to be made to Procurers under this Agreement within six (6) Months after the Due Date of undisputed invoice(s)/ demand; or
- (v) any of the representations and warranties made by the Seller in Schedule 7 of this Agreement; being found to be untrue or inaccurate. Further, in addition to the above, any of representations made or the undertakings submitted by the Successful Bidder at the time of submission of the Bid being found to be breached or inaccurate, including but not limited to undertakings from its Parent Company/ Affiliates related to the minimum equity obligation and submission of the Contract Performance Guarantee;

Provided however, prior to considering any event specified under this sub-article to be an Event of Default, the Procurers shall give a notice to the Seller in writing of at least thirty (30) days, or

- (vi) if

a) the Seller assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets or rights related to the Power Station in contravention of the provisions of this Agreement; or



 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 60	 Dakshinanchal Vidyut Nigam Limited	 RSK Mahanadi Power Company Limited
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b) the Seller transfers or novates any of its rights and/ or obligations under this agreement, in a manner contrary to the provisions of this Agreement; except where such transfer

(i). is in pursuance of a Law; and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under this Agreement or

(ii). is to a transferee who assumes such obligations under this Agreement and the Agreement remains effective with respect to the transferee;

(vii) if (a) the Seller becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or (b) any winding up or bankruptcy or insolvency order is passed against the Seller, or (c) the Seller goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that a dissolution or liquidation of the Seller will not be a Seller Event of Default if such dissolution or liquidation is for the purpose of a merger, consolidation or reorganization and where the resulting company continues to meet the Qualification Requirements in terms of the RFQ till six (6) months after commencement of supply of power by the Seller, and retains creditworthiness similar to the Seller and expressly assumes all obligations of the Seller under this Agreement and is in a position to perform them; or

(viii) the Seller repudiates this Agreement and does not rectify such breach within a period of thirty (30) days from a notice from the Procurers in this regard; or

(ix) except where due to any Procurers' failure to comply with its material obligations, the Seller is in breach of any of its material obligations pursuant to this Agreement or of any of the RFP Documents where the Procurers and Seller are parties, and such material breach is not rectified by the Seller within thirty (30) days of receipt of first notice in this regard given by the Lead Procurer on behalf of the Procurers,

(x) any direct or indirect change in the shareholding of the Seller in contravention of the terms of this Agreement; or





(xi) failure to renew or replace the Contract Performance Guarantee, as per the terms of this Agreement; or

(xii) occurrence of any other event which is specified in this Agreement to be a material breach/ default of the Seller.

11.2 Procurer Event of Default

11.2.1 The occurrence and the continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by the Seller of its obligations under this Agreement or a Seller Event of Default, shall constitute the Event of Default on the part of defaulting Procurer:








 Panchsheel Vidyut Vitran Nigam Limited	 Panchsheel Vidyut Vitran Nigam Limited	 Madhyamchal Vidyut Vitran Nigam Limited	 Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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- (i) a defaulting Procurer fails to meet any of its obligations, as specified in Article 4.3; or
- (ii) a defaulting Procurer fails to pay (with respect to a Monthly Bill or a Supplementary Bill) an amount exceeding fifteen (15%) of the undisputed part of the most recent Monthly/ Supplementary Bill for a period of ninety (90) days after the Due Date and the Seller is unable to recover the amount outstanding to the Seller through the Collateral Arrangement and Letter of Credit; or
- (iii) the defaulting Procurer(s) repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Seller in this regard; or
- (iv) except where due to any Seller's failure to comply with its obligations, the defaulting Procurer(s) is/are in material breach of any of its obligations pursuant to this Agreement or of any of the other RFP Documents where the Procurers and the Seller are Parties, and such material breach is not rectified by the defaulting Procurers within thirty (30) days of receipt of notice in this regard from the Seller to the Procurers; or
- (v) any representation and warranties made by the Procurers in Schedule 7 of this Agreement, being found to be untrue or inaccurate. Provided however, prior to considering any event specified under this sub-article to be an Event of Default, the Seller shall give a notice to the Procurers in writing of at least thirty (30) days; or
- (vi) if
 - Procurer(s) becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days, or
 - any winding up or bankruptcy or insolvency order is passed against the Procurers, or
 - Procurer(s) goes into liquidation or dissolution or a receiver or any similar officer is appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, pursuant to Law,

Provided that it shall not constitute a Procurer Event of Default, where such dissolution or liquidation of Procurers or such Procurer is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and has creditworthiness similar to Procurers or such Procurer and expressly assumes all obligations of Procurers or such Procurer under this Agreement and is in a position to perform them;

- (vii) occurrence of any other event which is specified in this Agreement to be a material breach or default of the Procurers.

 Paschimanchal Vidyut Vitran Nigam Limited	 Purvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 62	 Dakshinanchal Vidyut Vitran Nigam Limited	 RSK Mahanadi Power Company Limited
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11.3 Procedure for cases of Seller Event of Default

- 11.3.1 Upon the occurrence and continuation of any Seller Event of Default under Article 11.1, Majority Procurers, through the Lead Procurer shall have the right to deliver to the Seller a notice with a copy to the Appropriate Commission and the Lenders' Representative, of their intention to terminate this Agreement (Procurer Preliminary Default Notice), which shall specify in reasonable detail, the circumstances giving rise to the issue of such notice.
- 11.3.2 Following the issue of Procurer Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall have to be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.
- 11.3.3 During the Consultation Period, the Parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- 11.3.4 Within a period of seven (7) days following the expiry of the Consultation Period unless the Parties shall have otherwise agreed to the contrary or the Seller Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the Procurers may terminate this Agreement by giving a written Termination Notice of thirty (30) days to the Seller with a copy to the Appropriate Commission. A copy of the Termination Notice shall be given to the Lenders' Representative. The Lenders may exercise or the Procurers may require the Lenders to exercise their substitution rights and other rights provided to them, if any, under Financing Agreements and the Procurers would have no objection to the Lenders exercising their rights if it is in consonance with provisions of Schedule 12. Alternatively, in case the Lenders do not exercise their rights as mentioned herein above, the Capacity Charge of the Seller shall be reduced by twenty percent (20%) for the period of Seller Event of Default.
- 11.3.5 Further, in addition to the reduction in Capacity Charges as per the provision in Article 11.3.4, the Seller shall be liable to pay to the Procurer(s), charges equivalent to twelve (12) months Capacity Charges calculated at Normative Availability. Such payment shall be made by the Seller to the Procurer(s) within thirty (30) days of the termination of the Agreement. In case of inability of the Seller to make such payment within the stipulated time period of thirty (30) days, the Procurers shall have the right to encash the Contract Performance Guarantee, if any available, as on that date and appropriate the proceeds of such encashment towards the payment due from the Seller. Any amount remaining unpaid on the part of the Seller shall be considered as a material breach and the Procurers shall have the right to enforce such claim as per the provisions of the Law.

11.4 Termination for Procurer Event of Default

- 11.4.1 Upon the occurrence and continuation of any Procurer Event of Default pursuant to Article 11.2.1(ii), the Seller shall follow the remedies provided under Article 8.5.5, as the case may be.



Poochanchal Vidyut Vitran
Nigam Limited

Poochanchal Vidyut Vitran
Nigam Limited

Mudiyanchal Vidyut
Vitran Nigam Limited

63

Dakshinanchal Vidyut
Vitran Nigam Limited

KSK Mahanadi Power
Company Limited

11.4.2 Without in any manner affecting the rights of the Seller under Article 11.4.1, on the occurrence of any Procurement Event of Default specified in Article 11.2 the Seller shall have the right to deliver to the Procurers, a Seller Preliminary Default Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

11.4.3 Following the issue of a Seller Preliminary Default Notice, the Consultation Period of ninety (90) days or such longer period as the Parties may agree, shall apply and it shall be the responsibility of the Parties to discuss as to what steps shall be taken with a view to mitigate the consequences of the relevant Event of Default having regard to all the circumstances.

11.4.4 During the Consultation Period, the Parties shall continue to perform their respective obligations under this Agreement.

11.4.5 After a period of seven (7) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or the Procurement Event of Default giving rise to the Consultation Period shall have ceased to exist or shall have been remedied, the Seller shall be free to sell the Contracted Capacity and corresponding available capacity of the Procurers committing Procurement Event of Default to any third party of the Seller's choice.

Provided such Procurer shall have the liability to make payments for Capacity Charges based on Normative Availability to the Seller for the period upto the Expiry Date, subject to maximum of three (3) years from the eighth day after the expiry of the Consultation Period.

Provided further that in such period, in case the Seller is able to sell electricity to any third party at a price which is in excess of the Energy Charges, then such excess realization will reduce the Capacity Charge payments due from such Procurers.

For the avoidance of doubt, the above excess adjustment would be applied on a cumulative basis for such period. During such period, the Seller shall use its best effort to sell the Contracted Capacity and corresponding available capacity of Procurer or such Procurer generated or capable of being generated to such third parties at the most reasonable terms available in the market at such time, having due regard to the circumstances at such time and the pricing of electricity in the market at such time.

Provided further, the Seller shall ensure that sale of power to the shareholders of the Seller or any direct or indirect Affiliate of the Seller/ shareholders of the Seller, is not at a price less than the Tariff, without obtaining the prior written consent of such Procurer(s). Such request for consent would be responded to within a maximum period of three (3) days failing which it would be deemed that the Procurer has given his consent.

Provided further that at the end of such period, this Agreement shall automatically terminate but only with respect to such Procurer and thereafter, such Procurer shall have no further Capacity Charge liability towards the Seller.



Poochammaiah Vidyal Nigam Limited

Poochammaiah Vidyal Nigam Limited

Madhyanchal Vidyal Nigam Limited
64

Dakshinanchal Vidyal Nigam Limited





KSK Mahanadi Power Company Limited

Provided further, the Seller shall have the right to terminate this Agreement with respect to such Procurer(s) even before the expiry of such period provided on such termination, the future Capacity Charge liability of such Procurer(s) shall cease immediately.

11.5 Termination due to Force Majeure

- 11.5.1 If the Force Majeure Event or its effects continue to be present beyond the period as specified in Article 4.7.3, either Party shall have the right to cause termination of the Agreement. In such an event, subject to the terms and conditions of the Financing Agreements, this Agreement shall terminate on the date of such Termination Notice. In case of such termination, the Contract Performance Guarantee shall be returned to the Seller as per the provisions of Article 3.8.



 Paschimanchal Vidyut Nigam Limited	 Panchanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited
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12 ARTICLE 12: LIABILITY AND INDEMNIFICATION






12.1 Indemnity

12.1.1 The Seller shall indemnify, defend and hold Procurers harmless against:

- a) any and all third party claims, actions, suits or proceedings against the Procurers for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the Seller of any of its obligations under this Agreement, except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Procurers, its contractors, servants or agents; and
- b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by Procurers from third party claims arising by reason of:
 - (i) breach by the Seller of any of its obligations under this Agreement, (provided that this Article 12 shall not apply to such breaches by the Seller, for which specific remedies have been provided for under this Agreement) except to the extent that any such losses, damages, costs and expenses including legal costs, fines, penalties and interest (together to constitute "Indemnifiable Losses") has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Procurers, its contractors, servants or agents, or
 - (ii) any of the representations or warranties of the Seller under this Agreement being found to be inaccurate or untrue.

12.1.2 Procurers shall indemnify, defend and hold the Seller harmless against:

- a) any and all third party claims, actions, suits or proceedings against the Seller, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by Procurers of any of its obligations under this Agreement except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the Seller, its contractors, servants or agents; and
- b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest ("Indemnifiable Losses") actually suffered or incurred by the Seller from third party claims arising by reason of
 - (i) a breach by Procurers of any of its obligations under this Agreement (Provided that this Article 12 shall not apply to such breaches by Procurers, for which specific remedies have been provided for under this Agreement.), except to the extent that any such Indemnifiable Losses have arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the Seller, its contractors, servants or agents, or

 Paschimanchal Vidyut Nigam Limited	 Purnanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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- (ii) any of the representations or warranties of the Procurers under this Agreement being found to be inaccurate or untrue.

12.2 Monetary Limitation of Liability

12.2.1 A Party ("Indemnifying Party") shall be liable to indemnify the other Party ("Indemnified Party") under this Article 12 for any indemnity claims made in a Contract Year only up to an amount equivalent to half percent (0.5%) of the average annual Tariff Payment for all the Contract Years upto the Contract Year in which the indemnity claim is made. With respect to the Procurer(s), the above limit shall be divided in the ratio of their Contracted Capacity existing on the date of the indemnity claim.

12.3 Procedure for claiming Indemnity






12.3.1 Third party claims

- a. Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Article 12.1.1(a) or 12.1.2(a), the Indemnified Party shall promptly notify the Indemnifying Party of such claim, proceeding, action or suit referred to in Article 12.1.1(a) or 12.1.2 (a) in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim, proceeding, action or suit. The Indemnifying Party shall be liable to settle the indemnification claim within thirty (30) days of receipt of the above notice. Provided however that, if:
- i) the Parties choose to contest, defend or litigate such claim, action, suit or proceedings in accordance with Article 12.3.1 (b) below; and
 - ii) the claim amount is not required to be paid/ deposited to such third party pending the resolution of the Dispute,

the Indemnifying Party shall become liable to pay the claim amount to the Indemnified Party or to the third party, as the case may be, promptly following the resolution of the Dispute, if such Dispute is not settled in favour of the Indemnified Party.

- b. The Indemnified Party may contest, defend and litigate a claim, action, suit or proceeding for which it is entitled to be indemnified under Article 12.1.1(a) or 12.1.2(a) and the Indemnifying Party shall reimburse to the Indemnified Party all reasonable costs and expenses incurred by the Indemnified party. However, such Indemnified Party shall not settle or compromise such claim, action, suit or proceedings without first getting the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

An Indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the Indemnified Party if it acknowledges its obligation to indemnify such Indemnified Party, gives such Indemnified Party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the Indemnified Party.

 Panchimal Vidya Vitaran Nigam Limited	 Panchimal Vidya Vitaran Nigam Limited	 Madhyam Vidya Vitaran Nigam Limited	 Dakshinam Vidya Vitaran Nigam Limited	 KSK Mahanadi Power Company Limited
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12.4 Indemnifiable Losses

12.4.1 Where an Indemnified Party is entitled to Indemnifiable Losses from the Indemnifying Party pursuant to Article 12.1.1(b) or 12.1.2(b), the Indemnified Party shall promptly notify the Indemnifying Party of the Indemnifiable Losses actually incurred by the Indemnified Party. The Indemnifiable Losses shall be reimbursed by the Indemnifying Party within thirty (30) days of receipt of the notice seeking Indemnifiable Losses by the Indemnified Party. In case of non payment of such losses after a valid notice under this Article 12.4, such event shall constitute a payment default under Article 11.

12.5 Infringement of Intellectual Property Rights

12.5.1

- a) The Seller shall, subject to the Procurers compliance with Article 12.5.1 b), indemnify and hold harmless the Procurers and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Procurers may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Agreement by reason of the setting up of the Power Station by the Seller.

Such indemnity shall not cover any use of the Power Station or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Agreement, any infringement resulting from the misuse of the Power Station or any part thereof, or any products produced in association or combination with any other equipment, plant or materials not supplied by the Seller, pursuant to the Agreement.

- b) If any proceedings are brought or any claim is made against the Procurers arising out of the matters referred to in Article 12.5.1 (a), the Lead Procurer/Procurers shall promptly give the Seller a notice thereof, and the Seller shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. The Seller shall promptly notify the Lead Procurer/Procurers of all actions taken in such proceedings or claims.
- c) If the Seller fails to notify the Lead Procurer/Procurers within twenty-eight (28) days after receipt of such notice from the Lead Procurer/Procurers under Article 12.5.1 b) above, that it intends to attend any such proceedings or claim, then the Lead Procurer/Procurers shall be free to attend the same on their own behalf at the cost of the Seller. Unless the Seller has so failed to notify the Lead Procurer/Procurers within the twenty eight (28) days period, the Lead Procurer/Procurers shall make no admission that may be prejudicial to the defence of any such proceedings or claims.

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Nigam Limited

Mooliyanchal Vidyut
Vitan Nigam Limited
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Vitan Nigam Limited

KSK Mahanadi Power
Company Limited



- d) The Lead Procurer/Procurers shall, at the Seller's request, afford all available assistance to the Seller in attending to such proceedings or claim, and shall be reimbursed by the Seller for all reasonable expenses incurred in so doing.


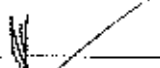
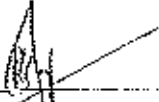

12.5.2

- a) The Procurers, subject to the Seller's compliance with Article 12.5.2 (b) shall indemnify and hold harmless the Seller and its employees, officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs and expenses of whatsoever nature, including attorney's fees and expenses, which the Seller may suffer as a result of any infringement by the Procurers or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered.
- b) If any proceedings are brought or any claim is made against the Seller arising out of the matters referred to in Article 12.5.2 (a) the Seller shall promptly give the Lead Procurer/Procurers a notice thereof, and the Lead Procurer/Procurers shall at its own expense take necessary steps and attend such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. The Lead Procurer/Procurers shall promptly notify the Seller of all actions taken in such proceedings or claims.
- c) If the Lead Procurer/Procurers fails to notify the Seller within twenty-eight (28) days after receipt of such notice from the Seller under Article 12.5.2 (b) above, that it intends to attend any such proceedings or claim, then the Seller shall be free to attend the same on its own behalf at the cost of the Procurers. Unless the Lead Procurer/Procurer has so failed to notify the Seller within the twenty (28) days period, the Seller shall make no admission that may be prejudicial to the defence of any such proceedings or claim.
- d) The Seller shall, at the Procurers request, afford all available assistance to the Procurer in attending to such proceedings or claim, and shall be reimbursed by the Procurer for all reasonable expenses incurred in so doing.

12.6 Limitation on Liability

- 12.6.1 Except as expressly provided in this Agreement, neither the Seller nor Procurers nor its/ their respective officers, directors, agents, employees or Affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its Affiliates, officers, directors, agents, employees, successors or permitted assigns or their respective insurers for incidental, indirect or consequential damages, connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith, including claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Agreement), any increased expense of, reduction in or loss of power generation or equipment used therefore, irrespective of whether such claims are based upon breach of warranty, tort (including negligence, whether of the Procurers, the Seller or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.







 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited
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12.6.2 Procurers shall have no recourse against any officer, director or shareholder of the Seller or any Affiliate of the Seller or any of its officers, directors or shareholders for such claims excluded under this Article. The Seller shall have no recourse against any officer, director or shareholder of Procurers, or any Affiliate of Procurers or any of its officers, directors or shareholders for such claims excluded under this Article.

12.7 Duty to Mitigate

12.7.1 The Parties shall endeavour to take all reasonable steps so as mitigate any loss or damage which has occurred under this Article 12.



 Paschimanchal Vidyut Vitran Nigam Limited	 Purvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 70	 Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahesh Power Company Limited
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13 ARTICLE 13: ASSIGNMENTS AND CHARGES

13.1 *Assignments*

13.1.1 This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement shall not be assigned by any Party other than by mutual consent between the Parties to be evidenced in writing;

Provided that, such consent shall not be withheld if the Procurers seeks to transfer to any transferee all of its rights and obligations under this Agreement; and

- (a) such transferee is either the owner or operator of all or substantially all of the distribution system of such Procurer and /or such transferee is a successor entity of the Procurer; and
- (b) this Agreement and the other RFP Documents shall continue to remain valid and binding on such successor.

13.1.2 Seller shall be entitled to assign its rights and obligations under this Agreement in favor of the Selectee duly appointed pursuant to the terms of Schedule 12 of this Agreement.

13.2 *Permitted Charges*

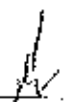




13.2.1 Neither Party shall create or permit to subsist any encumbrance over all or any of its rights and benefits under this Agreement.

13.2.2 However, the Seller may create any encumbrance over all or part of the Receivables, Payment Mechanism or the RFP Documents in favour of the Lenders or the Lender's Representative on their behalf, as security for:

- (a) amounts payable under the Financing Agreements; and
- (b) any other amounts agreed by the Parties,

Provided that:


- (i) the Lenders or the Lender's Representative on their behalf shall have entered into the Financing Agreements and agreed upon in writing to the provisions of Schedule 12 of this Agreement; and

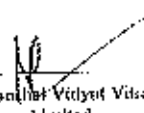
 Paschimanchal Vidyut Nigam Limited	 Parvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 RSK Mahanadi Power Company Limited
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- II any encumbrances granted by the Seller in accordance with this Article 13.2.2 shall contain provisions pursuant to which the Lenders or the Lender's Representative on their behalf agrees unconditionally with the Seller acting for itself and as trustee of the Procurers to release from such encumbrances all of the right, title and interest to additional compensation so as to enable the Procurers to claim its right of subrogation. For the purposes of this Article, additional compensation shall mean the compensation that the Seller is entitled, whether actually or contingently, to receive from the Procurer(s) as well as compensated by any person other than the Procurer(s) for the same event.


13.2.3 Article 13.1.2 does not apply to :


- a) liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of supply of power by the Seller;
- b) pledges of goods, the related documents of title and / or other related documents, arising or created in the ordinary course of supply of power by the Seller; or
- c) security arising out of retention of title provisions in relation to goods acquired in the ordinary course of supply of power by the Seller..


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Nigam Limited


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Vitan Nigam Limited
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Vitan Nigam Limited


KSK Mahadi Power
Company Limited

14 ARTICLE 14: GOVERNING LAW AND DISPUTE RESOLUTION

14.1 *Governing Law*

14.1.1 This Agreement shall be governed by and construed in accordance with the Laws of India. Any legal proceedings in respect of any matters, claims or disputes under this Agreement shall be under the jurisdiction of appropriate courts in Lucknow.

14.2 *Amicable Settlement and Dispute Resolution*

14.2.1 *Amicable Settlement*

14.2.1.1 Either Party is entitled to raise any claim, dispute or difference of whatever nature arising under, out of or in connection with this Agreement ("Dispute") by giving a written notice (Dispute Notice) to the other Party, which shall contain:

- (i) a description of the Dispute;
- (ii) the grounds for such Dispute; and
- (iii) all written material in support of its claim.

14.2.1.2 The other Party shall, within thirty (30) days of issue of Dispute Notice issued under Article 14.2.1.1, furnish:

- (i) counter-claim and defences, if any, regarding the Dispute; and
- (ii) all written material in support of its defences and counter-claim.

14.2.1.3 Within thirty (30) days of issue of Dispute Notice by any Party pursuant to Article 14.2.1.1 if the other Party does not furnish any counter claim or defence under Article 14.2.1.2 or thirty (30) days from the date of furnishing counter claims or defence by the other Party, both the Parties to the Dispute shall meet to settle such Dispute amicably. If the Parties fail to resolve the Dispute amicably within thirty (30) days from the later of the dates mentioned in this Article 14.2.1.3, the Dispute shall be referred for dispute resolution in accordance with Article 14.3.

14.3 *Dispute Resolution*

14.3.1 Dispute Resolution by the Appropriate Commission

14.3.1.1 (a) Where CERC is the Appropriate Commission, any Dispute arising from a claim made by any Party for any change in or determination of the Tariff or any matter related to Tariff or claims made by any Party which partly or wholly relate to any change in the Tariff or determination of any of such claims could result in change in the Tariff, shall be submitted to adjudication by the Appropriate Commission. Appeal against the decisions of the Appropriate Commission shall be made only per the provisions of the Electricity Act, 2003, as amended from time to time.



 Panchanan Choudhary Vijay Nigam Limited	 Panchanan Choudhary Vijay Nigam Limited	 Madhyan Lal Vidyal Vijay Nigam Limited 73	 Panchanan Choudhary Vijay Nigam Limited	 RSK Mahesh Power Company Limited
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(b) Where SERC is the Appropriate Commission, all disputes between the Procurers and the Seller shall be referred to SERC.

14.3.1.2 The obligations of the Procurers under this Agreement towards the Seller shall not be affected in any manner by reason of inter-se disputes amongst the Procurers.

14.3.2 Dispute Resolution through Arbitration






14.3.2.1 If the Dispute arises out of or in connection with any claims not covered in Article 14.3.1.1(a), such Dispute shall be resolved by arbitration under the Indian Arbitration and Conciliation Act, 1996 and the Rules of the Indian Council of Arbitration, in accordance with the process specified in this Article. In the event of such Dispute remaining unresolved as referred to in Article 14.2.1.3 hereof, any party to such Dispute may refer the matter to Registrar under the Rules of the Indian Council of Arbitration.

- i) The Arbitration Tribunal shall consist of three (3) arbitrators to be appointed in accordance with the Indian Council of Arbitration Rules
- ii) The place of arbitration shall be Lucknow. The language of the arbitration shall be English.
- iii) The Arbitration Tribunal's award shall be substantiated in writing. The Arbitration Tribunal shall also decide on the costs of the arbitration proceedings and the allocation thereof.
- iv) The provisions of this Article shall survive the termination of this PPA for any reason whatsoever.

14.4 Parties to Perform Obligations

14.4.1 Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission or the Arbitration Tribunal as provided in Article 14.3 and save as the Appropriate Commission or the Arbitration Tribunal may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement.



 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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15 ARTICLE 15: MISCELLANEOUS PROVISIONS

15.1 Lead Procurer

15.1.1 The Procurers hereby appoint and authorise Paschimanchal Vidyut Vitran Nigam Limited [hereinafter referred to as the "Lead Procurer"] to represent all the Procurers for discharging the rights and obligations of the Procurers under this Agreement, which are required to be undertaken by all the Procurers. All the Procurers shall follow and be bound by the decisions of the Lead Procurer. Accordingly each Procurer agrees that any decision, communication, notice, action or inaction of the Lead Procurer on matters specified under this Agreement to be dealt with by the Lead Procurer shall be deemed to have been on its/his behalf and shall be binding on each of the Procurer. The Seller shall be entitled to rely upon any such action, decision or communication or notice from the Lead Procurer. It is clarified that provisions under this Article 15.1 are not intended to and shall not render the Lead Procurer liable to discharge Tariff Payments due to Seller from the other Procurers.

15.1.2 On the occurrence of any Event of Default specified in Article 11.2 by the Lead Procurer, the Seller may, at its option, within a period of fifteen (15) days from the date of issue of the Seller's Preliminary Default Notice referred to in Article 11.4.2 and if the said default by the Lead Procurer subsists, specify in writing to all the Procurers that the Madhyanchal Vidyut Vitran Nigam Limited shall be the new Lead Procurer, as per the provisions of this Article 15.1. In such a case, if the Seller so notifies, the new Lead Procurer shall, thereafter, act as Lead Procurer for the purposes of this Agreement, and the Lead Procurer earlier appointed under Article 15.1.1 shall automatically cease to be the Lead Procurer. It is clarified that all decisions taken by the Paschimanchal Vidyut Vitran Nigam Limited appointed under Article 15.1.1, in its capacity as Lead Procurer before such change, shall continue to be valid, in accordance with this Agreement.






15.1.3 Notwithstanding anything contained above, any decision which is required to be taken by the Procurers jointly under the provisions of this Agreement, shall be taken by all the Procurers and in case of difference amongst the Procurers, the said decision shall be taken by the Majority Procurers, as defined in Article 15.1.4 below.

15.1.4 Any decision taken by Procurers, who taken together constitute sixty five percent (65%) of the Contracted Capacity and constitute in number at least fifty percent (50%) of the total number of Procurers (hereinafter referred to as "Majority Procurers"), shall be binding on the Lead Procurer and all other Procurers. Majority Procurers shall also have the right to replace the Lead Procurer by any other Procurer of their choice. All decisions taken by the Majority Procurers in this Agreement shall be conveyed by the Lead Procurer.

15.2 Minimum Equity holding/ Equity Lock-in

15.2.1 The minimum shareholding requirements specified in this Article shall apply to all of the entity/ entities which have made equity investment in the Seller and where the Seller is different from the Successful Bidder.



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15.2.2 The aggregate equity share holding of the Successful Bidder in the issued and paid up equity share capital of the Seller shall not be less than the following:

- a) Fifty-one percent (51%) from the Effective Date up to a period of two (2) years after commencement of supply of power; and
- b) Twenty-six (26%) for a period of three (3) years thereafter.

15.2.3 All investors of the Seller, except the Bidding Company, shall be allowed to divest their equity as long as the other remaining investors hold the minimum equity specified in Article 15.2.2.

15.2.4 – Not Used-

15.2.5 In case equity in the Seller is held by the Affiliate(s), Parent Company or Ultimate Parent Company, such Affiliate(s), Parent Company or Ultimate Parent Company shall be permitted to transfer its shareholding in the Seller to another Affiliate or Parent Company or Ultimate Parent Company. If any such shareholding entity, qualifying as an Affiliate /Parent Company/ Ultimate Parent Company, is likely to cease to meet the criteria to qualify as an Affiliate /Parent Company/ Ultimate Parent Company, the shares held by such entity shall be transferred to another Affiliate/ Parent Company/ Ultimate Parent Company.

15.2.6 All transfers of shareholding of the Seller by any of the entities referred to above, shall be after prior written permission from the Procurers.






15.2.7 For computation of effective Equity holding, the Equity holding of the Successful Bidder or its Ultimate Parent Company in such Affiliate(s) or Parent Company and the equity holding of such Affiliate(s) or Ultimate Parent Company in the Seller shall be computed in accordance with the example given below:

If the Parent Company or the Ultimate Parent Company of the Successful Bidder A directly holds thirty percent (30%) of the equity in the Seller, then holding of Successful Bidder A in the Seller shall be thirty percent (30%);

If Successful Bidder A holds thirty percent (30%) equity of the Affiliate and the Affiliate holds fifty percent (50%) equity in the Seller, then, for the purposes of ascertaining the minimum equity/ equity lock-in requirements specified above, the effective holding of Bidder A in the Seller shall be fifteen percent (15%), (i.e., $30\% \times 50\%$)

15.2.8 The provisions as contained in this Article 15.2 shall override the terms of the consortium agreement submitted as part of the Bid.

15.2.9 – Not Used-

 Paschimanchal Vidyut Vitran Nigam Limited	 Purvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 76	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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15.3 *Amendment*

15.3.1 This Agreement may only be amended or supplemented by a written agreement between the Parties and after obtaining the approval of the Appropriate Commission, where necessary.

15.4 *Third Party Beneficiaries*

15.4.1 This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability to, any person not a party to this Agreement.

15.5 *Waiver*

15.5.1 No waiver by either Party of any default or breach by the other Party in the performance of any of the provisions of this Agreement shall be effective unless in writing duly executed by an authorised representative of such Party;

15.5.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to the other Parties shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement, which shall remain in full force and effect.

15.6 *Entirety*

15.6.1 This Agreement and the Schedules are intended by the Parties as the final expression of their agreement and are intended also as a complete and exclusive statement of the terms of their agreement.

15.6.2 Except as provided in this Agreement, all prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement or supply of power up to the Contracted Capacity under this Agreement to the Procurers by the Seller shall stand superseded and abrogated.






15.7 *Confidentiality*

15.7.1 The Parties undertake to hold in confidence this Agreement and RFP Documents and not to disclose the terms and conditions of the transaction contemplated hereby to third parties, except:

- a) to their professional advisors;
- b) to their officers, contractors, employees, agents or representatives, financiers, who need to have access to such information for the proper performance of their activities; or
- c) disclosures required under Law.

without the prior written consent of the other Parties.



 Poochinadai Vidyut Vitran Nigam Limited	 Purvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 77	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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15.7.2 Notwithstanding the provisions under Article 15.7.1, the Seller agrees and acknowledges that the Procurers may at any time, disclose the terms and conditions of the Agreement and the other RFP Documents to any person, to the extent stipulated under the Law or the Competitive Bidding Guidelines.

15.8 Affirmation

15.8.1 The Seller and Procurers, both affirm that:

- a) neither it nor its respective directors, employees, or agents has paid or undertaken to pay or shall in the future pay any unlawful commission, bribe, pay-off or kick-back; and
- b) it has not in any other manner paid any sums, whether in Indian currency or foreign currency and whether in India or abroad to the other Party to procure this Agreement, and the Seller and Procurers hereby undertake not to engage in any similar acts during the Term of Agreement.

15.9 Severability

15.9.1 The invalidity or enforceability, for any reason, of any part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder of this Agreement, unless the part held invalid or unenforceable is fundamental to this Agreement.

15.10 Relationship of the Parties

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership or agency or any such other relationship between the Parties or to impose any partnership obligation or liability upon either Party and neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.






15.11 Counterparts

15.11.1 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which collectively shall be deemed one and the same Agreement.

15.12 Notices

15.12.1 All notices or other communications which are required to be given under this Agreement shall be in writing and in the English language.

15.12.2 If to the Seller, all notices or other communications which are required must be delivered personally, by registered post or facsimile or any other method duly acknowledged to the addresses below:

 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 78	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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Address : 8-2-293-82/A/431/A, Road No.22, Jubilee Hills,
Hyderabad-500 033, A.P. India
Attention : Wholetime Director
Email : ramji.n@ksk.co.in ; info@ksk.co.in
Fax. No. : 1 91 40 23559930
Telephone No. : 1 91 40 23559922 - 25

15.12.31 If to the Procurers, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the addressees:

(i) Paschimanchal Vidyut Vitran Nigam Limited

Address : Urja Bhawan,
Victoria Park,
MD Camp Office, Meerut 250001, U.P.
Attention : Managing Director
Email : mdpaschimanchalvvn@gmail.com
Fax. No. : (0121) 2666062
Telephone No. : (0121) 2665734

(i) Purvanchal Vidyut Vitran Nigam Limited

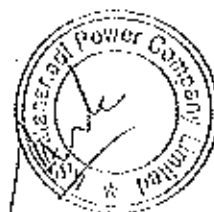
Address : DLW Bhikharipur,
Varanasi - 221004, U.P.
Attention : Managing Director
Email : mdpurvanchalvvn@gmail.com
Fax. No. : (0542) 2319439
Telephone No.: : (0542) 2318348

(ii) Madhyanchal Vidyut Vitran Nigam Limited

Address : 4A Goldsley Marg, Lucknow, U.P.
Attention : Managing Director
Email : mdmvvn12010@gmail.com
Fax. No. : (0522- 2208769)
Telephone No. : (0522) 2204044 / 2208737

(iii) Dakshinanchal Vidyut Vitran Nigam Limited

Address : Urja Bhawan, NH - 2
(Agra - Delhi Bypass Road), Sikandra,
Agra - 282002, U.P.
Attention : Managing Director
Email : dvvnukl@yahoo.com
Fax. No. : (0562) 2605465
Telephone No. : (0562) 2605465



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Nigam Limited

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15.12.4 All notices or communications given by facsimile shall be confirmed by sending a copy of the same via post office in an envelope properly addressed to the appropriate Party for delivery by registered mail. All notices shall be deemed validly delivered upon receipt evidenced by an acknowledgement of the recipient, unless the Party delivering the notice can prove in case of delivery through the registered post that the recipient refused to acknowledge the receipt of the notice despite efforts of the postal authorities.

15.12.5 Any Party may by notice of at least fifteen (15) days to the other Party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

15.13 *Language*

15.13.1 All agreements, correspondence and communications between the Parties relating to this Agreement and all other documentation to be prepared and supplied under the Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with English language.

15.13.2 If any of the agreements, correspondence, communications or documents are prepared in any language other than English, the English translation of such agreements, correspondence, communications or documents shall prevail in matters of interpretation.

15.14 *Breach of Obligations*

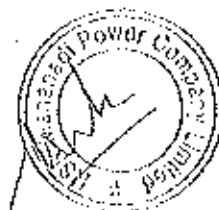
15.14.1 The Parties acknowledge that a breach of any of the obligations contained herein would result in injuries. The Parties further acknowledge that the amount of the liquidated damages or the method of calculating the liquidated damages specified in this Agreement is a genuine and reasonable pre-estimate of the damages that may be suffered by the non-defaulting party in each case specified under this Agreement.






15.15 *Nomination Restriction*

15.15.1 Notwithstanding anything contained to the contrary in this Agreement, wherever a reference is made to the right of the Procurers to nominate a third Party to receive benefits under this Agreement, such third Party shall have a financial standing comparable to that of the Procurers in question.

15.16 *Commercial Acts*

15.16.1 The Procurers and Seller unconditionally and irrevocably agree that the execution, delivery and performance by each of them of this Agreement and any other RFP Documents to which it is a Party constitute private and commercial acts rather than public or governmental acts.



 Panchsheel Vidyut Vitan Nigam Limited	 Panchsheel Vidyut Vitan Nigam Limited	 Panchsheel Vidyut Vitan Nigam Limited	 Panchsheel Vidyut Vitan Nigam Limited	 KSK Mininadi Power Company Limited
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15.17 *Restriction of Shareholders / Owners' Liability*

15.17.1 Parties expressly agree and acknowledge that none of the shareholders of the Parties hereto shall be liable to the other Parties for any of the contractual obligations of the concerned Party under this Agreement. Further, the financial liabilities of the shareholder/s of each Party to this Agreement, shall be restricted to the extent provided in the Indian Companies Act, 1956.

15.18 *Taxes and Duties*

15.18.1 The Seller shall bear and promptly pay all statutory taxes, duties, levies and cess, assessed/ levied on the Seller, contractors or their employees, that are required to be paid by the Seller as per the Law in relation to the execution of the Agreement and for supplying power as per the terms of this Agreement.

15.18.2 Procurers shall be indemnified and held harmless by the Seller against any claims that may be made against Procurers in relation to the matters set out in Article 15.18.1.

15.18.3 Procurers shall not be liable for any payment of, taxes, duties, levies, cess whatsoever for discharging any obligation of the Seller by the Procurers on behalf of Seller or its personnel, provided the Seller has consented in writing to Procurers for such work, which consent shall not be unreasonably withheld.

15.19 *No Consequential or Indirect Losses*

15.19.1 The liability of the Seller and the Procurers shall be limited to that explicitly provided in this Agreement.

Provided that notwithstanding anything contained in this Agreement, under no event shall the Procurers or the Seller claim from one another any indirect or consequential losses or damages.

15.20 *Discretion*

Except where this Agreement expressly requires a Party to act fairly or reasonably, a Party may exercise any discretion given to it under this Agreement in any way it deems fit.

15.21 *Order of priority in application*

In case of inconsistencies between the agreement(s) executed between the Parties, applicable Law including rules and regulations framed thereunder, the order of priority as between them shall be the order in which they are placed below:

- applicable Law, rules and regulations framed thereunder,
- this Agreement



 Panchimal Vidyut Nigam Limited	 Panchimal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited SI	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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15.22 Independent Entity

15.22.1 The Seller shall be an independent entity performing its obligations pursuant to the Agreement.

15.22.2 Subject to the provisions of the Agreement, the Seller shall be solely responsible for the manner in which its obligations under this Agreement are to be performed. All employees and representatives of the Seller or contractors engaged by the Seller in connection with the performance of the Agreement shall be under the complete control of the Seller and shall not be deemed to be employees, representatives, contractors of Procurers and nothing contained in the Agreement or in any agreement or contract awarded by the Seller shall be construed to create any contractual relationship between any such employees, representatives or contractors and the Procurers.






15.23 Fraudulent and Corrupt Practices

15.23.1 The Seller and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the subsistence of this Agreement. Notwithstanding anything to the contrary contained in the Agreement, the Procurers may terminate the Agreement without being liable in any manner whatsoever to the Seller, if it determines that the Seller has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bid process. In such an event, the Procurers shall forfeit the bid bond, without prejudice to any other right or remedy that may be available to the Procurers hereunder or subsistence otherwise.

15.23.2 Without prejudice to the rights of the Procurers under Article 15.23.1 hereinabove and the rights and remedies which the Procurers may have under this Agreement, if a Seller is found by the Procurers to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bid process, or after the issue of LOI or after the execution of the PPA, the Procurers may terminate the Agreement without being liable in any manner whatsoever to the Seller. Further, in such an event, the Procurers shall forfeit the Contract Performance Guarantee.

15.23.3 Further, the Seller shall not be eligible to participate in any tender or RFP issued by the Procurers during a period of 2 (two) years from the date such Seller is found by the Procurers to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practices, as the case may be.

15.23.4 For the purposes of this Article 15.23, the following terms shall have the meaning hereinafter respectively assigned to them:

 Paschimanchal Vidyut Nigam Limited	 Purvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 82	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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(a) "corrupt practice" means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bid process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of the Procurers who is or has been associated or dealt in any manner, directly or indirectly with the Bid process or the LOI or has dealt with matters concerning the PPA or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Procurers, shall be deemed to constitute influencing the actions of a person connected with the Bid Process); or (ii) engaging in any manner whatsoever, whether during the Bid Process or after the issue of the LOI or after the execution of the PPA, as the case may be, any person in respect of any matter relating to the Power Station or the LOI or the PPA, who at any time has been or is a legal, financial or technical adviser of the Procurer(s) in relation to any matter concerning the Project;

(b) "fraudulent practice" means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bid process;

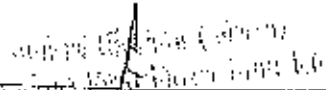




(c) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any person or property to influence any person's participation or action in the Bid process;

(d) "undesirable practice" means (i) establishing contact with any person connected with or employed or engaged by the Procurers with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bid process; or (ii) having a conflict of interest; and

(e) "restrictive practice" means forming a cartel or arriving at any understanding or arrangement among bidders with the objective of restricting or manipulating a full and fair competition in the Bid process

15.24 Compliance with Law

Despite anything contained in this Agreement but without prejudice to this Article, if any provision of this Agreement shall be in deviation or inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, or any rules and regulations made thereunder, such provision of this Agreement shall be deemed to be amended to the extent required to bring it into compliance with the aforesaid relevant provisions as amended from time to time.

 Puvanchal Vidyut Vitran Nigam Limited	 Puvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 83	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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PPA for long term power procurement under Case - I

IN WITNESS WHEREOF the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above.

For and on behalf of
Paschimanchal Vidyut Vitran Nigam Limited
[Procuree 1]

For and on behalf of
KSK Mahanadi Power Company Limited
[Seller]

Name :
Designation :
Address :

Name : N. Ramakrishnan
Designation : Authorised Signatory
Address : H.No. 8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad-500033, A.P



Signature with seal

Signature with seal

Witness:
1. (वी० पी० श्रीवास्तव)
अधीक्षक अभियन्ता (ग्रुपमधीनी)
नियोजन स्वतंत्र
उ०प्र० पावर कारपोरेशन लि०
शक्ति भवन विस्तार, लखनऊ
2. D. RAIZADA EE

Witness:
1. (B.T. KUMAR)
2. (A. SREEKANTH)

For and on behalf of
Parvanchal Vidyut Vitran Nigam Limited
[Procuree 2]

Name : V. R. Srinivas
Designation : E.E.
Address : V.V.N.E.
Varanasi

Signature with seal

Witness:
1. (वी० पी० श्रीवास्तव)
अधीक्षक अभियन्ता (ग्रुपमधीनी)
नियोजन स्वतंत्र
उ०प्र० पावर कारपोरेशन लि०
शक्ति भवन विस्तार, लखनऊ
2. D. RAIZADA EE



Paschimanchal Vidyut Vitran Nigam Limited	Parvanchal Vidyut Vitran Nigam Limited	Madhyananchal Vidyut Vitran Nigam Limited	Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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4-ए. मोरवाले मार्ग,

SCHEDULE I: NAMES AND DETAILS OF THE PROCURER

Sl. No.	Name of the Procurer	Address of the Registered Office of Procurer	Law under which incorporated	Contracted Capacity (MW)	Delivery Point
	Paschimanchal Vidyut Vitran Nigam Limited	Urja Bhawan, Victoria Park, MD Camp Office. Meerut 250001. Phone : 191- 0121- 2665734. Fax : +91-121- 2666062	Companies Act, 1956	350	List as provided below
	Purvanchal Vidyut Vitran Nigam Limited	DLW Bhikharipur, Varanasi - 221004. Phone: (0542) 2318348, Fax: (0542) 2319439	Companies Act, 1956	216.67	List as provided below
	Madhyanchal Vidyut Vitran Nigam Limited	4A Gokhaley Marg, Lucknow. Phone: +91-522- 2204044/ 2208737, Fax: +91-522- 2208769	Companies Act, 1956	216.67	List as provided below
	Dakshinanchal Vidyut Vitran Nigam Limited	Urja Bhawan, NH - 2 (Agra - Delhi Bypass Road), Sikandra, Agra - 282002. Phone & Fax : 0562- 2605465	Companies Act, 1956	216.67	List as provided below



Paschimanchal Vidyut Vitran Nigam Limited	Purvanchal Vidyut Vitran Nigam Limited	Madhyanchal Vidyut Vitran Nigam Limited	Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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List of Delivery Points:

Varansi Discom (Purvanchal Vidyut Vitran Nigam Limited)		
Sl.No.	Delivery Point	Remark
1.	Sarnath 400 KV	Existing
2.	Gorakhpur 400 KV	Existing
3.	Gorakhpur 220 KV	Existing
4.	Mau 400 KV	Existing
5.	Allahabad (Reewa Road) 220 KV	Existing
6.	Rasra 400 KV	Planned
7.	Bansi 220 KV	Planned
8.	Jhusi 220 KV	Planned

Meerut Discom (Paschimanchal Vidyut Vitran Nigam Limited)		
Sl.No.	Delivery Point	Remark
1.	Gr. Noida 400 KV	Existing
2.	Moradabad 400 KV	Existing
3.	Modipuram 220 KV	Existing
4.	Muzafarnagar 400 KV	Existing
5.	Shatabdi nagar 220 KV	Existing
6.	Muzafarnagar (Nara) 220 KV	Existing
7.	Nehtaur 220 KV	Existing
8.	Gajraula 220 KV	Existing
9.	Gr. Noida 765 KV	Planned
10.	Hapur 765 KV	Planned
11.	Meerut / Modipuram (U.P.) 765 KV	Planned
12.	Baghpat 220 KV	Planned
13.	Behat (Saharanpur) 220 KV	Planned
14.	Shamil 400 KV	Planned
15.	Lalukheri 400 KV	Planned

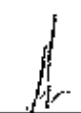
Lucknow Discom (Madhyanchal Vidyut Vitran Nigam Limited)		
Sl.No.	Delivery Point	Remark
1.	Bareilly 400 KV	Existing
2.	Unnao 400 KV	Existing
3.	C.B. Ganj 220 KV	Existing
4.	Chinhhat 220 KV	Existing
5.	Sohawal 220 KV	Existing
6.	Sultanpur 400 KV	Existing
7.	Sitapur 220 KV	Existing
8.	Lucknow (Sultanpur Road) 400 KV	Planned
9.	Gonda 400 KV	Planned
10.	Lucknow (Kursi Road) 220 KV	Planned





Paschimanchal Vidyut Vitran Nigam Limited	Purvanchal Vidyut Vitran Nigam Limited	Madhyanchal Vidyut Vitran Nigam Limited	Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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
Agra Discom (Dakshinanchal Vidyut Vitran Nigam Limited)		
Sl.No.	Delivery Point	Remark
1.	Panki 400 KV	Existing
2.	Panki 220 KV	Existing
3.	Agra (U.P.) 400 KV	Existing
4.	Fatehpur 220 KV	Existing
5.	Naubasta 220 KV	Existing
6.	Kanpur (South) 220 KV	Existing
7.	Orai 220 KV	Existing
8.	Mainpuri 220 KV	Existing
9.	Etah 220 KV	Existing
10.	Mainpuri 765 KV	Planned
11.	Agra (U.P.) 765 KV	Planned
12.	Orai 400 KV	Planned
13.	Sirsaganj 220 KV	Planned


The above mentioned delivery points are indicative and subject to concurrence/ approval of CEA/ PGCIL.


Pashchimanchal Vidyut Vitran
Nigam Limited


Pashchimanchal Vidyut Vitran
Nigam Limited


Madhyamanchal Vidyut
Vitran Nigam Limited



Dakshinanchal Vidyut
Vitran Nigam Limited



KSK Mahanadi Power
Company Limited


2 SCHEDULE 2: CALCULATION OF 'X' DAYS


(Refer Article 8.5.9)


Percentage of Monthly Invoice which is the subject of default under Article 8.4 as notified in the Notice (issued under Article 8.5.2) relating to the present occurrence	Number of times a Notice has been issued under Article 8.5.2 to the defaulting Procurer prior to present occurrence			
	1 st time	2 nd time	3 rd time	4 th time and onwards
Less than 25%	x - 20 days	x - 25 days	x - 40 days	x - 60 days
25% to 30%	x - 20 days	x - 30 days	x - 45 days	x - 65 days
More than 30% to 35%	x - 20 days	x - 35 days	x - 50 days	x - 70 days
More than 35% to 40%	x - 20 days	x - 40 days	x - 55 days	x - 75 days
More than 40%	x - 20 days	x - 45 days	x - 60 days	x - 90 days


 Paschimanchal Vidyut Vitran
Nigam Limited


 Purvanchal Vidyut Vitran
Nigam Limited


 Madhyanchal Vidyut
Vitran Nigam Limited
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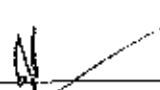
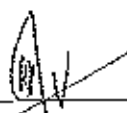



 Dakshinanchal Vidyut
Vitran Nigam Limited


 KSK Mahanadi Power
Company Limited

3 SCHEDULE 3: AVAILABILITY FACTORS

3.1 The following matters shall be determined as per the provisions of the Grid Code and ABT:

- a) Availability declaration and calculation of Availability or Availability Factor;
- b) Requirement for spinning reserves;
- c) Procedure for revision of Availability;
- d) Consequences of failure to demonstrate capacity or misdeclarations of capacity;
- e) Scheduling and Dispatch; and
- f) Other matters which may be related to Availability or Availability Factor.

 Pashchimanchal Vidyut Nigam Limited	 Puryanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 90	 Dakshinanchal Vidyut Nigam Limited	 KSK Mahanadi Power Company Limited
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4 SCHEDULE 4: TARIFF

4.1 General

- i) The method of determination of Tariff Payments for any Contract Year during the Term of Agreement shall be in accordance with this Schedule.
- ii) The Tariff shall be paid in two parts comprising of Capacity Charge and Energy Charge as mentioned in Schedule 8 of this Agreement.
- iii) For the purpose of payments, the Tariff will be Quoted Tariff as specified in Schedule 8, duly escalated as provided in Schedule 6 for the applicable Contract Year.
- iv) The full Capacity Charges shall be payable based on the Contracted Capacity at Normative Availability and Incentive shall be provided for Availability beyond Ninety Percent (90%) as provided in this Schedule. In case of Availability being lower than the Normative Availability, the Capacity Charges shall be payable on proportionate basis in addition to the penalty to be paid by the Seller as provided in this Schedule.
- v) Not Used-

4.2 Monthly Tariff Payment

4.2.1 Components of Monthly Tariff Payment

The Monthly Bill for any Month in a Contract Year shall consist of the following:

- i) Monthly Capacity Charge payment in accordance with Clause 4.2.2 of Schedule 4;
- ii) Monthly Energy Charge for Scheduled Energy in accordance with Clause 4.2.3 of Schedule 4;
- iii) Incentive determined in accordance with Clause 4.2.4 of Schedule 4 (applicable on a cumulative basis and included in each Monthly Bill);
- iv) Penalty determined in accordance with Clause 4.2.5 of Schedule 4 (applicable on a cumulative basis and included in each Monthly Bill);

4.2.2 Monthly Capacity Charge Payment (Applicable for all categories of power generation source)

4.2.2.1 The Monthly Capacity Charge payment for any Month m in a Contract Year n shall be calculated as below:

IFCAA >= NA,

$$FCM = \sum_i (NA * AFCyn * CC * I_i * Ncontract / 24) - \sum C(m-1)$$



Paschimanchal Vidyut Nigam Limited

Paschimanchal Vidyut Nigam Limited

Madhyanchal Vidyut Nigam Limited

Dakshinanchal Vidyut Nigam Limited

KSK Mahanadi Power Company Limited

Else:

$$FC_m = \sum (AFC_{yn} * AA * CC * L * N_{contract} / 24) - \sum C(m-1)$$


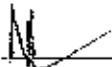


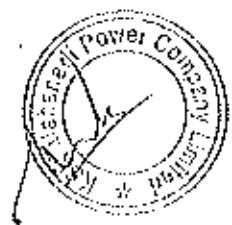
where:

- FC_m is the Capacity Charge payment for the Month m (in Rupees)
- \sum is the summation of all the relevant values separately for each Settlement Period from the start of the Contract Year " n " in which Month " m " occurs up to and including Month " m "
- AFC_{yn} is the Capacity Charge and is sum of a) Payable Escalable Capacity Charges $AEFC_{yn}$ and b) Payable Non Escalable Capacity Charges $ANEF_{yn}$ for the Month " m " in the Contract Year " n " (in Rs/ kWh) in which such month " m " occurs and computed as mentioned hereunder;
- $AEFC_{yn}$ is the Payable Escalable Capacity Charges for Month " m " in the Contract Year " n ", expressed in Rs/ kWh and is equal to the Quoted Escalable Capacity Charges as provided in Schedule 8 for the first Contract Year and for subsequent Contract Years duly escalated by the following formula:

$$AEFC_{yn} = QAEFC_{yn} * p/q$$

where,

- $QAEFC_{yn}$ is the Quoted Escalable Capacity Charges (in Rs/ kWh) shall be taken as at the end of the previous Contract Year ($n-1$);
- p is the Escalation Index as per Schedule 6 at the beginning of the Month " m " (expressed as a number);
- q is the Escalation Index as per Schedule 6 (expressed as a number);
- $ANEF_{yn}$ is the Payable Non Escalable Capacity Charges for the Month " m ", expressed in Rupees/kWh and is equal to the Quoted Non Escalable Capacity Charges for the Contract Year in which such Month " m " occurs, as provided in Schedule 8;
- CAA is the cumulative Availability, as per REA, from the first day of the Contract Year " n " in which Month " m " occurs up to and including Month " m " (expressed in percentage);

 Pashchimanchal Vidyut Vitran Nigam Limited	 Purnvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 92	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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- g) AA is the Availability, as per RRA, in the relevant Settlement Period (expressed as a percentage of Contracted Capacity in such Settlement Period), expressed as a percentage;
- h) CC is the Contracted Capacity in the relevant Settlement Period (expressed in kW);
- i) L is the number of minutes in relevant Settlement Period, as divided by total number of minutes in one hour, (expressed as hours);
- j) Ncontract is the number of hours of power supply in a day, contracted as per the PPA (24 in the case of base load and seasonal load requirement);
- k) NA Normative Availability; and
- l) $\sum C(m-1)$ is the cumulative Capacity Charge payable from the first day of the Contract Year "n" in which Month "m" occurs up to and including Month "m-1" but not including Month "m", (in Rupees).

Provided, no Monthly Capacity Charges shall be paid for the Settlement Period during which the RLDC has not allowed the operation of the Power Station due to Seller's failure to operate it as per the provisions of Grid Code and such Settlement Period shall not be considered during calculation of Monthly Capacity Charge payment.

4.2.3 Monthly Energy Charges

4.2.3.1 The Monthly Energy Charges to be paid to the Seller shall be determined considering the supply from the type of plant, as detailed hereunder:

4.2.3.2 The Monthly Energy Charges (in Rupees) for Month "m" shall be calculated as under:

$$MEP_m = AEO_m * MEP_n$$

where:

- a) MEP_m is the Monthly Energy Charges for Month m (in Rs.);
- b) AEO_m is the Scheduled Energy for the Month m (in kWh); and
- c) MEP_n is the Energy Charge, in Rs/ kWh, and is expressed as below:

MEP_n is the sum of the following: (i) Payable Escalable Energy Charges ($MEEP_n$), (ii) Payable Escalable Inland Transportation Charges ($MEITP_n$), (iii) Payable Non Escalable Energy Charges ($MNEBP_n$) and (iv) Payable Non Escalable Inland Transportation Charges ($MNITP_n$) for the Contract Year "n" in which Month "m" occurs and computed as mentioned hereunder:

Paschimanchal Vidyut Vitran Nigam Limited	Purvanchal Vidyut Vitran Nigam Limited	Madhyanchal Vidyut Vitran Nigam Limited 93	Dakshinanchal Vidyut Vitran Nigam Limited	KSK Mahanadi Power Company Limited
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where:

$$MEEP_n = QMEEP_n * p(EE)/q(EE)$$

$$MEITP_n = QMEITP_n * p(ET)/q(ET)$$

where:

- QMEEP_n for the first Contract Year in which month "m" occurs is the Quoted Escalable Energy Charges as per Schedule 8 and for subsequent Contract Years it shall be taken as at the end of the previous Contract Year (n-1);
- QMEITP_n for the first Contract Year in which month "m" occurs is the Quoted Escalable Inland Transportation Charges as per Schedule 8 and for subsequent Contract Years it shall be taken as at the end of the previous Contract Year (n-1);
- p(EE) is the Escalation Index as per Schedule 6 at the beginning of Month "m" (expressed as a number);
- q(EE) is the Escalation Index as per Schedule 6 (expressed as a number);
- p(ET) is the Escalation Index for Inland Transportation Charges as per Schedule 6 at the beginning of Month "m" (expressed as a number);
- q(ET) is the Escalation Index for Inland Transportation Charges as per Schedule 6 (expressed as a number);
- MNEEP_n is the Payable Non Escalable Energy Charges of the Contract Year "n" in which Month "m" occurs expressed in Rs/ kWh and is equal to the Quoted Non Escalable Energy Charges of the Contract Year "n" in which Month "m" occurs, as provided in Schedule 8; and
- MNEITP_n is the Payable Non Escalable Inland Transportation Charges of the Contract Year "n" in which Month "m" occurs expressed in Rs/ kWh and is equal to the Quoted Non Escalable Inland Transportation Charges of the Contract Year "n" in which Month "m" occurs, as provided in Schedule 8.

4.2.3.3 - Not Used -

4.2.3.4 - Not Used -

4.2.3.5 - Not Used -

4.2.3.6 - Not Used -

4.2.3.7 - Not Used -



Paschimanchal Vidyut Nigam Limited	Porvanchal Vidyut Nigam Limited	Madhyanchal Vidyut Nigam Limited	Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited
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4.2.4 Contract Year Energy Incentive Payment

4.2.4.1 If and to the extent the Availability in a Contract Year exceeds Normative Availability, an incentive at the rate of forty (40%) of the Quoted Non Escalable Capacity Charges (in Rs./kWh) for such Contract Year mentioned in Schedule 8 subject to a maximum of twenty five (25) paise /kWh, shall be allowed on the energy (in kWh) corresponding to the Availability in excess of ninety percent (90%).

4.2.5 Contract Year Penalty for Availability below Eighty percent (80%) during the Contract Year

4.2.5.1 In case the Availability for a Contract Year is less than eighty percent (80%), the Seller shall pay a penalty at the rate of twenty percent (20%) of the simple average Capacity Charge (in Rs./kWh) for all months in the Contract Year applied on the energy (in kWh) corresponding to the difference between eighty percent (80%) and Availability during such Contract Year.

4.3 Deviation from the Schedule

4.3.1 Variation between Scheduled Energy and actual energy at the Interconnection Point shall be accounted for through Unscheduled Interchange (UI) as per provisions of the Grid Code and ABT.

4.4 Transmission/Wheeling Charges and RLDC/SLDC Charges

4.4.1 The payment of Transmission Charges / Wheeling Charges to the CTU/ STU, from the Injection Point to the Delivery Point shall be paid by the Seller and would be reimbursed by the Procurers.






4.4.2 The payment of the RLDC/ SLDC charges shall be the responsibility of the Procurers.

4.5 Penalty and rights relating to minimum guaranteed quantity of Fuel.

4.5.1 In case Seller has to pay penalty to the fuel supplier for not purchasing the minimum guaranteed quantity of Fuel mentioned in the Fuel Supply Agreement and if during that Contract Year, Availability of the Power Station of the Seller is greater than the Minimum Offtake Guarantee but the Procurers has not scheduled energy corresponding to such Minimum Offtake Guarantee during that Contract Year, then Seller will raise an invoice for the lower of the following amounts, on the Procurers, :

- i) penalty paid to the fuel supplier under the Fuel Supply Agreement in that Contract Year, along with documentary proof for payment of such penalty, or
- ii) an amount corresponding to twenty percent (20%) of cumulative Monthly Capacity Charge Payment (in Rs.) made by the Procurers for all the months in that Contract Year multiplied by $(1 - X/Y)$ where:



 Paschimanchal Vidyut Nigam Limited	 Paswananchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 RSK Madanuli Power Company Limited
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X is the Scheduled Energy during the Contract Year (in kWh); and

Y is the Scheduled Energy corresponding to Minimum Offtake Guarantee for the Procurers during the Contract Year (in kWh).

The amount calculated as above shall be applicable for each Procurer who has scheduled energy less than energy corresponding to Minimum Offtake Guarantee and shall be in proportion to difference between energy scheduled by such Procurer assuming offtake corresponding to Minimum Offtake Guarantee and its Scheduled Energy

Provided, within ten (10) days of the end of each Month after the Delivery Date, the Seller shall provide a statement to the Procurers, providing a comparison of the cumulative Scheduled Energy for all previous Months during the Contract Year with the Minimum Offtake Guarantee of the Procurers. Further, such statement shall also list out the deficit, if any, in the Fuel offtake under the Fuel Supply Agreement, due to cumulative dispatch being less than the Minimum Offtake Guarantee. In case of a Fuel offtake deficit, within a period of fifteen (15) days from the date of receipt of the above statement from the Seller and after giving a prior written notice of at least seven (7) days to the Seller, the concerned Procurers shall have the right to avail such deficit at the same price at which such deficit fuel was available to the Seller under the Fuel Supply Agreement and to sell such deficit to third parties. In case the Procurers exercises such right to avail Fuel equivalent to such deficit, there shall be no liability on the Procurers for payment of penalty on account of Minimum Offtake Guarantee.

4.6 Tariff for the period prior to date of commencement of supply of power


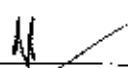
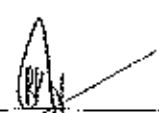


4.6.1 The Tariff for the period prior to date of commencement of supply of power shall be the Quoted Tariff of the first Contract Year with escalation for relevant period only for energy charge.

4.7 Settlement of Bills

4.7.1 The penalty of actual Availability shortfall during the Contract Year, deviation from the schedule, Transmission Charges and RLDC/ SLDC Charges, and penalty to be paid to fuel supplier will be settled as detailed in Clauses 4.2.2, 4.2.5, 4.3, 4.4 and 4.5 of this Schedule.

4.7.2 Notwithstanding anything contained in this agreement, no separate reimbursement shall be allowed for the cost of the secondary fuel.



 Paschimanchal Vidyut Nigam Limited	 Paschimanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited	 Dakshinanchal Vidyut Nigam Limited	 KSK Malspadi Power Company Limited
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Work:	Registered Office:
Near Nanigama Village, Akshara Terasil, Janki - Champa District, Chhattisgarh	P.2-50302/21/4336A, Road No. 29, Janki Hill, Bilaspur - 495 001 Tel. 031-235230/2342-25 Fax. 031-235251/2532

(A) Details of generation source

Sl. No	Particulars	Details (to be furnished by the Bidder)																																																				
1.	Location of power station (Specify place, district and state)	New Nanyera Village, Akoletra Taluk, Jangar-Champa District, Chhattisgarh.																																																				
2.	No. of existing/ proposed units and installed capacity of each unit (in MW)	<table><tr><th colspan="4">Existing</th></tr><tr><th>Sl. No.</th><th>No. of Units</th><th>Installed Capacity</th><th>COG</th></tr><tr><td>1.</td><td>Nil</td><td></td><td></td></tr><tr><td>2.</td><td>Nil</td><td></td><td></td></tr></table> <table><tr><th colspan="4">Proposed</th></tr><tr><th>Sl. No.</th><th>No. of Units</th><th>Installed Capacity</th><th>Expected COG</th></tr><tr><td>1.</td><td>1</td><td>600 MW</td><td>31st March 2013</td></tr><tr><td>2.</td><td>1</td><td>600 MW</td><td>31st August 2013</td></tr><tr><td>3.</td><td>1</td><td>600 MW</td><td>31st January 2014</td></tr><tr><td>4.</td><td>1</td><td>600 MW</td><td>30th June, 2014</td></tr><tr><td>5.</td><td>1</td><td>600 MW</td><td>30th November, 2014</td></tr><tr><td>6.</td><td>1</td><td>600 MW</td><td>31st March 2015</td></tr><tr><td></td><td></td><td>3600 MW</td><td></td></tr></table>	Existing				Sl. No.	No. of Units	Installed Capacity	COG	1.	Nil			2.	Nil			Proposed				Sl. No.	No. of Units	Installed Capacity	Expected COG	1.	1	600 MW	31 st March 2013	2.	1	600 MW	31 st August 2013	3.	1	600 MW	31 st January 2014	4.	1	600 MW	30 th June, 2014	5.	1	600 MW	30 th November, 2014	6.	1	600 MW	31 st March 2015			3600 MW	
Existing																																																						
Sl. No.	No. of Units	Installed Capacity	COG																																																			
1.	Nil																																																					
2.	Nil																																																					
Proposed																																																						
Sl. No.	No. of Units	Installed Capacity	Expected COG																																																			
1.	1	600 MW	31 st March 2013																																																			
2.	1	600 MW	31 st August 2013																																																			
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4.	1	600 MW	30 th June, 2014																																																			
5.	1	600 MW	30 th November, 2014																																																			
6.	1	600 MW	31 st March 2015																																																			
		3600 MW																																																				
3.	Primary Fuel	Coal																																																				
4.	Dates of last major R&M (unit-wise)	Applicable for existing units; Not Applicable S No. Date 1. 2.																																																				
5.	Duration of Fuel Supply Agreement(s) (FSA)	36 years from the date of commencement of Supply																																																				
6.	Quantum of power contracted with other purchasers, if any (in MW)	<ul style="list-style-type: none">PPA with SJVN Ltd dated 3rd June, 2010 for supply of 1010 MW capacity.Supply of 260 MW capacity under Coal Supply Agreement dated 10 Feb 2009 to Goa Industrial Development Corporation.Supply of 472 MW to Chhattisgarh under Implementation Agreement.PPA with AP Discoms for supply of 400 MW.																																																				
7.	Details of surplus capacity (in MW)	1784 MW Gross Capacity																																																				



Panchamashil Vidya Vihar
New Delhi

Parvanchal Vidya Vihar
Nigam Limited

Mathiyintekel Vidyut
Vitan Nigam Limited
97

Dakṣiṇāmūrti Vidyut
Vitrāṇ Niyata Līlākalā

KSK Mahanadi Power
Company Limited



(8) Details of primary fuel (The following format is not applicable for Hydel Plants)

S. No	Particulars	Details (to be furnished by the Bidder)
1	Primary fuel (Insert as applicable: "Domestic coal/ Imported coal/ Domestic (pipeline) gas/ Imported gas (R-LNG)")	Domestic Coal
2	Fuel source (Insert as applicable: "Coal India Limited (CIL) coal linkage/ domestic captive coal mine/ imported coal/ domestic (pipeline) gas/ imported gas (R-LNG)")	Coal linkage
3	Fuel grade (Applicable only in case of coal)	F -- Grade
4	Name of the CR. subsidiary from which coal is proposed to be sourced or name and location of the captive coal mine (as applicable)	Not applicable. However, Coal Supply Agreements entered into with M/s. Goa Industrial Development Corporation & M/s. Gujarat Mineral Development Corporation Limited; State Government Undertaking/Companies who have been allocated coal blocks under the government dispensation scheme, by Ministry of Coal, Government of India.
5	Bidder to insert the applicable price mechanism, based on whether the primary fuel is covered under: 1. Administered Price Mechanism ("APM"); or 2. Controlled and notified by an independent Regulator; or 3. Controlled and notified by the Government of India or Government of India instrumentality. (Applicable only for gas)	Not Applicable.

For KSK Mahanadi Power Company Limited

Name: S Kishore
Designation: Wholetime Director
Date: 18th September, 2012
Place: Hyderabad



Panchmahal Vidyut Vitran Nigam Limited	Panchmahal Vidyut Vitran Nigam Limited	Madhya Pradesh Vidyut Nigam Limited	Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited
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6 SCHEDULE 6: ESCALATION INDEX

- 6.1.1 The index ("Escalation Index") to be applied for escalation of Quoted Escalable Capacity Charges, Quoted Escalable Energy Charges, Quoted Escalable Inland Transportation Charges, Quoted Escalable Overseas Transportation Charges and Quoted Escalable Fuel Handling Charges shall be computed by assuming that as on the date of the Bid Deadline (for Quoted Escalable Energy Charges, Quoted Escalable Inland Transportation Charges, Quoted Escalable Overseas Transportation Charges and Quoted Escalable Fuel Handling Charges) and Scheduled Delivery Date (for Quoted Escalable Capacity Charges) or Revised Scheduled Delivery Date, as the case may be, the value of such Escalation Index is 100. Thereafter for each Month after the Bid Deadline (for Quoted Escalable Energy Charges, Quoted Escalable Inland Transportation Charges, Quoted Escalable Overseas Transportation Charges and Quoted Escalable Fuel Handling Charges) and Scheduled Delivery Date (for Quoted Escalable Capacity Charges) or Revised Scheduled Delivery Date, as the case may be, the value of the Escalation Index shall be computed by applying the per annum inflation rate specified by CERC for payment of Escalable (or indexed) Capacity Charge and Escalable Energy Charge, as per the provisions of this Agreement.
- 6.1.2 For the avoidance of doubt, it is clarified that if the prevailing inflation rate for Quoted Escalable Energy Charges specified by CERC is 4.7% per annum, then at the end of the first Month after the Bid Deadline, the value of the Escalation Index shall be 100.3917 [i.e. $100 * (1 + 0.047/12)$]. The value of the Escalation Index at the end of the Nth Month after the Bid Deadline shall be calculated as: $100 * (1 + N * 0.047/12)$ for Quoted Escalable Energy Charges. The value of the inflation rate shall be modified as and when specified by the CERC and the base value (100 in this case) shall be modified at the beginning of each Contract Year to be the Escalation Index at the end of the previous Contract Year. The value of the Escalation Index shall be calculated up to the fourth decimal point.
- 6.1.3 The different per annum escalation rates will be specified by CERC for the following, which shall be revised only at the end of every six months:
- Quoted Escalable Capacity Charges;
 - Quoted Escalable Energy Charges separately for captive-coal based, linkage based coal, imported coal, domestic (pipeline) gas and imported R-LNG;
 - Quoted Escalable Inland Transportation Charges (except for hydro plants);
 - Quoted Escalable Overseas Transportation Charges, separately for imported coal and imported R-LNG; and
 - Quoted Escalable Fuel Handling Charges, separately for imported coal and imported R-LNG.
- 6.1.4 In case due to any reason, CERC discontinues the publication of any of the inflation rate(s) mentioned above, the Procurers and the Seller shall replace the above inflation rate(s) with inflation rate(s) which shall be computed on the same basis as was being used by CERC to estimate their notified inflation rate.

Paschimanchal Vidyut Vitran
Nigam Limited

Purvanchal Vidyut Vitran
Nigam Limited

Maghyanchal Vidyut
Vitran Nigam Limited
99

Dakshinanchal Vidyut
Vitran Nigam Limited



7 SCHEDULE 7: REPRESENTATION AND WARRANTIES

7.1 Representations and Warranties by the Procurer

Each Procurer hereby represents and warrants to and agrees with the Seller as follows and acknowledges and confirms that the Seller is relying on such representations and warranties in connection with the transactions described in this Agreement:



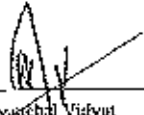


7.1.1

- i) The Procurers has all requisite powers and has been duly authorized to execute and consummate this Agreement;
- ii) This Agreement is enforceable against the Procurers in accordance with its terms;
- iii) The consummation of the transactions contemplated by this Agreement on the part of the Procurers will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Procurers is a party or to which the Procurers is bound, which violation, default or power has not been waived;
- iv) The Procurers is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the Procurers;
- v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of the Procurer's knowledge, threatened in writing against the Procurers at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to comply with its obligations under this Agreement.
- vi) The quantum of Contracted Capacity of Procurers does not exceed the projected additional demand forecast for the next three (3) years, as required under the Bidding Guidelines. In case the quantum of Contracted Capacity of Procurers exceeds the additional demand forecast for the next three (3) years, the Procurers has already obtained the approval of the Appropriate Commission for the quantum of power proposed to be procured, as required under Para 3.1(i) of the Bidding Guidelines.

7.1.2 Each Procurer makes all the representations and warranties above to be valid as on the date of this Agreement.

7.2 Representation and Warranties of the Seller





7.2.1 The Seller hereby represents and warrants to and agrees with the Procurers as follows and acknowledges and confirms that the Procurers are relying on such representations and warranties in connection with the transactions described in this Agreement:

 Poochinanchal Vidyut Nigam Limited	 Puvanchal Vidyut Nigam Limited	 Madhyanchal Vidyut Nigam Limited 100	 Dakshinanchal Vidyut Nigam Limited	 KSEB Karnataka State Electricity Board Bengaluru
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- i) The Seller has all requisite power and has been duly authorized to execute and consummate this Agreement;
- ii) This Agreement is enforceable against the Seller in accordance with its terms;
- iii) The consummation of the transactions contemplated by this Agreement on the part of the Seller will not violate any provision of nor constitute a default under, nor give rise to a power to cancel any charter, mortgage, deed of trust or lien, lease, agreement, license, permit, evidence of indebtedness, restriction, or other contract to which the Seller is a party or to which the Seller is bound which violation, default or power has not been waived;
- iv) The Seller is not insolvent and no insolvency proceedings have been instituted, or not threatened or pending, by or against the Seller;
- v) There are no actions, suits, claims, proceedings or investigations pending or, to the best of Seller's knowledge, threatened in writing against the Seller at law, in equity, or otherwise, and whether civil or criminal in nature, before or by, any court, commission, arbitrator or governmental agency or authority, and there are no outstanding judgments, decrees or orders of any such courts, commission, arbitrator or governmental agencies or authorities, which materially adversely affect its ability to supply power or to comply with its obligations under this Agreement.
- vi) The Seller/ Successful Bidder has neither made any statement nor provided any information in his Bid, which was materially inaccurate or misleading at the time when such statement was made or information was provided. Further, all the confirmations, undertakings, declarations and representations made in the Bid are true and accurate and there is no breach of the same.

7.2.2 The Seller makes all the representations and warranties above to be valid as on the date of this Agreement.

7.2.3 In the event that any of the representations and warranties made by the Seller in the Article above not true or are incorrect, the occurrence of such event would amount to a Seller Event of Default under Article 11.1 of this Agreement and the Procurers shall have the right to terminate this Agreement in accordance with Article 11 of this Agreement.

 Panchsheel Vidyut Vitaran Nigam Limited	 Purvanchal Vidyut Vitaran Nigam Limited	 Madhyanchal Vidyut Vitaran Nigam Limited 101	 Dakshinanchal Vidyut Vitaran Nigam Limited	 KSK Mahanadi Power Company Limited
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8 SCHEDULE 8: QUOTED TARIFF

(Quoted Tariff from Format 4.10 of RFP of the Selected Bid to be inserted here)

Financial Bid

- Total capacity of power (in MW) offered by the Bidder: 1000 MW (One thousand MW)
- Fractions of the offered total capacity of power (in MW)* (insert as applicable) (Refer 'h' of Instructions below): Not Applicable
 -MW (..... MW) (To be inserted both in words and figures),
 - MW (..... MW) (To be inserted both in words and figures),
 - MW (..... MW) (To be inserted both in words and figures),
- Name of the Interconnection Point: PGCIL 765/400 kV Champa Pooling Station in Chhattisgarh
- Name of the Injection Point**: PGCIL, 765/400 kV Champa Pooling Station in Chhattisgarh
- Region and State in which the Injection Point is located: Western Region; Chhattisgarh
- Whether the STU system be used to transmit power between the Interconnection Point and the Injection Point?: No
- Details of proposed Delivery Point(s): Not applicable
- % Transmission loss in STU system*** Not Applicable
- Name(s) of the regional ISTS to be involved in transmission of power between the Injection Point and the Delivery Point: Western & Northern
- Distance of Coal Block to Power Station: upto 500 KM

* The Procurer(s) can contract the total capacity of power offered by the Bidder or any combination of the fractions of the offered total capacity.

** Injection Point would be either a CTU interface or the Delivery Point, at which the Bidder shall supply power to the Procurer(s)

*** Losses to be considered as mentioned in the relevant tariff orders of the Appropriate Commission as on seven (7) days prior to Bid Deadline.

Pashchimanchal Vidyut Vitan Nigam Limited	Purvanchal Vidyut Vitan Nigam Limited	Madhyanchal Vidyut Vitan Nigam Limited	Dakshinanchal Vidyut Vitan Nigam Limited	KSK Kishkinda Power Company Limited
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6/10/2017

Wpili

11/11/19

2050



Shanxi Power
Company Limited


Peschimnashchii Verkhniy Viskoz
Nigam Limited

Purvanchal Vidyut Vitaran
Nigama Limited

Madhyandha Vidya
Vidya Nigam Limited

Dakshinanchal Vidyut
Vitrans Nigam Limited

KSK Thermal Power
Company Limited



Sect.	Commence- ment Date of Contract Year	End Date of Contract Year	Quoted Non- Escalab le Capacity Charges	Quoted Non- Escalable Energy Charges	Quoted Non- Escalable Energy Charges	Quoted Non- Escalable Transport Charges	Quoted Non- Escalable Handling Charges	Quoted Escalab le Capacity Charges	Quoted Non- Escalable Transport Charges	Quoted Non- Escalable Handling Charges	Quoted Escalab le Capacity Charges			
(1)	(2)	(3)	(4) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(5) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(6) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(7) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(8) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(9) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(10) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(11) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(12) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(13) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(14) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9	(15) (Ref. kWh) for Scenario 1, 2, 3, 4, 5, 6, 7, 8, 9
26	April 01, 2011	October 29, 2011	1,400	Same as above	4,793	Same as above	N/A	Same as above	N/A	Same as above	N/A	Same as above	N/A	Same as above

Signature of authorized signatory in whose name Power of Attorney 2.4.1.1 is issued:

For KSK Mahanadi Power Company Limited

Name: S. Krishna
Designation: Wholesaler Director
Place: Hyderabad
Date: 22nd September, 2012

ព្រះបាទស៊ីហង់

- g) The Bidder may quote for any quantum of power up to the Requisitioned Capacity for the full contract period but not less than the Minimum Bid Capacity. The Bidder may submit options for fractional capacity (offered per 1 quantum) which it is willing to supply at the same quoted tariff. The number of options for fractional capacity is left to the discretion of the Bidder.
- h) The Quoted Tariff in Rs./kWh shall be provided up to three (3) decimal points in case of Quoted Tariff in USD.
- i) All pages of this Format shall be signed by the authorized signatory in whose name Power of Attorney is issued.
- j) Entire 26 values of Non-flexible Tariff components and only 1 value for Escalable component.
- k) The Bidder shall not be allowed to submit different Quoted Tariffs for power proposed to be supplied from the same generation source. The Bidder shall submit different financial Bids for power proposed to be supplied from different generation sources.
- l) The contents of this format shall be clearly typed.
- m) In case of a hybrid generation source, the Bidder shall fill in only the Columns 4, 5 and 6 of this format. The Escalable Energy Charges shall not be applicable for evaluation of payment in such case.

9 SCHEDULE 9: FORMAT OF THE CONTRACT PERFORMANCE GUARANTEE

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution. Foreign entities submitting Bids are required to follow the applicable law in their country. To be provided separately in the name of the Procurers, in proportion to their Contracted Capacity, where applicable)

In consideration of the [Insert name of the Successful Bidder with address] agreeing to undertake the obligations under the PPA and the other RFP Documents and Paschimanchal Vidyut Vitran Nigam Limited, Purvanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited and Dakshinanchal Vidyut Vitran Nigam Limited (herein after referred to as Procurers), agreeing to execute the RFP Documents with the Successful Bidder for procurement of power on long term basis for meeting the requirements of the Procurers, the [Insert name and address of the bank issuing the guarantee and address of the head office] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to the Procurers at [Insert address of the procurers] forthwith on demand in writing from the Procurers or any officer authorized by it in this behalf, any amount up to and not exceeding Rupees (Rs.) only [Insert the amount of the bank guarantee computed on the basis of thirty (30) lakhs/MW with the respect to Contracted Capacity of Procurers as per the terms of PPA on behalf of M/s.] [Insert name of the Successful Bidder].

This guarantee shall be valid and binding on the Guarantor Bank up to and including [Insert date of validity of CPG] and shall in no event be terminable by notice or any change in the constitution of the Bank or the term of the PPA or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement.

Our liability under this Guarantee is restricted to Rs. (Rs. only). Our Guarantee shall remain in force until [Insert the date of validity of the CPG]. The Procurers shall be entitled to invoke this Guarantee up to thirty (30) days of the last date of the validity of this Guarantee by issuance of a written demand to invoke this guarantee.

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand from the Procurers, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the Procurers.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by, [Insert name of the Successful Bidder or the Seller] and/ or any other person. The Guarantor Bank shall not require the Procurers to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Procurers in respect of any payment made hereunder.

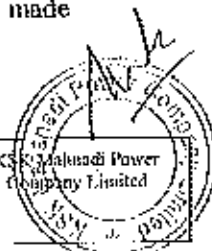
Paschimanchal Vidyut Vitran
Nigam Limited

Purvanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
Vitran Nigam Limited
106

Dakshinanchal Vidyut
Vitran Nigam Limited

KSK Mahanadi Power
Company Limited



This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at [Insert name(s) of city(ies)] shall have exclusive jurisdiction.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring, liquidation, winding up, dissolution or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly the Procurers shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Successful Bidder/Seller, to make any claim against or any demand on the Successful Bidder/Seller or to give any notice to the Successful Bidder/Seller or to enforce any security held by the Procurers or to exercise, levy or enforce any distress, diligence or other process against the Successful Bidder/Seller.

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the Procurers and may be assigned, in whole or in part, (whether absolutely or by way of security) by the Procurers to any entity to whom it is entitled to assign its rights and obligations under the PPA.

The Guarantor Bank hereby agrees and acknowledges that the Procurers shall have a right to invoke this Bank Guarantee either in part or in full, as it may deem fit.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. crores (Rs. crores only) and it shall remain in force until [Date to be inserted is three (3) months after the Scheduled Delivery Date], with an additional claim period of thirty (30) days thereafter. This BANK GUARANTEE shall be extended from time to time for such period, as may be desired by [Insert name of the Successful Bidder/Seller]. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the Procurers serves upon us a written claim or demand.

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this day of at

Signature

Name:

Designation with Bank Stamp

Attorney as per power of attorney No.

For:

..... [Insert Name of the Bank]

Full Address:

Dated this day of 20.....

Paschimanchal Vidyut Vitran
Nigam Limited

Paschimanchal Vidyut Vitran
Nigam Limited

Madhyaanchal Vidyut
Vitran Nigam Limited
107

Dakshinanchal Vidyut
Vitran Nigam Limited

KSP - Madhya Pradesh
Company Limited



PPA for long term power procurement under Case -1

Witness:

1.

Signature

Name and Address






2.

Signature

Name and Address

Note: The Stamp Paper should be in the name of the Executing Bank.



 Paschimanchal Vidyut Vitran Nigam Limited	 Purvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 108	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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10 **SCHEDULE 10: SELECTED BID**



KSK Mahanadi Power Company Limited

Works

Power Engineering Group
Aspirata, Ind-02,
Gurgaon - Gurgaon District,
Haryana

Registered Office

8-2-29/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500033
Tel: +91 40 23559922-25
Fax: +91 40 23559933

Covering Letter

Date 27th September 2012

From : KSK Mahanadi Power Company Limited
8-2-29/82/A/431/A, Road No.22, Jubilee Hills,
Tel: +91 40 23559922 - 25
Fax: +91 40 23559933
E-mail address: ramji.n@ksk.co.in

To

Chief Engineer (Planning)
3rd Floor, Shakti Bhawan Extension,
14- Ashok Marg,
Lucknow-226001

Sub: Bid for supply of power on long term basis through tariff based competitive bidding process under Case-1 bidding procedure in response to RFP dated 27-07-2012

Dear Sir,

We, the undersigned KSK Mahanadi Power Company Limited having read, examined and understood in detail the RFP and RFP Documents for supply of power on long term basis through tariff based competitive bidding process for meeting the requirements of the Procuree(s) hereby submit our Bid comprising of Financial Bid and Non-Financial Bid. We confirm that neither we nor any of our Parent Company/ Affiliate/ Ultimate Parent Company has submitted Bid other than this Bid directly or indirectly in response to the aforesaid RFP.

1. We give our unconditional acceptance to the RFP, dated 27-07-2012 and RFP Documents attached thereto, issued by the Authorized Representative, as amended. In token of our acceptance to the RFP Documents, the same have been initiated by us and enclosed to the Bid. We shall ensure that the Seller shall execute such RFP Documents as per the provisions of the RFP and provisions of such RFP Documents shall be binding on us.

Pashchimanchal Vidyut Nigam Limited	Pervanchal Vidyut Nigam Limited	Madhyanchal Vidyut Nigam Limited	Dakshinanchal Vidyut Nigam Limited	KSK Mahanadi Power Company Limited



2. Bid Bond

We have enclosed a Bid Bond of Rs.30,00,00,000/- (Rs.30 Crores), in the form of bank guarantee no 4437061020612 dated 22nd September, 2012 as per Format 4.9 from Punjab National Bank, LCB Branch, Banjara Hills, Hyderabad-500034 and valid up to 21st Feb 2013 in terms of Clause 2.12 of this RFP. The offered quantum of power by us is 1000 MW.

3. We have submitted our Financial Bid strictly as per Format 4.10 of this RFP, without any deviations, conditions and without mentioning any assumptions or notes for the Financial Bid in the said format.

4. Acceptance

We hereby unconditionally and irrevocably agree and accept that the decision made by the Authorized Representative in respect of any matter regarding or arising out of the RFP shall be binding on us. We hereby expressly waive any and all claims in respect of Bid process.

We confirm that there are no litigations or disputes against us, which materially affect our ability to fulfill our obligations with regard to supply of power.

5. Familiarity with Relevant Indian Laws & Regulations

We confirm that we have studied the provisions of the relevant Indian laws and regulations as required to enable us to submit this Bid and execute the RFP Documents, in the event of our selection as Successful Bidder. We further undertake and agree that all such factors as mentioned in Clause 2.6 of RFP have been fully examined and considered while submitting the Bid.

6. Contact Person

Details of the contact person are furnished as under:

Name : Mr. S. Kishore
Designation : Wholetime Director
Company : KSK Mahanadi Power Company Limited
Address : 8-3-29/82/A/431/A, Road No.22 Jubilee Hills,
Hyderabad-500 033, A.P.
Phone Nos. : +91 40 2355 9922 25
Fax Nos. : +91 40 23559930
E-mail address: rajji.p@ksk.co.in



Pashchimanchal Vidyut Vitran
Nigam Limited

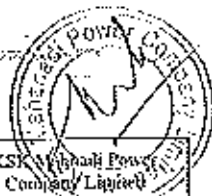
Purvanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
Nigam Limited

110

Dakshinanchal Vidyut
Nigam Limited

KSK Mahanadi Power
Company Limited





7. We are enclosing herewith the Non Financial Bid (Envelope I) and Financial Bid (Envelope II) containing duly signed formats, each one duly closed separately, in one (1) original + two (2) copies (duly attested) as desired by you in the RFP for your consideration.
8. It is confirmed that our Bid is consistent with all the requirements of submission as stated in the RFP and subsequent communications from the Procured Authorized Representative.
9. The information submitted in our Bid is complete, strictly as per the requirements stipulated in the RFP and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Bid.
10. We confirm that all the terms and conditions of our Bid are valid for acceptance for a period of one hundred and twenty (120) days from the Bid Deadline.
11. We confirm that we have not taken any deviation so as to be deemed non-responsive with respect to the provisions stipulated in Clause 2.4.1. of this RFP.
12. We confirm that no order / ruling has been passed by an Appropriate Commission or a competent court against us or any of our Affiliates in the preceding one (1) year from the Bid Deadline for breach of any contract for supply of power having duration of contract in excess of one (1) year and that the bid security submitted by the us or any of our Affiliates has not been forfeited, either partly or wholly, in any bid process under Case-1 or case -2 bidding procedure for procurement of power, in the preceding one (1) year from the Bid Deadline to any licensee in India as per the provisions of Clause 2.1.8.

Dated the 22nd day of September 2012

Thanking you,


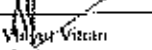
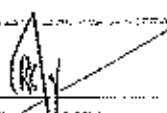


We remain,

Yours faithfully,

For KSK Mahanadi Power Company Limited


S. Kishore
Wholesale Director



 Paschimanchal Vidyut Vitran Nigam Limited	 Parvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 111	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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Financial Bid

- Total capacity of power (in MW) offered by the Bidder: 1000 MW (One thousand MW)
- Fractions of the offered total capacity of power (in MW)* (insert as applicable) (Refer 'b' of instructions below): Not Applicable
 -MW (..... MW) [To be inserted both in words and figures],
 - MW (..... MW) [To be inserted both in words and figures],
 - MW (..... MW) [To be inserted both in words and figures].
- Name of the Interconnection Point: PGCIL 765/400 kV Champa Pooling Station in Chhattisgarh
- Name of the Injection Point**: PGCIL 765/400 kV Champa Pooling Station in Chhattisgarh
- Region and State in which the Injection Point is located: Western Region: Chhattisgarh
- Whether the STU system be used to transmit power between the Interconnection Point and the Injection Point?: No
- Details of proposed Delivery Point(s): Not applicable
- % Transmission loss in STU system*** Not Applicable
- Name(s) of the regional ISTS to be involved in transmission of power between the Injection Point and the Delivery Point: Western & Northern
- Distance of Coal Block to Power Station: upto 500 KM

* The Procurer(s) can contract the total capacity of power offered by the Bidder or any combination of the fractions of the offered total capacity.

** Injection Point would be either a CTU interface or the Delivery Point, at which the Bidder shall supply power to the Procurer(s)

*** Losses to be considered as mentioned in the relevant tariff orders of the Appropriate Commission as on seven (7) days prior to the Deadline.

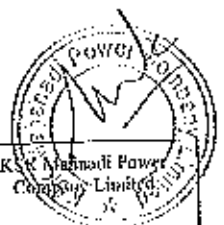
Paschimanchal Vidyut Nigam Limited

Paschimanchal Vidyut Nigam Limited

Madhyaanchal Vidyut Nigam Limited
112

Dakshinanchal Vidyut Nigam Limited

K. K. Mahadi Power Company Limited



Contract Year	Commodity Contract Year	End Date of Contract Year	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges
1	October 30, 2016	March 31, 2017	2,000	0.00	1,548	0.293	N/A	N/A	N/A
2	April 01, 2017	March 31, 2018	2,000	Same as above	1,852	Same as above	N/A	Same as above	N/A
3	April 01, 2018	March 31, 2019	2,000	Same as above	1,763	Same as above	N/A	Same as above	N/A
4	April 01, 2019	March 31, 2020	2,000	Same as above	1,886	Same as above	N/A	Same as above	N/A
5	April 01, 2020	March 31, 2021	2,000	Same as above	2,011	Same as above	N/A	Same as above	N/A
6	April 01, 2021	March 31, 2022	2,000	Same as above	2,150	Same as above	N/A	Same as above	N/A
7	April 01, 2022	March 31, 2023	2,000	Same as above	2,300	Same as above	N/A	Same as above	N/A
8	April 01, 2023	March 31, 2024	2,000	Same as above	2,468	Same as above	N/A	Same as above	N/A
9	April 01, 2024	March 31, 2025	2,000	Same as above	2,839	Same as above	N/A	Same as above	N/A
10	April 01, 2025	March 31, 2026	2,000	Same as above	2,781	Same as above	N/A	Same as above	N/A
11	April 01, 2026	March 31, 2027	2,000	Same as above	1,489	Same as above	N/A	Same as above	N/A
12	April 01, 2027	March 31, 2028	2,000	Same as above	1,603	Same as above	N/A	Same as above	N/A
13	April 01, 2028	March 31, 2029	2,000	Same as above	1,734	Same as above	N/A	Same as above	N/A
14	April 01, 2029	March 31, 2030	2,000	Same as above	1,856	Same as above	N/A	Same as above	N/A

[illegible]

Shelton, J. W.

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19.20

100

Paschimanchal Vidyut Nigam
Nigam Limited

Periyachal Vidyut Vilasam
Nigam Limited

Atanasyan, Aram V.
Viktor Nizhny, 1.000000

Dakshinamchal Vidyut
Vitran Nigam Limited

KSS Mahanadi Power
Company Limited

Contract Year	End Date of Contract Year	Quoted Non-Escalable Capacity Charge	Quoted Non-Escalable Energy Charge	Quoted Escalable Energy Charge	Quoted Non-Escalable Energy Charge	Quoted Escalable Energy Charge	Quoted Non-Escalable Transport Charge	Quoted Escalable Transport Charge	Quoted Non-Escalable Handling Charge	Quoted Escalable Handling Charge	Quoted Non-Escalable Fuel Charge	Quoted Escalable Fuel Charge
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7	(USD/kWh) for Scenario 1, 2, 3, 4, 5, 6, 7
26	April 01, 2041	1,400	Same as above	Same as above	4,763	Same as above	N.A.	Same as above	N.A.	Same as above	N.A.	Same as above

Signature of authorized signatory in whose name Power of Attorney 2.4.1.1 is issued.:

For KSK Mahanadi Power Company Limited



Name : S. Kisibore
Designation: Wholesale Director
Place: Hyderabad
Date: 22nd September, 2012

Instructions:

- a) The Bidder may quote for any quantity of power up to the Recessioned Capacity for the full contract period but not less than the Minimum Bid Capacity. The Bidder may submit options for fractional capacity (reference per quantity, which it is willing to supply at the same quoted tariff. The number of options for fractional capacity is left to the discretion of the Bidder.
- b) The Quoted Tariff in Rupees shall be provided up to three (3) decimal points and left five (5) decimal points in case of Quoted Tariff in USD.
- c) All pages of this Form shall be signed by the authorized signatory in whose name Power of Attorney is issued.
- d) Bidder shall not be allowed to submit different Quoted Tariffs for power proposed to be supplied from the same generation source. The Bidder shall submit different Financial Bids for power proposed to be supplied from different generation sources.
- e) The contents of this Form shall be clearly typed.
- f) In case of a hybrid generation source, the Bidder shall fill in only two Columns 4, 5 and 6 of this Form. The Escalable Energy Charges shall not be applicable for evaluation or payment in such case.
- g)

11 SCHEDULE 11: LIST OF BANKS

Scheduled Commercial Banks

SBI and Associates

1. State Bank of India
2. State Bank of Bikaner and Jaipur
3. State Bank of Hyderabad
4. State Bank of Indore
5. State Bank of Mysore
6. State Bank of Patiala
7. State Bank of Saurashtra
8. State Bank of Travancore

Nationalised Banks

1. Allahabad Bank
2. Andhra Bank
3. Bank of India
4. Bank of Maharashtra
5. Bank of Baroda
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab National Bank
14. Punjab and Sind Bank
15. Syndicate Bank
16. Union Bank of India
17. United Bank of India
18. UCO Bank
19. Vijaya Bank

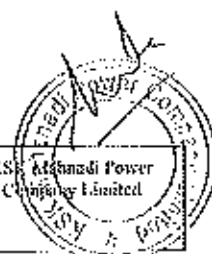
Pashchimanchal Vidyut Nigam Limited

Purvanchal Vidyut Nigam Limited

Madhyanchal Vidyut Nigam Limited
116

Dakshinanchal Vidyut Nigam Limited

KSPC Mahanadi Power Company Limited








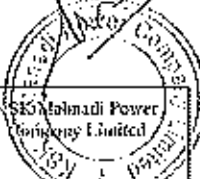
2. Foreign Banks

- 1 BNP Paribas
- 2 Citi Bank N.A.
- 3 Deutsche Bank A.G.
- 4 The Hongkong and Shanghai Banking Corporation Ltd.
- 5 Standard Chartered Bank
- 6 ABN Amro Bank N.V.
- 7 UFJ Bank Ltd.
- 8 Sumitomo Mitsui Banking Corporation
- 9 Societe Generale
- 10 Barclays Bank
- 11 Bank of Nova Scotia

3. Scheduled Private Banks

- 1 ING Vysya Bank Ltd.
- 2 ICICI Bank Ltd.
- 3 HDFC Bank Ltd.
- 4 IDBI Bank Ltd.
- 5 Axis Bank
- 6 Kotak Mahindra Bank

[Note: The Procurer/Authorized Representative is authorized to modify the aforesaid list of Banks as deemed fit. Such modification shall not be construed as a change in standard bidding documents.]

 Paschimanchal Vidyut Vitan Nigam Limited	 Paschimanchal Vidyut Vitan Nigam Limited	 Madhyanchal Vidyut Vitan Nigam Limited 117	 Bakshiranchal Vidyut Vitan Nigam Limited	  NSIC Mohadi Power Company Limited
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12 SCHEDULE 12: SUBSTITUTION RIGHTS OF THE LENDERS

12.1 Substitution of the Seller

12.1.1 Subject to the terms of the PPA, upon occurrence of a Seller Event of Default under the PPA, the Lenders shall, have the right to seek substitution of the Seller by a Selectee for the residual period of the PPA, for the purposes of securing the payments of the Total Debt Amount from the Seller and performing the obligations of the Seller, in accordance with the provisions of this Schedule.

12.1.2 The Lenders may seek to exercise right of substitution by an amendment or novation of the PPA and other RFP Documents executed between Procurers and the Seller in favour of the Selectee, the Procurers and the Seller shall cooperate with the Lenders to carry out such substitution.

12.2 Procurers Notice of Default

12.2.1 The Procurers, who serve(s) the Preliminary Default Notice on the Seller as per this Agreement, shall simultaneously also issue a copy of the same to the Lenders.

12.3 Substitution Notice

12.3.1 In the event of failure of the Seller to rectify the Seller Event of Default giving rise to Preliminary Default Notice and on receipt of a copy of the Termination Notice by the Procurers, the Lenders, either on their own or through its representative (the "Lenders' Representative") shall be entitled to notify the Procurers and the Seller of the intention of the Lenders to substitute the Seller by the Selectee for the residual period of the PPA (the "Substitution Notice").

12.4 Interim operation of Power Station

12.4.1 On receipt of a Substitution Notice, no further action shall be taken by any Party to terminate the PPA, except under and in accordance with the terms of this Schedule 12 of this Agreement.

12.4.2 On issue of a Substitution Notice, the Lenders shall have the right to request the Procurers to enter upon and takeover the Power Station for the interim and till the substitution of the Selectee is complete and to otherwise take all such steps as are necessary for the continued operation and maintenance of the Power Station, including levy, collection and appropriation of payments thereunder, subject to, the servicing of monies owed in respect of the Total Debt Amount as per the Financing Agreements and the Seller shall completely cooperate in any such takeover of the Power Station by the Procurers. If the Procurers, at their sole and exclusive discretion agree to enter upon and takeover the Power Station, till substitution of the Selectee in accordance with this Agreement, such Procurers shall be compensated for rendering such services in accordance with Clause 12.9.4 of this Schedule.

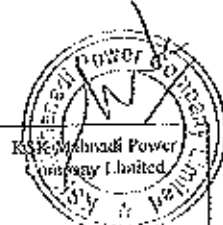
Paschimanchal Vidyut Vitran
Nigam Limited

Paschimanchal Vidyut Vitran
Nigam Limited

Madhyanchal Vidyut
-Vitan Nigam Limited
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Vitran Nigam Limited

Karakoram Power
Company Limited



12.4.3 If the Procurers refuse to takeover the Power Station on request by the Lenders in accordance with Clause 12.4.2 above, the Seller shall have the duty and obligation to continue to operate the Power Station in accordance with the PPA till such time as the Selectee is finally substituted.

12.4.4 The Lenders and the Procurers shall, simultaneously have the right to commence the process of substitution of the Seller by the Selectee in accordance with these terms and the Seller hereby irrevocably consents to the same.

12.5 Process of Substitution of Seller

12.5.1 The Lenders' Representative may, on delivery of a Substitution Notice notify the Procurers and the Seller on behalf of all the Lenders about the Lenders' decision to invite and negotiate, at the cost of the Lenders, offers from third parties to act as Selectee, either through private negotiations or public auction and / or a tender process, for the residual period of the PPA. Subject to and upon approval of the Lead Procurer, such Selectee shall be entitled to receive all the rights of the Seller and shall undertake all the obligations of the Seller under the PPA and other RFP Documents executed between the Seller and the Procurers, in accordance with these terms of substitution.

12.5.2 The Lenders and the Seller shall ensure that, upon the Lead Procurer approving the Selectee, the Seller shall transfer absolutely and irrevocably, the ownership of the Power Station to such Selectee simultaneously with the amendment or novation of the PPA and other RFP Documents executed between the Seller and the Procurers in favour of the Selectee as mentioned in Clause 12.1.2 of this Schedule.






12.6 Modality for Substitution

Criteria for selection of the Selectee

12.6.1 The Lenders and / or the Lenders' Representative shall in addition to any other criteria that they may deem fit and necessary, apply the following criteria in the selection of the Selectee:

(a) if the Seller is proposed to be substituted prior to the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, the Selectee shall possess the financial capability used to qualify bidders in the RFP stage (including the methodology prescribed therein) to perform and discharge all the residual duties, obligations and liabilities of the Seller under the PPA. If the Seller is proposed to be substituted during the Operation Period, this criteria shall not be applicable.

(b) the Selectee shall have the capability and shall unconditionally consent to assume the liability for the payment and discharge of dues, if any, of the Seller to the Procurers under and in accordance with the PPA and also payment of the Total Debt Amount to the Lenders upon terms and conditions as agreed to between the Selectee and the Lenders;

 Panchitanchal Vidyut Vitran Nigam Limited	 Parvanchal Vidyut Vitran Nigam Limited	 Madhyanchal Vidyut Vitran Nigam Limited 119	 Dakshinanchal Vidyut Vitran Nigam Limited	 KSR Kalyanadi Power Company Limited
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- (c) the Selectee shall have not been in breach of any agreement between the Selectee and any Bank or any Lender or between the Selectee and any of the Procurers, involving sums greater than Rupees (Rs) [Insert amount] at any time in the last two (2) years as on the date of the substitution notice to the Seller.
- (d) any other appropriate criteria, whereby continuity in the performance of the Selectee's obligations under the PPA is maintained and the security in favour of the Lenders under the Financing Agreements is preserved.

12.7 Modalities

12.7.1 The following modalities shall be applicable to any substitution of the Seller by the Selectee pursuant to this Agreement:


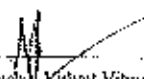
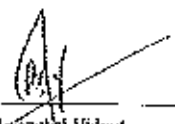


12.7.2 The Lenders' Representative shall on behalf of the Lenders propose to the Procurers (the "Proposal") pursuant to Clause 12.7.3 below, the name of the Selectee for acceptance, seeking:

- (a) grant of all the rights and obligations under the PPA and the other RFP Documents executed between the Procurers and the Seller, to the Selectee (as substitute for the Seller);
- (b) amendment of the PPA and the other RFP Documents executed between the Procurers and the Seller, to the effect that the aforementioned grant to the Selectee, shall be such that the rights and obligations assumed by the Selectee are on the same terms and conditions for the residual period of the PPA as existed in respect of the Seller under the original PPA and the other RFP Documents executed between the Procurers and the Seller; and
- (c) the execution of new agreements as necessary, by the proposed Selectee for the residual period of the PPA on the same terms and conditions as are included in this Agreement.

12.7.3 The Proposal shall contain the particulars and information in respect of the Selectee and the data and information as Procurers may reasonably require. The Procurers may intimate any additional requirement within thirty (30) days of the date of receipt of the Proposal.

12.7.4 The Proposal shall be accompanied by an unconditional undertaking by the Selectee that it shall, upon approval by the Procurers of the Proposal:

- (a) observe, comply, perform and fulfill the terms, conditions and covenants of the PPA and all other RFP Documents executed between Seller and the Procurers or a new PPA or respective RFP Document (in the case of the novation thereof), which according to the terms therein are required to be observed, complied with, performed and fulfilled by the Seller, as if such Selectee was the Seller originally named under the PPA; or the respective RFP Document; and

 Poshimanchal Vidyut Nigam Limited	 Parvanchal Vidyut Nigam Limited	 Madhanchal Vidyut Nigam Limited 120	 Dakshinanchal Vidyut Nigam Limited	 KSR Mahanadi Power Company Limited
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(b) be liable for and shall assume, discharge and pay the Total Debt Amount or then outstanding dues to the Lenders under and in accordance with the Financing Agreements or in any other manner agreed to by the Lenders and the Procurers as if such Selectee was the Seller originally named under such Financing Agreements.

12.7.5 At any time prior to taking a decision in respect of the Proposal received under Clause 12.7.2, the Procurers may require the Lender/ Lenders' Representative to satisfy it as to the eligibility of the Selectee. The decision of the Procurers as to acceptance or rejection of the Selectee, shall be made reasonably and when made shall be final, conclusive and binding on the Parties.

12.7.6 The Procurers (insert as applicable) shall convey their approval or disapproval of such Proposal, through the Lead Procurer, if applicable, to the Selectee. Such decision shall be made by the Procurers at their reasonably exercised discretion within twenty one (21) days of:

- (a) the date of receipt of the Proposal by the Procurers; or
- (b) the date when the last of further and other information and clarifications in respect of any data, particulars or information included in the Proposal requested by the Procurers under Clause 12.7.3 above is received;

whichever is later.

Notwithstanding anything to the contrary mentioned in this Agreement, the approval of the Procurers or Lead Procurer for the Selectee shall not be withheld in case the Selectee meets the criteria mentioned in Clause 12.6.1.

12.7.7 Upon approval of the Proposal and the Selectee by the Procurers, the Selectee mentioned in the Proposal shall become the Selectee hereunder.

12.7.8 Following the rejection of a Proposal, the Lenders and/ or the Lenders' Representative shall have the right to submit a fresh Proposal, proposing another Selectee (if the rejection was on the grounds of an inappropriate third party proposed as Selectee) within sixty (60) days of receipt of communication regarding rejection of the Selectee previously proposed. The provisions of this article shall apply *mutatis mutandis* to such fresh Proposal.

12.7.9 The substitution of the Seller by the Selectee shall be deemed to be complete upon the Selectee executing all necessary documents and writings with or in favour of the Seller, Procurers and the Lenders so as to give full effect to the terms and conditions of the substitution, subject to which the Selectee has been accepted by the Lenders and the Procurers and upon transfer of ownership and complete possession of the Power Station by the Procurers or the Seller, as the case may be, to the Selectee. The

Paschimanchal Vidyut Nigam Limited

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Procurers shall novate all the RFP Documents, which they had entered in to with the Seller in order to make the substitution of the Seller by the Selectee effective. The quantum and manner of payment of the consideration payable by the Selectee to the Seller towards purchase of the Power Station and assumption of all the rights and obligations of the Seller under the PPA and other RFP Documents as mentioned in this Agreement shall be entirely between the Seller, Selectee and the Lenders and the Procurers shall in no way be responsible to bear the same.

12.7.10 Upon the substitution becoming effective pursuant to Clause 12.7.9 above, all the rights of the Seller under the PPA shall cease to exist:

Provided that, nothing contained in this sub-article shall prejudice any pending / subsisting claims of the Seller against a Procurers or any claim of the Procurers against the erstwhile Seller or the Selectee.

12.7.11 The Selectee shall, subject to the terms and conditions of the substitution, have a period of ninety (90) Days to rectify any breach and/ or default of the Seller subsisting on the date of substitution and required to be rectified and shall incur the liability or consequence on account of any previous breach and/ or default of the Seller.

12.7.12 The decision of the Lenders and the Procurers in the selection of the Selectee shall be final and binding on the Seller and shall be deemed to have been made with the concurrence of the Seller. The Seller expressly waives all rights to object or to challenge such selection and appointment of the Selectee on any ground whatsoever.

12.7.13 The Lenders shall be solely and exclusively responsible for obtaining any and all consents/ approvals or cooperation, which may be required to be obtained from the Seller under this Agreement and the Procurers shall not be liable for the same.

12.7.14 All actions of the Lenders' Representative hereunder shall be deemed to be on behalf of the Lenders and shall be binding upon them. The Lenders' Representative shall be authorised to receive payment of compensation and any other payments, including the consideration for transfer, if any, in accordance with the Proposal and the Financing Agreements and shall be bound to give valid discharge on behalf of all the Lenders.

12.8 Seller's Waiver

12.8.1 The Seller irrevocably agrees and consents (to the extent to which applicable law may require such consent) to any actions of the Lenders, the Lender's Representative and the Procurers or exercise of their rights under and in accordance with these terms.

12.8.2 The Seller irrevocably agrees and consents (to the extent to which applicable law may require such consents) that from the date specified in Clause 12.7.10, it shall cease to have any rights under the PPA or the Financing Agreements other than those expressly stated therein.

Poochinnachai Vidyut Vitaran
Nigam Limited

Poochinnachai Vidyut Vitaran
Nigam Limited

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Vitaran Nigam Limited

KSK Mahanadi Power
Company Limited



12.8.3 The Seller warrants and covenants that any agreement entered into by the Seller, in relation to the Power Station, shall include a legally enforceable clause providing for automatic novation of such agreement in favour of the Selectee, at the option of the Lenders or the Procurers. The Seller further warrants and covenants that, in respect of any agreements which have already been executed in relation to the Power Station and which lack a legally enforceable clause providing for automatic novation of such agreement, the Seller shall procure an amendment in the concluded agreement to incorporate such clause.

12.9 *Interim Protection Of Service And Preservation Of Security*

Appointment of a Receiver

12.9.1 In every case of the Lenders issuing a Substitution Notice and the Procurers refusing to takeover the Power Station and the Seller failing to operate the Power Station in accordance with Clause 12.4.3 and the Procurers not electing to act as Receiver as per Clause 12.9.2 hereof, the Lenders may institute protective legal proceedings for appointment of a receiver (the "Receiver") to maintain, preserve and protect the assets held as security by the Lenders if such right is granted under the terms of the Financing Agreements.


12.9.2 If the assets of the Power Station are, in the opinion of the Procurers, necessary and required for the operation and maintenance of the Power Station, the Procurers shall be entitled to elect to act as the Receiver for the purposes of this Article and be entitled to maintain, preserve and protect the said assets by engaging an operator/service provider to act on their behalf and the Lenders and Seller hereby consent and agree to the same. Upon the Procurers so intimating the Seller and the Lender's representative their desire to act as Receiver, the Seller and the Lender's representative shall co-operate with the Procurers to facilitate the same.


12.9.3 Upon appointment of the Court appointed Receiver or the Procurers acting as Receiver, all the Receivables received by such Receiver shall be deposited by the Receiver in the bank account jointly designated by the Procurers and the Lenders. The Receiver shall be responsible for protecting the assets in receivership and shall render a true and proper account of the receivership to the Lenders in accordance with the terms of its appointment.


12.9.4 When acting as a Receiver or operator in accordance with Clauses 12.9 or 12.4.2, Procurers shall be entitled to be remunerated for such services as may be determined by the Appropriate Commission. Furthermore, when acting as a Receiver, the Procurers shall not be liable to the Lenders, the Lenders' Representative, Seller or any third party for any default under the PPA, damage or loss to the Power Station or for any other reason whatsoever, except for wilful default of the Procurers.


12.10 *Substitution Consideration*


12.10.1 The Lenders and Procurers shall be entitled to appropriate any consideration received for the substitution of the Seller as hereinabove provided, from the Selectee towards the payment of Lenders' and the Procurers' respective dues, to the exclusion of the Seller.

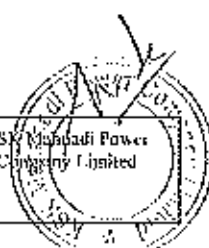

Parvanchal Vidyut Nigam Limited


Parvanchal Vidyut Nigam Limited


Madhyanchal Vidyut Nigam Limited
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Dakshinanchal Vidyut Nigam Limited




KSP Mahabadi Power Company Limited



12.10.2 The Seller shall be deemed to have nominated, constitutes and appoints the Lenders' Representative as its constituted attorney for doing all acts, deeds and things as may be required to be done for the substitution of the Seller by the Selectee pursuant to these terms.

12.11 Change in the Procurers or Lenders

12.11.1 The Parties hereto acknowledge that during the subsistence of the PPA, it is possible that any Procurers may cease to be a party to this Agreement by reason of termination of PPA vis-à-vis such Procurers and any Lender may cease to remain as a Lender by reason of repayment of the debt or otherwise. Further it may possible that any Lender may be substituted or a new Lender may be added. In the event of any Procurers or Lender ceasing to be a party to the PPA or Financing Agreement respectively, the term and conditions as prescribed in this Schedule shall cease to automatically apply to such Procurers or Lender as the case may be. Further, upon any entity being added as a Lender and in the event such entity is given the right to substitute the Seller under the Financing Agreement and then the contents of this Schedule shall be applicable to the exercise of such right by the said new entity.

 Panchimal Vidyut Vitran Nigam Limited	 Panchimal Vidyut Vitran Nigam Limited	 Panchimal Vidyut Vitran Nigam Limited 124	 Panchimal Vidyut Vitran Nigam Limited	 KSK Mahanadi Power Company Limited
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13 SCHEDULE 13: CAPITAL STRUCTURE SCHEDULE

(This shall need to be filled up in case Seller is not a Trading Licensee and on or before NTP)

Particulars	Amount Rs.in Cr.	Percent (%)
Project Cost	16190	100%
Debt	12952	80%
Equity	3238	20%

Pocheimal Vidyut Vitan
Nigam Limited

Purvanchal Vidyut Vitan
Nigam Limited

Madhyaanchal Vidyut
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Vitan Nigam Limited

KSK Mohandi Power
Company Limited

