

GUJARAT URJA VIKAS NIGAM LIMITED

POWER PURCHASE AGREEMENT

FOR

PROCUREMENT OF POWER

FOR LONG TERM

Under Case – 1 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

GUJARAT URJA VIKAS NIGAM LIMITED
("Procurer")

And

KSK MAHANADI POWER COMPANY LIMITED
("Seller")

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ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

Sl. No. : 4694 Date: 31/05/2010. Rs.: 100/-
Sold To : J. Krishna
S/o. : Ramaiah R/o.Hyd
To Whom : KSK Mahanadi Power Company Limited.

AF 804497
K. RAMA CHANDRAVATHI
STAMP VENDOR (L. No:27/99, RL.No. 16/2008),
6-3-387, Beside Banjara Durbar Hotel, Panjagutta
HYDERABAD - 500 082. Phone. No. 23351799

This Agreement is made on the 3rd day of June 2010

Between

GUJARAT URJA VIKAS NIGAM LIMITED, (the "Procurer"), a company incorporated under the Companies Act, 1956 and having its Registered Office at Sardar Patel Vidyut Bhavan, Race Course, Vadodara – 390 007 (hereinafter referred to as the "Procurer" which expression shall unless it be repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the FIRST PART;

and

Gujarat Urja Vikas Nigam Limited



KSK MAHANADI POWER COMPANY LIMITED, (the "Seller") a company incorporated under the Companies Act, 1956 and having its Registered Office at 8-2-293/82/A/431/A, Road No 22, Jubilee Hills, Hyderabad – 500033, India (hereinafter referred to as the "Seller" which expression shall unless it be repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the SECOND PART

Whereas:

- A. In accordance with the Competitive Bidding Guidelines (as defined hereunder), the Procurer 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 Procurer's base load power requirements.
- B. Pursuant to the said bidding process, Wardha Power Company Limited has been selected by the Procurer, as the Seller for sale and supply of electricity in bulk to the Procurer, for the Aggregate Contracted Capacity (as defined hereunder) of 1010 MW, in accordance with the terms of this Agreement.
- C. The Seller has provided to the Procurer, Contract Performance Guarantee as per format specified in Schedule 9 of this Agreement.
- D. 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 Procurer.
- E. The Procurer agrees, 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.
- F. M/s Wardha Power Co Ltd ("Bidder") had participated in GUVNL's Competitive bid specification no 01/LTPP/2009 for procurement of 3000 MW \pm 20% power on long term basis under Case I bidding. During pendency of bidding process, a scheme of arrangement providing for de-merger of Power Project Wardha CG located at Nariyara, Chhatisgarh of the original bidder M/s Wardha Power Co Ltd to M/s KSK Mahanadi Power Company Ltd on a going concern basis was sanctioned by Hon'ble High Court of Andhra Pradesh at Hyderabad vide its Common Order dated 26.02.10 in Company Petition no 4 & 5 of 2010. Accordingly M/s KSK Mahanadi Power Company Ltd became successor of the Original bidder M/s Wardha Power Co Ltd [herein after "Bidder" for all intents and purpose of the bidding process in question]



- G. The Procurer 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 Procurer and the Seller simultaneously with the signing of this Agreement.

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:



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.

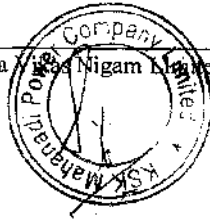
"Act" or "Electricity Act, 2003"	shall mean the Electricity Act, 2003 and any rules, amendments, regulation, notifications, guidelines or policies issued there under from time to time;
"Affiliate"	shall mean a company that either directly or indirectly <ol style="list-style-type: none">controls oris controlled by oris 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 1010 MW contracted with the Procurer 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;
"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; or Intra-state ABT Regulations notified by GERC



"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 at the interconnection point
"Available Capacity"	shall have the meaning ascribed thereto in ABT at the interconnection point
"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 (bid specification no. GUVNL/01/LTPP/2009);
"Bidding Company"	shall refer to such single company that has submitted the Bid in accordance with the provisions of the RFP;
"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, a day other than Sunday or a statutory holiday, on which the banks remain open for business at Vadodara
"Capacity Charge" or "Capacity Charges"	shall have meaning ascribed thereto in Schedule 4;
"Capital Cost"	shall mean the lower of the following: (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 ; or (b) total cost of the Power Station as set forth in the Financing Agreements,

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 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;
"Construction Contractor (s)"	means one or more main contractors, appointed by the Seller to design, engineer, supply, construct and commission the Project;
"Construction Period"	means the period from (and including) the date upon which the Construction Contractor is instructed or required to commence work under the Construction Contract up to (but not including) the Commercial Operation of the Unit in relation to a Unit and of all the Units in relation to a Power Station;
"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 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 RFP;
"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;

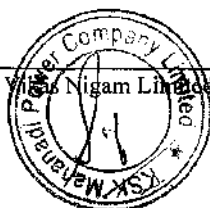
"Contracted Capacity"	shall mean the Aggregate Contracted Capacity;
"Control Centre"	shall mean the RLDC and/or SLDC or such other load control centre designated by the Procurer from time to time through which the Procurer shall issue Dispatch Instructions to the Seller for supply of power;
"Debt Service"	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 Procurer;
"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 Procurer 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, 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 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;
"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 (25 th) 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;
"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 and the amendments thereto entered into between the Seller and Gujarat Mineral Development Corporation ("Fuel Supplier") and M/s KSK Energy Ventures Ltd. ("Parent Company of the Seller") for the purchase and handling of the Fuel, required for the operation of the Power Station, which is annexed to this Power Purchase Agreement. 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 and the Parent Company of the Seller for the supply of the Fuel;
"Gujarat Electricity Regulatory Commission" / "GERC"	shall mean the Electricity Regulatory Commission for the state of Gujarat constituted under Section-82 of the Act or its successors;
"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, Government of Gujarat, 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 Procurer(s);
"Indirect Non-Natural Force Majeure Event"	shall have the meaning ascribed thereto in Article 9.3 of this Agreement;
"Injection Point"	shall mean the CTU interface in the State of Chhattisgarh;
"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;
"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;
"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 Procurer under this Agreement in any manner and does not lead to an increase in the liability of the Procurer at any given point of time;
"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 "L/C" 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 to the Successful Bidder for supply of power pursuant to the RFP;
"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 ABT, as amended from time to time;
"Minimum Offtake Guarantee"	shall mean guaranteed offtake of Seventy (70%) percent of the Aggregate Contracted Capacity for the Procurer, 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 (85) percent 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;
"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 the KSK Mahanadi Power Company Limited power generation facility of installed capacity of 1800 MW, located at Village Nariyara, Tehsil Akaltara in Jhajgir-Champa District, Chhattisgarh, India;</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 [<i>if applicable</i>]; bay/s for transmission system in the switchyard, dam, intake, water conductor system [<i>if applicable</i>], 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"	shall mean 1683 MW, being Installed Capacity of the Power Station measured at the bus-bar, reduced by the normative auxiliary power consumption as prescribed by CERC from time to time;



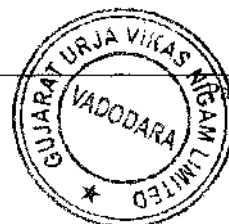
	In case of a dedicated transmission line connecting the bus-bar and the Interconnection Point, the Power Station's Net Capacity shall be 1666 MW, being the Installed Capacity of the Power Station measured at the Interconnection Point and reduced by the normative auxiliary power consumption and losses, if any, of such dedicated transmission line;
"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 Procurer as per the terms of this Agreement;
"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: <ul style="list-style-type: none"> 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 8.4.10 of this Agreement;
"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 with bid specification no. GUVNL/01/LTPP/2009 dated 22/06/2009 issued by the Procurer 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: <ul style="list-style-type: none">a) PPA;b) Default Escrow Agreement;c) 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	Shall mean scheduled generation as defined in the ABT at



"Scheduled Generation"	Interconnection point;
"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, copy of which is attached herewith and marked as Schedule 10 of this Agreement;
"Selectee"	shall mean a new company (i) proposed by the Lenders pursuant to Schedule 11 hereof and approved by the Procurers (ii) or proposed by the Procurer in accordance with Schedule 11 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;
"State Transmission Utility" or "STU"	shall mean the Government company notified by Government of Gujarat under Sub-section (1) of Section 39 of the Act, (Gujarat Energy Transmission Corporation Limited (GETCO) is the designated STU for the state of Gujarat);
"State Energy Account" or "SEA"	State Energy Account released by SLDC of the respective state as defined in the Grid code of the respective state In case of Seller being in the state of Gujarat, State energy account released by Gujarat SLDC shall be applicable
"STU Interface"	shall mean the point at which the CTU network is connected to the intrastate transmission system of GETCO, and at which the Procurer agree to receive power up to the Requisitioned Capacity; For generation source in the same state as that of the Procurer, 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 11.3 of Schedule 11 of this Agreement;
- "Successful Bidder" shall mean the Bidder selected by the Procurer pursuant to the RFP for supply of power by itself or through the Project Company to the Procurer 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;
- "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 6.3.3 of Schedule 6.1.4 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
- (a) 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
 - (b) 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" shall mean the agreements(s) signed by the Seller and the relevant



Agreement"	transmission licensee for transmission of power up to the Aggregate Contracted Capacity from the Injection Point to the Delivery Point;
"Ultimate Parent Company" or "Ultimate Parent"	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;
"Unscheduled Interchange" or "UI"	<p>shall have the meaning ascribed thereto in Rule 24 of the CERC (Terms and Conditions of tariff) Regulations 2004 as amended or revised from time to time;</p> <p>In case the Power Station and the Procurer being within the same state, the Unscheduled Interchange shall be regulated by the GERC regulations;</p>
"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 Procurer 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;
- 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 9 shall be referred to for ascertaining accuracy and correctness of the representations made by the Successful Bidder / Seller in Clause 6.3.1(vi) of Schedule 6.1.4 hereof.



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 days(180) days prior to the expiry date, subject to approval of the GERC.

Notwithstanding anything contained in 2.2.1, termination of this Power Purchase Agreement shall be co-terminus with Fuel Supply Agreement.

2.3 *Early Termination*

- 2.3.1 This Agreement shall terminate before the Expiry Date:
- i. if either the Procurer 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 6.3.3 of Schedule 7 of this Agreement; or
 - ii. on the termination of Fuel Supply Agreement with M/s GMDC; or
 - iii. in such other circumstances as the Seller and the Procurer 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.



3 ARTICLE 3 : CONDITIONS SUBSEQUENT TO BE SATISFIED BY SELLER/ PROCURER

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 Procurer:

- a) The Seller shall have executed the Fuel Supply Agreement and have provided the copy of the same to the Procurer(s). The separate transportation agreement between the Seller and fuel transporter, if applicable, shall be executed at least six (6) months before the Scheduled Delivery Date;
- b) In case the Power Station is located outside the state of Gujarat , 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 Procurer;
- 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 Procurer;
- d) The Seller shall have acquired and taken the possession of the land required for the project.

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

- 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 Procurer;
- f) The Seller shall have obtained all Consents, Clearances and Permits required for supply of power to the Procurer 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;
- g) The Seller shall have sent a written notice to the Procurer 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 Procurer

3.2.1 The Procurer agrees and undertakes to duly perform and complete the following activities at the Procurer'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 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 Procurer 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) The Procurer shall have obtained the order of the GERC 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 Procurer and the Seller

3.3.1 The 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 Procurer 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 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 weekly basis, be liable to furnish to the Procurer additional Contract Performance Guarantee from any of the banks listed in Schedule 11 of this Agreement, of Rs. Fifteen Crore and Fifteen Lakhs only (Rs 15,15,00,000/-) to the Procurer, 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 Procurer 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 Procurer.

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 in accordance with Article 3.4.1 hereof; or
- (ii) the Seller furnishes additional Contract Performance Guarantee to the Procurer 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,

The Procurer 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 Procurer elect to terminate this Agreement in the event specified in the preceding paragraph of this Article, the Seller shall be liable to pay to the Procurer on the Termination Date an amount of Rupees Four Hundred and Four Crores (Rs 404,00,00,000/-) only as liquidated damages.

The Procurer 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 Procurer 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 Procurer 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.

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 Procurer 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 Procurer 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 Procurer 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 Procurer 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 Procurer as mentioned in Article 3.2 would be extended for an additional time period which may be required by the Procurer 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 Procurer. If the Seller elects to terminate this Agreement, the Procurer 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 Procurer 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*

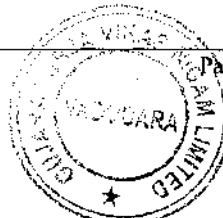
3.5.1 The Performance Guarantee furnished under this Agreement shall be for guaranteeing the commencement and continuity of the supply of power up to the Contract Capacity within the time specified in this Agreement.

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.

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 Procurer 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 Procurer(s) 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 preceeding thirty-six (36) Months, the value of the Contract Performance Guarantee shall be reduced by an aggregate amount of Rupees One Hundred and Fifty One Crores and Fifty Lakhs only (Rs 151,50,00,000/-). The Seller shall thereafter provide such reduced Contract Performance Guarantee to the Procurer, in lieu of the Contract Performance Guarantee, of an amount of Rupees Three Hundred and Three Crores only (Rs 303,00,00,000/-). Such reduced Contract Performance Guarantee



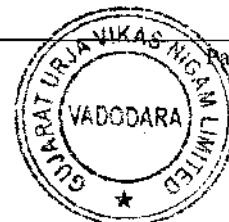
shall be initially valid for a period, which is the lower of five (5) years or the balance Term of this Agreement.

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 Procurer shall have the right to encash the then existing Contract Performance Guarantee.

3.8 *Return of Contract Performance Guarantee*

- 3.8.1 The Procurer 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 and Four Crores (Rs 404,00,00,000/-), 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 Procurer 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 Procurer under this Agreement.



4 ARTICLE 4 : SUPPLY OF POWER

4.1 *Commencement of Supply of Power to Procurer*

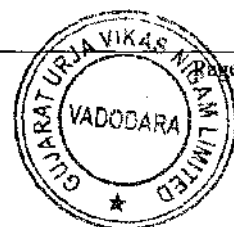
4.1.1 The Seller shall be responsible to commence supply of power up to the Aggregated Contracted Capacity by the Scheduled Delivery Date in accordance with the provisions of this Agreement, which is sixty (60) months from the date of signing of this agreement. However, the Seller and the Procurer may 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 Procurer 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 Procurer 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 intrastate 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 Procurer(s);
- 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) Before the tenth (10th) day of each alternate month, during the Construction Period:
 - i. the Seller shall prepare and submit to the Procurer a bi-monthly progress report, in the Agreed Form, which reviews the progress of the design,



- engineering, procurement, construction, completion, testing and commissioning of the Power Station; and
- ii. The Seller shall prepare, in consultation with STU/CTU, and submit to the Procurer, a bi-monthly progress report in the Agreed Form which reviews the progress of the design, engineering, procurement, construction and installation of the Interconnection and Transmission Facilities up to the Delivery Point. The same shall be submitted by the Seller to the Procurer.
- h) providing on a timely basis, all relevant information to the Procurer which may be required for receiving power at the Delivery Point; and
- i) fulfilling all obligations undertaken by the Seller under this Agreement.
- j) Notwithstanding anything to the contrary contained in this Power Purchase Agreement, Procurer agrees and understand that Seller has participated in the Competitive bidding process of the Procurer in compliance of its obligation under Fuel Supply Agreement only and further agrees that the obligation of the Seller under this Power Purchase Agreement is subject to and consequent to the fulfillment of obligations by Gujarat Mineral Development Corporation Limited under the Fuel Supply Agreement and Seller's obligations to supply power to the Chhatisgarh Government recognized in the said Fuel Supply Agreement and the Fuel Supply Agreement shall form an Integral Part of and be read with this Power Purchase Agreement at all times.

4.3 Procurer(s)' Obligations

4.3.1 Subject to the terms and conditions of this Agreement, the Procurer 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) reimburse the Transmission Charges (from the Injection Point onwards) and applicable RLDC / SLDC charges, limited to the charges applicable to the Contracted Capacity of the Procurer, when paid by the Seller.
- c) make all reasonable arrangements for the evacuation of the Infirm Power from the Power Station; subject to the availability of transmission capacity; and
- d) fulfill all obligations undertaken by the Procurer 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 Procurer, and the Procurer undertake 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 the Procurer, the Seller shall sell all the Available Capacity up to the Contracted Capacity to the Procurer pursuant to Dispatch Instructions given by the 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 Procurer and the Procurer 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..

4.5.2 a) Notwithstanding Article 4.5.1, in the event the Seller is able to commission the Power Station prior to the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, the Procurer shall have first right to purchase such power upto the Contracted Capacity at the tariff quoted for the first Contract Year. In the event the Seller schedules such Capacity to third parties, it shall be construed as an event similar to "delay in commencement of supply" and liquidated damages shall be payable by the Seller according the clause 4.8.2. For computing the liquidated damages in such event the Contracted Capacity for each day upto the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, shall be considered as the quantum that is lower of the Available Capacity or the Aggregate Contracted Capacity. However, the Seller shall be free to sell the power not scheduled by the Procurer or the power available in excess of the Contracted Capacity to any third party.

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 there is a part of Available Capacity corresponding to the Contracted Capacity which has not been Dispatched by the Procurer.

4.5.3 If the Procurer does not avail of power up to the Available Capacity provided by the Seller corresponding to the Contracted Capacity, the Seller shall be entitled to sell such Available Capacity not scheduled by the Procurer, to any person without losing the right to receive the Capacity Charges from the 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 and the 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 Procurer. During this period, the Seller will continue to receive the Capacity Charges from the Procurer.

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

Upon the Procurer 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 Procurer from the later of two (2) hours from receipt of notice in this



regard from the Procurer 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 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 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, 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.
- 4.6.2 The Seller shall be permitted to supply power to the Procurer 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, or
 - d. Non readiness / Non-availability of open access and/or transmission facilities, corridor due to reasons solely attributable to CTU, provided seller shall have made reasonable efforts in pursuing CTU in having the transmission system ready.

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 through the use of due diligence, to overcome the effects of the Force Majeure Events affecting the Seller or the Procurer, or till such time such Event of Default is rectified by the Procurer.

- 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.



- 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 Procurer)**
- 4.8.1 If the Seller is unable to commence supply of power to the Procurer 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 the Procurer liquidated damages as per this Article 4.8.1, 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 Procurer 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 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:

- 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 Procurer 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 Procurer actually commences from the generation source as provided in this Agreement;
- d) "DR1" is Rs. Ten Thousand (Rs. 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 (Rs. 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.

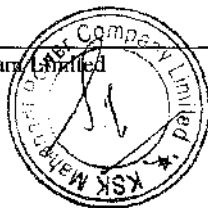
Provided that in case of failure of the Seller to start supply of power to Procurer even after expiry of twelve (12) Months from its Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, it shall be considered as a Seller Event of Default and provisions of Article 11 shall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

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

- a) the date on which the Seller commences supply of power to the Procurer, 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 Procurer 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 Procurer 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 Procurer.

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 Procurer 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.



4.9 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 Procurer 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) provided such Indirect Non Natural Force Majeure Event or (Natural Force Majeure Event affecting the Procurer) 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) no longer prevent the Seller from providing supply of power to the Procurer, 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 Procurer 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), the Procurer 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) or Procurer Event of Default, the Procurer 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) or Procurer Event of Default and b) the completion of sixty (60) days from the receipt of the Financing Agreements by the Procurer from the Seller.

Provided such increase in Capacity Charges shall be determined by GERC 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.

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 Procurer 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 Procurer, the Procurer 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 Procurer, the Procurer 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 Procurer 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 Procurer from the Seller.

Provided such increase in Capacity Charges shall be determined by GERC 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.

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 Procurer as soon as reasonably practicable, and in no event later than two (2) Weeks 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 Procurer, 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 Procurer by the Scheduled Delivery Date or the Revised Scheduled Delivery Date, as the case may be, it shall also pay liquidated damages to the Procurer calculated in accordance with Article 4.8.



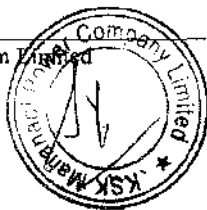
4.12 Limit on amounts payable due to default

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 Procurer 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 Procurer, and power lost on account of transmission loss would be to the account of the Procurer.



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 Procurer 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 at all times provide 60.62 percent (%) of the Power Station's Net Capacity to the Procurer 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 Procurer 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.

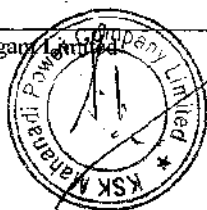
5.4 Scheduling and Dispatch

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 Procurer 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 Procurer to any third party without complying with the conditions specified in Article 4.5.2, the Seller agree(s) to and acknowledges the Procurer's 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.

5.4.3 Establishment of Proportionate Availability

5.4.3.1 In case a Seller has an embedded load attached to it the Meters installed at Generator terminal from the Seller's generating station shall be jointly read by the Procurer and Seller or their authorised representative at the end of every quarter ;
OR,



In all other cases the Dispatch schedules available for the State Energy Account / Regional Energy Account of the respective SLDC / RLDC, would be utilised to establish the quantum of Proportionate availability

- 5.4.3.2 The Seller shall, using such quarterly readings of meters at Generator's terminal or the dispatch schedules of SEA/REA (as the case may be), as obtained from Article 5.4.3.1 above, to prove Procurer's proportionate right, as per Article 5.3.2, for each Settlement Period on Power and Energy Output of the Project up to the Contracted Capacity.
- 5.4.3.3 Procurer shall have the right to initiate such joint meter readings, at times other than the quarterly reading as per Article 5.4.3.1 of this Agreement, by giving a notice of at least 7 days to the Seller.
- 5.4.3.4 In case the Seller fails to establish Procurer's proportionate right as per provisions of Article 5.4.3.2 of this Agreement, the Seller shall be liable to be penalised. Such penalty shall be 1.5 (one and a half) times the difference between Highest Energy Charges for Industrial Category in Gujarat and Energy Charges Quoted by the Seller for each unit of energy for which Procurer's first right was breached. In case the UI Charges are at lowest band of the frequency range of operation (as notified by CERC as part of Inter-state ABT Regulation from time to time), applicable during the period of such breach of Procurer's proportionate right is higher than the Highest Energy Charges for Industrial Category in Gujarat, the penalty shall be 1.5 (one and a half) times the difference between UI Charges at the lowest band of the frequency range of operation and Energy Charges quoted by the Seller for each unit of energy.

5.5 Demonstration of Power Station's Net Capacity

- 5.5.1 The Procurer may from time to time during the Operating Period, but only if the Available Capacity with respect to the Procurer 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 Procurer, shall not be done more than once in a continuous period of six (6) Months.
- 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 Procurer 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 $[1 - (\text{Assessed Capacity of the Power Station})/(\text{Power Station's Net Capacity})]$;

c) the Aggregate Contracted Capacity of the Procurer 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 the Procurer 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.

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.



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 Procurer 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.

Gujarat Urja Vikas Nigam Limited



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 Procurer shall have no claim on such proceeds of such Insurance.

7.3 Effect on liability of the Procurer

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 Procurer.



8 ARTICLE 8: BILLING AND PAYMENT

8.1 General

- 8.1.1 From the commencement of supply of power, Procurer 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 Procurer shall be in Indian Rupees.

Provided however, if the Procurer avails of any Infirm Power from the Power Station, then Procurer 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

- 8.2.1 The Seller shall issue to the 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:

- a. 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
- b. 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 shall include:

- i. Availability and Regional Energy Account / State Energy Account issued by RLDC/SLDC for the relevant Month for Monthly Bill and RLDC's daily energy account ;
- ii. the Seller's computation of various components of the monthly Tariff Payment in accordance with Schedule 4; and
- iii. supporting data, documents and calculations in accordance with this Agreement.



8.3 *Payment of Monthly Bills*

8.3.1 The Procurer 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 Procurer 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 Procurer 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 Procurer 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 the Procurer under this Article in a Contract Year shall not exceed Rupees Twenty Five Crores and Twenty Five Lakhs only, except under sub Article (i) above.

8.3.4 The Seller shall open a bank account at Vadodara (the "Seller's Designated Account") for all Tariff Payments to be made by Procurer to the Seller, and notify Procurer of the details of such account at least ninety (90) Days before the dispatch of the first Monthly Bill. Procurer shall also designate a bank account at Vadodara (the "Procurer's Designated Account") for payments to be made by the Seller (including Supplementary Bills) to Procurer and notify the Seller of the details of such account ninety (90) Days before the Scheduled Delivery Date. The Procurer and the Seller shall instruct their respective bankers to make all payments under this Agreement to the Seller's Designated Account or the Procurer's 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 Procurer beyond its Due Date, a Late Payment Surcharge shall be payable by such Procurer 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.

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.



- a) Two percent (2%) Rebate shall be provided for credit of payment to the Seller's account made within two (2) days of the presentation of Monthly Bill (as per REA/SEA) for the previous month.
- b) For credit to Seller's account made on other days the Rebate shall be as under:

Number of days before Due Date of Monthly Bill	Rates of Rebate applicable
28	Two percent (2.00%)
Each day thereafter up to the Due Date	Two percent (2%) less $[0.0357\% \times \{28 \text{ less number of days before Due Date when the payment is made by the Procurer(s)}\}]$

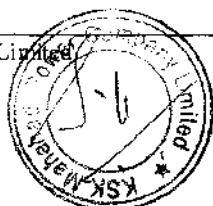
In case of presentation of Monthly Bill beyond the sixth (6th) day of the Month, two percent (2%) Rebate will be applicable only on the day of presentation of Monthly Bill and beyond that Rebate will be applicable as per the table above.

- c) In the event only part amount of Monthly Bill is credited to Seller's account, within two (2) days from presentation and the balance amount is credited to Sellers account during other days of the Month, rebate will be paid on such part amount at the rate of two percent (2%) and on balance amount at the rate of two percent (2%) minus zero point zero three five seven percent (0.0357%) per day, when the part amount is credited to Sellers' account;
- d) The above Rebate will be allowed when the Procurer credits to the Seller's account the full Monthly Bill.
- e) No Rebate shall be payable on the Bills raised on account of Change in Law relating to taxes, duties and cess;

8.4 *Payment Mechanism*

Letter of Credit:

- 8.4.1 The Procurer 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 Procurer, which may be drawn upon by the Seller in accordance with this Article. The Procurer 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 Procurer shall through a scheduled bank at Vadodara 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 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 shall restore such shortfall within seven (7) days.

- 8.4.3 The Procurer shall cause the scheduled bank issuing the Letter of Credit to intimate the Seller, in writing regarding establishing of such irrevocable Letter of Credit.
- 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 8.4.10.3.
- 8.4.5 If the Procurer fails to pay a Monthly 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 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 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 The Procurer shall ensure that the Letter of Credit shall be renewed not later than forty five (45) days prior to its expiry.
- 8.4.7 All costs relating to opening and maintenance of the Letter of Credit shall be borne by the Procurer, however, Letter of Credit negotiation charges shall be borne and paid by the Seller.
- 8.4.8 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 Procurer and the Seller.
- 8.4.9 Upon fulfilment of the conditions mentioned under Article 8.4.10.2 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.

For the avoidance of doubt it is clarified that the Seller shall not be entitled to drawdown on the Letter of Credit for any failure of the Procurer to pay a Supplementary Bill.



8.4.10 Collateral Arrangement

8.4.10.1 As a further support for the Procurers' obligations, on or prior to the Effective Date, the Procurer, the Seller and the default escrow agent 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 shall be routed and used as per the terms of the Default Escrow Agreement. The Procurer, default escrow agent and 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 Procurer 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 Procurer shall ensure that the Seller has first ranking charge on the revenues routed through the Default Escrow Account(s) and the 'Receivables' in accordance with the terms of the Agreement(s) 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 Agreement(s).

8.4.10.2 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 SEBI 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 8.4.10.2 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.

8.4.10.3 If the Letter of Credit is insufficient to pay for the due payments to the Seller or is not replenished for the drawals 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 Procurer has 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 8.5.2 and 8.5.3.

8.5.2 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 Procurer, the Seller shall have the right to offer twenty five (25) per cent of the Contracted Capacity pertaining to the Procurer ("Default Electricity") for sale to third-parties.

8.5.3 If the Collateral Arrangement is not fully restored by the Procurer within thirty (30) days of the non-payment by the Procurer of an Invoice by its Due Date, the provisions of Article 8.5.2 shall apply with respect to one hundred per cent (100%) of the Contracted Capacity. Provided that in case the events mentioned in Article 8.4.10.2 (i), (ii) and (iii) are true, then this Article 8.5.3 shall be applicable.

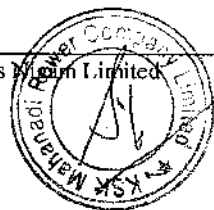
8.5.4 In the case of Article 8.5.3, the Seller shall ensure that sale of power to the shareholder(s) of the Seller or to any direct or indirect Affiliate of the Seller/ the shareholder(s) of the Seller is not at a price less than the Energy Charges.

8.5.5 In case of third party sales as permitted by this Article 8.5, the adjustment of the surplus revenue over Energy Charge 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 Procurer towards the Seller; and
- b) the surplus if any above the Tariff shall be retained by the Seller.

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

Provided such Capacity Charge payment liability shall cease on the date which occurs on the expiry of a period of thirty six (36) Months 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.



8.5.7 Sales to any person or Party, other than the Procurer, shall cease and regular supply of power to the 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 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 8.4.10.1; or
- b) the date being "x" days from the date on which the 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, or a Supplementary Bill raised by the other Party by the other party within ninety (90) days of receiving it, such Bill shall be taken as conclusive.

8.6.2 If a Party disputes the amount payable under a Monthly Bill, or a Supplementary Bill, as the case may be, that Party shall, within ninety (90) 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.

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

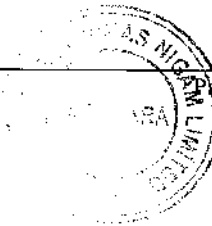
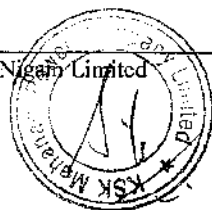
- i) reasons for its disagreement;
- ii) its estimate of what the correct amount should be; and
- iii) all written material in support of its counter-claim.

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 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 Procurer 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/SEA and in accordance with this Agreement.
- 8.7 Quarterly and Annual Reconciliation**
- 8.7.1 The Parties acknowledge that all payments made against Monthly 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 Procurer shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Seller or Procurer, 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 / State 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 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. 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 which are required to be sent as per the provisions of this Article 8, shall be sent by either Party to the other Party.



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 the Procurer or the Seller whose performance has been affected by an event of Force Majeure.

9.2.2 An event of Force Majeure affecting the CTU or any other agent of the Seller, which has affected the transmission facilities from the Injection point to the Delivery Point, shall be deemed to be an event of Force Majeure affecting Seller.

Also, an event of Force Majeure affecting the STU or any other agent of the Procurer, which has affected the transmission facilities beyond the Delivery point within the State of Gujarat, shall be deemed to be an event of Force Majeure affecting Procurer.

9.2.3 Any event of Force Majeure affecting the performance of the Seller's 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.

9.2.4 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 Procurer only if the Force Majeure event is resulting in a delay in the performance of Procurer's contractors.

9.3 Force Majeure

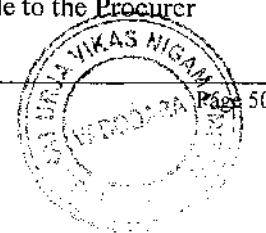
9.3.1 A 'Force Majeure' means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events 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:

i. 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.

ii. Non-Natural Force Majeure Events

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



- a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality (under the Government of Gujarat) 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 Government of Gujarat) which is directed against the supply of power by the Seller to the Procurer, 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

- a) Nationalization or compulsory acquisition by any Indian Governmental Instrumentality (other than those under the Government of Gujarat) 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 Government of Gujarat) which is directed against the supply of power by the Seller to the Procurer, 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
- 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:

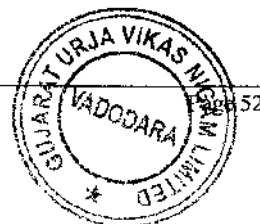
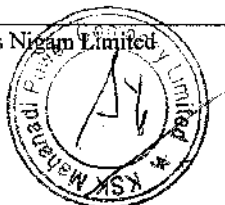
- a. Unavailability, late delivery, or changes in cost of the plant, machinery, equipment, materials, spare parts, Fuel or consumables for the Power Station;
- b. Delay in the performance of any contractor, sub-contractor or their agents excluding the conditions as mentioned in Article 9.2;
- c. Non-performance 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.

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 Procurer 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 Procurer(s) 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 Procurer;

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

- (d) If the average Availability of the Power Station is reduced below eighty percent (80%) of Normative Availability for over two (2) consecutive months or for any non consecutive period of four (4) months both within any continuous period of Twenty four (24) 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%) of Normative Availability as a result of an Indirect Non Natural Force Majeure Event of any kind, the Procurer 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 Procurer 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 from the Power Station.



Provided such Capacity Charge increase shall be determined by GERC 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 Procurer 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 twenty four (24) Months, as a result of a Direct Non Natural Force Majeure Event attributable to the Procurer, 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 Procurer, the Seller may elect through a written notice to the Procurer, 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 Procurer 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 Direct Force Majeure Event attributable to the Procurer in the form of an increase in Capacity Charge.

Provided such Capacity Charge increase shall be determined by GERC 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 Procurer 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 twenty four (24) Months, as a result of a Direct Non Natural Force Majeure Event not attributable to the Procurer, 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 Procurer, the Seller may elect through a written notice to the Procurer, 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 Procurer 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 Procurer in the form of an increase in Capacity Charge.

Provided such Capacity Charge increase shall be determined by GERC 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 Procurer had not occurred.

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) 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 Procurer 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 Procurer shall be fully subrogated to the Seller's rights against that person to the extent of the compensation paid by the Procurer to the Seller.

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



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:

For every cumulative increase/ decrease of each Rupees one point two five (1.25) lakh per MW of the Contracted Capacity in the Capital Cost during the Construction Period,



the increase/ decrease in Non Escalable Capacity Charges shall be an amount equal to zero point two six seven (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 one point two five (1.25) lakh per MW of the Contracted Capacity.

10.3.2 During Operating Period

The compensation for any decrease/increase in revenue or increase/decrease in expenses to the Seller shall be payable by Procurer only if the decrease/increase in revenue or increase/decrease 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 Procurer and the GERC 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 GERC, 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 Procurer 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 Procurer 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 Procurer contained herein shall be material.

Provided that in case the Seller has not provided such notice, the Procurer 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.

10.5 Tariff Adjustment Payment on account of Change in Law

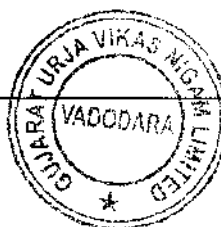
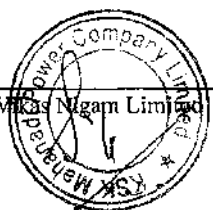
10.5.1 Subject to Article 10.2, the adjustment in monthly Tariff Payment shall be effective from:

- (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.



11 ARTICLE 11: EVENTS OF DEFAULT AND TERMINATION

11.1 *Seller Event of Default*

11.1.1 Save and except for the failure arising out of or in consequence of the Fuel Supply Agreement, 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 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 Procurer 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 from the Scheduled Delivery Date or Revised Scheduled Delivery Date, as the case may be, 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 Procurer in this regard, or
- (iii) After the Delivery Date, the Seller fails to achieve Normative Availability for a period of twelve (12) Months 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 Procurer under this Agreement, within three (3) Months after the Due Date of undisputed invoice(s) /demand raised by the said Procurer on the Seller or (b) of an amount up to Rupees One(1) crore required to be made to Procurer 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 Procurer 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
 - 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 RFP 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 Procurer in this regard; or
- (ix) except where due to any Procurer's 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 Procurer 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 Procurer.
- (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 the Procurer:

- (i) the Procurer fails to meet any of its obligations, as specified in Article 4.3; or
- (ii) the 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

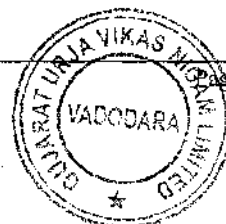
- (iii) the Procurer repudiates this Agreement and does not rectify such breach even within a period of thirty (30) days from a notice from the Seller in this regard; or
- (iv) except where due to any Seller's failure to comply with its obligations, the Procurer is in material breach of any of its obligations pursuant to this Agreement or of any of the other RFP Documents where the Procurer and the Seller are Parties, and such material breach is not rectified by the Procurer within thirty (30) days of receipt of notice in this regard from the Seller to the Procurer; or
- (v) any representation and warranties made by the Procurer in Schedule 6.1.4 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 Procurer in writing of at least thirty (30) days; or
- (vi) if
 - a Procurer 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 Procurer, or
 - a Procurer 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 Procurer 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 Procurer or such Procurer and expressly assumes all obligations of Procurer or such Procurer under this Agreement and is in a position to perform them; or;

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

11.3 *Procedure for cases of Seller Event of Default*

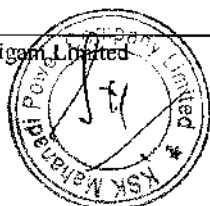
- 11.3.1 Upon the occurrence and continuation of any Seller Event of Default under Article 11.1, the Procurer shall have the right to deliver to the Seller a notice with a copy to the Appropriate Commission and the Lenders' Representative, of their intention to terminate this Agreement (Procurer Preliminary 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 Procurer 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 Procurer may require the Lenders to exercise their substitution rights and other rights provided to them, if any, under Financing Agreements and the Procurer 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. This reduction of 20% of capacity charges for the period of Seller event of default will also be applicable to a Trader being the Seller.
- 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, charges equivalent to thirty six (36) months Capacity Charges calculated at Normative Availability. Such payment shall be made by the Seller to the Procurer 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 Procurer 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 Procurer 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 8.5.2 or Article 8.5.3, as the case may be.
- 11.4.2 Without in any manner affecting the rights of the Seller under Article 11.4.1, on the occurrence of any Procurer Event of Default specified in Article 11.2 the Seller shall have the right to deliver to the Procurer, 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 Procurer 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 Procurer committing Procurer 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 thirty six (36) months from the eighth (8th) 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 Procurer.

For the avoidance of doubt, the above excess adjustment shall be applied on a cumulative basis for such period. During such period, the Seller shall use its best effort to sell the Contracted Capacity to 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. 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 and thereafter, the Procurer shall have no further Capacity Charge liability towards the Seller.

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



12 ARTICLE 12: LIABILITY AND INDEMNIFICATION

12.1 Indemnity

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

- a) any and all third party claims, actions, suits or proceedings against the Procurer 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 Procurer, 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 Procurer 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 Procurer, 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 Procurer 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 Procurer 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 Procurer of any of its obligations under this Agreement (Provided that this Article 12 shall not apply to such breaches by Procurer, 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
 - (ii) any of the representations or warranties of the Procurer 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 a 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.

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.

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 Procurer compliance with Article 12.5.1 b), indemnify and hold harmless the Procurer 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 Procurer 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 Procurer arising out of the matters referred to in Article 12.5.1 (a), the Procurer 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 Procurer of all actions taken in such proceedings or claims.
- c) If the Seller fails to notify the Procurer within twenty-eight (28) days after receipt of such notice from the Procurer under Article 12.5.1 (b) above, that it intends to attend any such proceedings or claim, then the Procurer 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 Procurer within the twenty eight (28) days period, the Procurer shall make no admission that may be prejudicial to the defence of any such proceedings or claims.
- d) The Procurer 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 Procurer, 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 Procurer 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 Procurer a notice thereof, and the Procurer 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 Procurer shall promptly notify the Seller of all actions taken in such proceedings or claims.
- c) If the Procurer 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 Procurer. Unless the 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 Procurer 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 Procurer nor 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 Procurer, the Seller or others), strict liability, contract, breach of statutory duty, operation of law or otherwise.
- 12.6.2 Procurer 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 Procurer, or any Affiliate of Procurer 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.



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 Procurer 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 11 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 11 of this Agreement; and
- 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 Procurer to release from such encumbrances all of the right, title and interest to additional compensation so as to enable the Procurer 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 as well as compensated by any person other than the Procurer for the same event.



13.2.3 Article 13.2.1 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..



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 Vadodara /Ahmedabad.

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:

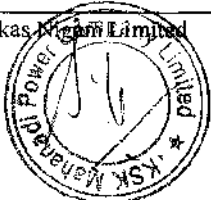
- (i) counter-claim and defences, if any, regarding the Dispute; and
- (ii) all written material in support of its defences and counter-claim.

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 Where any Dispute (i) arises 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, or (ii) relates to any matter agreed to be referred to the Appropriate Commission under Articles 4.9.1, 9.7, 10.3 and 15.2 or Clause 12.9.4 of Schedule 12 hereof, such Dispute shall be submitted to adjudication by the Appropriate Commission. Appeal against the decisions of the Appropriate Commission shall be made only as per the provisions of the Electricity Act, 2003, as amended from time to time.



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

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, 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 Vadodara. 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.



15 ARTICLE 15: MISCELLANEOUS PROVISIONS

15.1 Minimum Equity holding/ Equity Lock-In

- 15.1.1 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 .
- 15.1.2 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 percent (26%) for a period of three (3) years thereafter.
- 15.1.3 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 15.1.2.
- 15.1.4 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.
- 15.1.5 All transfers of shareholding of the Seller by any of the entities referred to above, shall be after prior written permission from the Procurer.
- 15.1.6 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 Amendment

15.2.1 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.

15.3 Third Party Beneficiaries

15.3.1 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.

15.4 Waiver

15.4.1 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:

15.4.2 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.

15.5 Entirety

15.5.1 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.

15.5.2 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 Procurer by the Seller shall stand superseded and abrogated.

15.6 Confidentiality

15.6.1 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.



15.6.2 Notwithstanding the provisions under Article 15.6.1, the Seller agrees and acknowledges that the Procurer 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.

15.7 Affirmation

15.7.1 The Seller and Procurer, 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 Procurer hereby undertake not to engage in any similar acts during the Term of Agreement.

15.8 Severability

15.8.1 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.

15.9 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.

15.10 Counterparts

15.10.1 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.

15.11 Notices

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

15.11.2 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:

Address : KSK Mahanadi Power Company Limited
8-2-293/82/A/431/A, Road No. 22, Jubilee Hills
Hyderabad 500 033



Attention : Whole-time Director
Email :
Fax. No. : 040-23559930
Telephone No. : 040-23559922 / 23 / 24 / 25

15.11.3 If to the Procurer, all notices or communications must be delivered personally or by registered post or facsimile or any other mode duly acknowledged to the address(es) below:

(i) Gujarat Urja Vikas Nigam Limited

Address : Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390007.
Attention : The General Manager (Commerce)
Email : gmtpp.guvnl@gebmail.com
Fax. No. : 0265 - 2344543
Telephone No. : 0265 - 2340504

15.11.4 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.

15.11.5 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.

15.12 Language

15.12.1 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.

15.12.2 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.

15.13 Breach of Obligations

15.13.1 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.



15.14 Nomination Restriction

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

15.15 Commercial Acts

15.15.1 The Procurer 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.

15.16 Restriction of Shareholders / Owners' Liability

15.16.1 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.

15.17 Taxes and Duties

15.17.1 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.

15.17.2 Procurer shall be indemnified and held harmless by the Seller against any claims that may be made against Procurer in relation to the matters set out in Article 15.17.1.

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

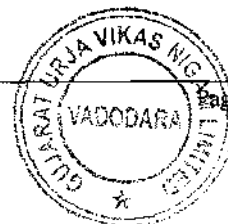
15.18 No Consequential or Indirect Losses

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

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

15.19 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.



15.20 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

15.21 Independent Entity

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

15.21.2 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 Procurer 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 Procurer.

15.22 Fraudulent and Corrupt Practices

15.22.1 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 Procurer 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 Procurer shall forfeit the bid bond, without prejudice to any other right or remedy that may be available to the Procurer hereunder or subsistence otherwise.

15.22.2 Without prejudice to the rights of the Procurer under Article 15.22.1 hereinabove and the rights and remedies which the Procurer may have under this Agreement, if a Seller is found by the Procurer 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 Procurer may terminate the Agreement without being liable in any manner whatsoever to the Seller. Further, in such an event, the Procurer shall forfeit the Contract Performance Guarantee.

15.22.3 Further, the Seller shall not be eligible to participate in any tender or RFP issued by the Procurer during a period of 2 (two) years from the date such Seller is found by the Procurer 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.



15.22.4 For the purposes of this Article 15.22, the following terms shall have the meaning hereinafter respectively assigned to them:

(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 Procurer 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 Procurer, 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 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 Procurer 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

15.23 *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.

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.



1 SCHEDULE 1: STU Interface (s)

CTU interface at the proposed 400/765 kV PGCIL pooling station to be located at District Jhanjgir-Champa in the State of Chhattisgarh



2 SCHEDULE 2: CALCULATION OF 'X' DAYS

(Refer Article 8.5.7)

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 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



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 at the interconnection point.;
- 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.



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 7 of this Agreement.
- iii) For the purpose of payments, the Tariff will be Quoted Tariff as specified in Schedule 7, 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 the Normative Availability 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.

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

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

If $CAA \geq NA$,

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

Else:

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



where:

- a) FC_m : is the Capacity Charge payment for the Month m (in Rupees)
- b) \sum_j 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 "
- c) AFC_{Cyn} is the Capacity Charge and is sum of a) Payable Escalable Capacity Charges $AEFC_{Cyn}$ and b) Payable Non Escalable Capacity Charges $ANEF_{Cyn}$ for the Month " m " in the Contract Year " n " (in Rs/ kWh) in which such month " m " occurs and computed as mentioned hereunder;
- d) $AEFC_{Cyn}$ 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:

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

where,

- i. $QAEFC_{Cyn}$ is the Quoted Escalable Capacity Charges (in Rs/ kWh) shall be taken as at the end of the previous Contract Year ($n-1$);
- ii. p is the Escalation Index as per Schedule 6 at the beginning of the Month " m " (expressed as a number);
- iii. q is the Escalation Index as per Schedule 6 (expressed as a number),
- e) $ANEF_{Cyn}$ 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;
- f) CAA is the cumulative Availability, as per REA/SEA, from the first day of the Contract Year " n " in which Month " m " occurs up to and including Month " m " (expressed in percentage);
- g) AA is the Availability, as per REA/SEA, 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);
- 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/SLDC 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:

$$MEP_m = AEOM * MEP_n$$

where:

- a) MEP_m is the Monthly Energy Charges for Month m (in Rs.);
- b) $AEOM$ 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 ($MNEEP_n$) and (iv) Payable Non Escalable Inland Transportation Charges ($MNEITP_n$) for the Contract Year "n" in which Month "m" occurs and computed as mentioned hereunder:

where:

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

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

where:



- a) 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);
- b) 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);
- c) p(EE) is the Escalation Index as per Schedule 6 at the beginning of Month “m” (expressed as a number);
- d) q(EE) is the Escalation Index as per Schedule 6 (expressed as a number)
- e) p(ET) is the Escalation Index for Inland Transportation Charges as per Schedule 6 at the beginning of Month “m” (expressed as a number);
- f) q(ET) is the Escalation Index for Inland Transportation Charges as per Schedule 6 (expressed as a number);
- g) 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
- h) 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.

4.2.4 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 percent (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) paisa /kWh, shall be allowed on the energy (in kWh) corresponding to the Availability in excess of the Normative Availability.

4.2.5 Contract Year Penalty for Availability below the 70% during the Contract Year

- 4.2.5.1 In case the Availability for a Contract Year is less than seventy percent (70%), the Seller shall pay a penalty at the rate of twenty (20%) percent 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 the seventy percent (70%) 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 Procurer.
- 4.4.2 The payment of the RLDC/ SLDC charges shall be the responsibility of the Procurer.

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 Procurer has not scheduled energy corresponding to such Minimum Off-take Guarantee during that Contract Year, then Seller will raise an invoice for the lower of the following amounts, on the Procurer, :

- 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 Procurer for all the months in that Contract Year multiplied by $(1 - X/Y)$ where:

X is the Scheduled Energy during the Contract Year (in kWh); and

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

Provided, within ten (10) days of the end of each Month after the Delivery Date, the Seller shall provide a statement to the Procurer, providing a comparison of the cumulative Scheduled Energy for all previous Months during the Contract Year with the Minimum Offtake Guarantee of the Procurer. 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 Procurer 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 Procurer exercises such right to avail Fuel equivalent to such deficit, there shall be no liability on the Procurer 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.



5 SCHEDULE 5: DETAILS OF GENERATION SOURCE AND SUPPLY OF POWER

(A) Details of generation source

Sl. No	Particulars	Details (as per Format 4.13 of the Selected Bid of Seller)			
1.	Location of power station (Specify place, district and state)	Village : Nariyara Tehsil : Akaltara District : Jhajgir-Champa State : Chhattisgarh			
2.	No. of existing/ proposed units and installed capacity of each unit (in MW)	Existing			
		Sl. No.	No. of Units	Installed Capacity	COD
		1.	NA	NA	NA
		2.	NA	NA	
		Proposed			
		Sl. No.	No. of Units	Installed Capacity (MW)	Expected COD
		1.	1	600	29 th March 2015
		2.	1	600	29 th March 2015
		3	1	600	29 th March 2015
		...		1800	
Although Wardha Power Company Limited (WPCL) is setting up 3600 MW Power Station, but we are declaring only 1800 MW (Units 3,4 & 2 (in order of commissioning)) as Power Generation Source because our offer of supply of power to Gujarat Urja Vikas Nigam Limited (GUVNL) under this bid is directly linked to Coal Supply Agreement signed with Gujarat Mineral Development Corporation Limited (GMDC) (A Government of Gujarat Enterprise). However, at all times, in line with the Coal Supply Agreement, the power supplies to GUVNL shall be after meeting the obligations of Government of Chhattisgarh / Utility.					
3.	Primary Fuel	Coal			
4.	Dates of last major R&M (unit-wise)	Applicable for existing units S No. Date 1. NA 2. NA ...			
5.	Duration of Fuel Supply Agreement(s) (FSA)	30 years from date of commencement of coal supply			
6.	Quantum of power contracted with other purchasers, if any (in MW)	706 MW			
7.	Details of surplus capacity (in MW)	1094 MW Gross Capacity (1010 MW Net Capacity)			
8.	Distance of Inland Transportation of fuel (in km)	120 km approx.			

(B) Details of primary fuel

S. No	Particulars	Details (as per Format 4.13 of the Selected Bid of Seller)
1	Primary fuel (Insert as applicable: "Domestic coal/ Imported coal/ Fuel tie up with a Central / State Government Company /	Domestic Coal

Gujarat Urja Vikas Nigam Limited



S. No	Particulars	Details (as per Format 4.13 of the Selected Bid of Seller)
	Undertaking, which has been allocated coal block by Ministry of Coal, Govt. Of India, under the government dispensation scheme / Domestic (pipeline) gas/ Imported gas (R-LNG)”)	
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)”))	Fuel tie-up with State Government Company / Undertaking, which has been allocated coal block under the government dispensation scheme
3	Fuel grade (Applicable only in case of coal)	F – Grade
4	Name of the CIL subsidiary from which coal is proposed to be sourced or name and location of the captive coal mine (as applicable)	NA However, Coal Supply agreement entered into with Gujarat Mineral Development Corporation Limited; State Government Enterprise, which has been allocated coal blocks under the government dispensation scheme by the Ministry of Coal, Government of India
6	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)	NA

(c) Details of Hydel Plants

S. No	Particulars	Details (as per Format 4.13 of the Selected Bid of Seller)
1	Location	NA
2	Design Energy (please attach certificate of design energy from a competent authority)	NA
3	Annual PLF based on design energy	NA

(d) Details of Power Supply

s. no.	Particular	
1	Nature of Load	Base load



6 SCHEDULE 6: ESCALATION INDEX

- 6.1.1 The index ("Escalation Index") to be applied for escalation of Quoted Escalable Capacity Charges shall be computed on the Scheduled delivery date or Revised Scheduled Delivery Date as the case may be, the value of such Escalation index is 100.

The index ("Escalation Index") to be applied for escalation of 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 (, 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:

- a) Quoted Escalable Capacity Charges;
- b) Quoted Escalable Energy Charges separately for captive-coal based, linkage based coal, imported coal, domestic (pipeline) gas and imported R-LNG;
- c) Quoted Escalable Inland Transportation Charges (except for hydro-electric plants);
- d) Quoted Escalable Overseas Transportation Charges, separately for imported coal and imported R-LNG; and
- e) 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 Procurer 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.



SCHEDULE 7: REPRESENTATION AND WARRANTIES

6.2 *Representations and Warranties by the Procurer)*

6.2.1 The 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

- i) The Procurer has all requisite powers and has been duly authorized to execute and consummate this Agreement;
- ii) This Agreement is enforceable against the Procurer in accordance with its terms;
- iii) The consummation of the transactions contemplated by this Agreement on the part of the Procurer 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 Procurer is a party or to which the Procurer is bound, which violation, default or power has not been waived;
- iv) The Procurer is not insolvent and no insolvency proceedings have been instituted, nor threatened or pending by or against the Procurer;
- 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 Procurer 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 Procurer 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 Procurer exceeds the additional demand forecast for the next three (3) years, the Procurer 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.

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

6.3 *Representation and Warranties of the Seller*

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

- 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.
- 6.3.2 The Seller makes all the representations and warranties above to be valid as on the date of this Agreement.
- 6.3.3 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 Procurer shall have the right to terminate this Agreement in accordance with Article 11 of this Agreement.



7 SCHEDULE 8: QUOTED TARIFF

Contract Year	Commence Date of Contract Year	End Date of Contract Year	Quoted Non Escalable Capacity Charges	Quoted Escalable Capacity Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Transportation Charges	Quoted Escalable Transportation Charges
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	Scheduled Delivery Date	31st March	1.360	0.000	0.520	0.000	-	-	0.100	0.000
2	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
3	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
4	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
5	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
6	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
7	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
8	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
9	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
10	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
11	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
12	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
13	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
14	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
15	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
16	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
17	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
18	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
19	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
20	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
21	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above



PPA for long term power procurement under Case-1

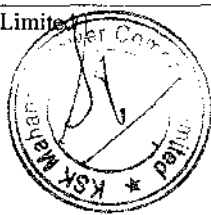
Contract Year	Commence Date of Contract Year	End Date of Contract Year	Quoted Non Escalable Capacity Charges	Quoted Escalable Capacity Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Inland Transportation Charges	Quoted Escalable Inland Transportation Charges
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
22	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
23	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
24	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
25	1-Apr	31st March	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above
26	1-Apr	Last Anniversary of the Contract Period	1.360	Same as above	0.520	Same as above	-	Same as above	0.100	Same as above

NOTE: Column No. 8 and Column No. 9 not applicable for this agreement.



**8 SCHEDULE 9: FORMAT OF THE CONTRACT PERFORMANCE
GUARANTEE**

The Contract Performance Guarantee is Attached.



9 SCHEDULE 10: SELECTED BID

The Bid of the Successful Bidder is attached.



9 SCHEDULE 10: SELECTED BID

The Bid of the Successful Bidder is attached.



10 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

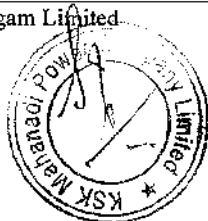
1. Allahabad Bank
2. Andhra Bank
3. Bank of India
4. Bank of Maharashtra
5. Bank of Baroda
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab National Bank
14. Punjab and Sind Bank
15. Syndicate Bank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



19. Vijaya Bank

Scheduled Private Banks

- 1 ICICI Bank Ltd.
- 2 HDFC Bank Ltd.
- 3 IDBI Bank Ltd
- 4 Axis Bank



11 SCHEDULE 12: SUBSTITUTION RIGHTS OF THE LENDERS

11.1 *Substitution of the Seller*

11.1.1 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.

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

11.2 *Procurer's Notice of Default*

11.2.1 The Procurer, who serves the Preliminary Default Notice on the Seller as per this Agreement, shall simultaneously also issue a copy of the same to the Lenders.

11.3 *Substitution Notice*

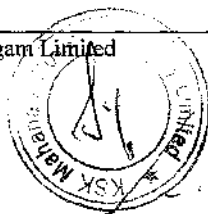
11.3.1 In the event of failure of the Seller to rectify the Seller Event of Default giving rise to Preliminary Default Notice and on receipt of a copy of the Termination Notice by the Procurer, the Lenders, either on their own or through its representative (the "**Lenders' Representative**") shall be entitled to notify the Procurer 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**").

11.4 *Interim operation of Power Station*

11.4.1 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 11 of this Agreement.

11.4.2 On issue of a Substitution Notice, the Lenders shall have the right to request the Procurer 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 Procurer. If the Procurer, 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 Procurer shall be compensated for rendering such services in accordance with Clause 11.9.4 of this Schedule.

11.4.3 If the Procurer refuse to takeover the Power Station on request by the Lenders in accordance with Clause 11.4.2 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.



11.4.4 The Lenders and the Procurer 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.

11.5 *Process of Substitution of Seller*

11.5.1 The Lenders' Representative may, on delivery of a Substitution Notice notify the Procurer 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 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 Procurer, in accordance with these terms of substitution.

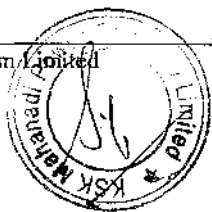
11.5.2 The Lenders and the Seller shall ensure that, upon the Procurer approving the Selectee, the Seller shall transfer absolutely and irrevocably, the ownership of the Power Station to such Selectee simultaneously with the amendment or novation of the PPA and other RFP Documents executed between the Seller and the Procurer in favour of the Selectee as mentioned in Clause 11.1.2 of this Schedule.

11.6 *Modality for Substitution*

Criteria for selection of the Selectee

11.6.1 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 Procurer 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;
- (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 the Procurer, involving sums greater than Rupees twenty (20) crore 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.



11.7 Modalities

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

11.7.2 The Lenders' Representative shall on behalf of the Lenders propose to the Procurer (the "Proposal") pursuant to Clause 11.7.3 below, the name of the Selectee for acceptance, seeking:

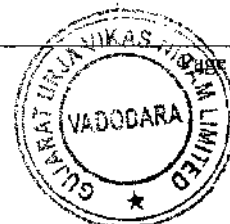
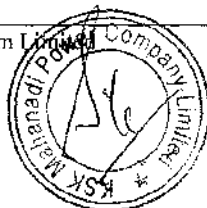
- (a) grant of all the rights and obligations under the PPA and the other RFP Documents executed between the Procurer and the Seller, to the Selectee (as substitute for the Seller);
- (b) amendment of the PPA and the other RFP Documents executed between the Procurer and the Seller, to the effect that 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 Procurer 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.

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

11.7.4 The Proposal shall be accompanied by an unconditional undertaking by the Selectee that it shall, upon approval by the Procurer 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 Procurer 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
- (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 Procurer as if such Selectee was the Seller originally named under such Financing Agreements.

11.7.5 At any time prior to taking a decision in respect of the Proposal received under Clause 11.7.2, the Procurer may require the Lender/ Lenders' Representative to satisfy it as to the eligibility of the Selectee. The decision of the Procurer as to acceptance or rejection of the Selectee, shall be made reasonably and when made shall be final, conclusive and binding on the Parties.



11.7.6 The Procurer shall convey their approval or disapproval of such Proposal, to the Selectee. Such decision shall be made by the Procurer at their reasonably exercised discretion within twenty one (21) days of:

- (a) the date of receipt of the Proposal by the Procurer; 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 Procurer under Clause 11.7.3 above is received;

whichever is later.

Notwithstanding anything to the contrary mentioned in this Agreement, the approval of the Procurer for the Selectee shall not be withheld in case the Selectee meets the criteria mentioned in Clause 11.6.1.

11.7.7 Upon approval of the Proposal and the Selectee by the Procurer, the Selectee mentioned in the Proposal shall become the Selectee hereunder.

11.7.8 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.

11.7.9 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, Procurer 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 Procurer and upon transfer of ownership and complete possession of the Power Station by the Procurer or the Seller, as the case may be, to the Selectee. The Procurer 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 Procurer shall in no way be responsible to bear the same.

11.7.10 Upon the substitution becoming effective pursuant to Clause 11.7.9 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 Procurer or any claim of the Procurer against the erstwhile Seller or the Selectee.

11.7.11 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.



- 11.7.12 The decision of the Lenders and the Procurer 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.
- 11.7.13 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 Procurer shall not be liable for the same.
- 11.7.14 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.

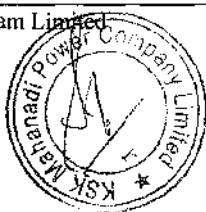
11.8 Seller's Waiver

- 11.8.1 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 Procurer or exercise of their rights under and in accordance with these terms.
- 11.8.2 The Seller irrevocably agrees and consents (to the extent to which applicable law may require such consents) that from the date specified in Clause 11.7.10, it shall cease to have any rights under the PPA or the Financing Agreements other than those expressly stated therein.
- 11.8.3 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 Procurer. 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.

11.9 Interim Protection Of Service And Preservation Of Security

Appointment of a Receiver

- 11.9.1 In every case of the Lenders issuing a Substitution Notice and the Procurer refusing to takeover the Power Station and the Seller failing to operate the Power Station in accordance with Clause 11.4.3 and the Procurer not electing to act as Receiver as per Clause 11.9.2 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.
- 11.9.2 If the assets of the Power Station are, in the opinion of the Procurer, necessary and required for the operation and maintenance of the Power Station, the Procurer 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 Procurer 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 Procurer to facilitate the same.

11.9.3 Upon appointment of the Court appointed Receiver or the Procurer acting as Receiver, all the Receivables received by such Receiver shall be deposited by the Receiver in the bank account jointly designated by the Procurer 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.

11.9.4 When acting as a Receiver or operator in accordance with Clauses 11.9 or 11.4.2, Procurer shall be entitled to be remunerated for such services as may be determined by the Appropriate Commission. Furthermore, when acting as a Receiver, the Procurer 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 willful default of the Procurer.

11.10 Substitution Consideration

11.10.1 The Lenders and Procurer 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.

11.10.2 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.

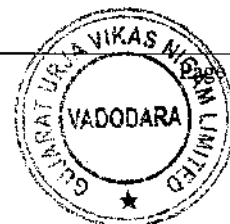
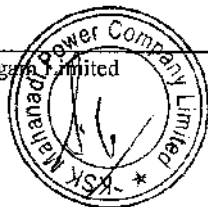
11.11 Change in the Procurers or Lenders

11.11.1 The Parties hereto acknowledge that during the subsistence of the PPA, it is possible that any Procurer may cease to be a party to this Agreement by reason of termination of PPA vis-à-vis such Procurer 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 Procurer 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 Procurer 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.



12 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)



13 SCHEDULE 14: COPY OF FUEL SUPPLY AGREEMENT

Gujarat Urja Vikas Nigam Limited





ANDHRA BANK
(A Govt. of India Undertaking)
Specialized Corporate Finance Branch

3rd Floor, 6-3-648, Padmaja Land Mark, Somajiguda, Hyderabad - 500 082
Ph.: 040 - 23421174 / 23421158 Fax: 040 - 23421176 E-mail: bmhyd1006@andhrabank.co.in

Lr.NO.1006/1/213.

Dated : 10.05.2010.

To
The Chief Finance Manager (Com)
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course,
Vadodara-390 007.

Dear Sir,

We hereby confirm having issued the following guarantee in your favour on behalf of our customer M/s.KSK Mahanadi Power Company Limited

Bank Guarantee No.	Date of Issue	Amount	Valid till	Claim till
100610IGPER0046	10.5.2010	Rs.303,00,00,000/-	30.7.2015	29.8.2015

This is for your kind information.

For Andhra Bank,

J. Murali Krishna

(J. Murali Krishna)
Chief Manager.





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Date: 9th January 2010

To

Mr. K P Jangid
Chief Finance Manager (Commerce)
Gujarat Urja Vikas Nigam Limited (GUVNL)
Sardar Patel Vidyut Bhavan
Race Course, Vadodara-390 007

Sir,

Sub: **GVUNL's RFP No.01/LTPP/2009 for procurement of power for 'Long Term' under Case - I Bidding Procedure through tariff based competitive bidding.**

This has reference to the captioned subject.

As required under sub clause xii of clause 2.4.1.1 of aforesaid RFP, enclosed please find the initialed RFP Documents along with our Non-Financial Bid. Please note that the terms and conditions contained in the enclosed Power Purchase Agreement are accepted subject to the terms and conditions contained in the Coal Supply Agreement (CSA) being incorporated in the Power Purchase Agreement.

Specifically, the terms of the CSA need to be included in the proposed PPA to be entered into in pursuance of this bid since the supply of power under this bid is based on power to be generated out of the coal mined from Morga-II coalfield and to be supplied by GMDC under the CSA.

This is for your information please,

Thanking you,

Yours faithfully,
For Wardha Power Company Limited


S Kishore
Wholtime Director

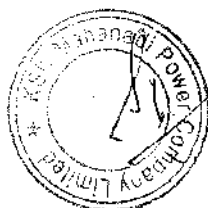


Encl : as stated above



I N D E X

1	Covering Letter (as per Format 4.1 of RFP)
2	Original Power of Attorney (as per Format 4.2 (a) of RFP)
3	Bidder's composition and ownership structure (as per Format 4.5 of RFP)
	Authorisation along with List of Bankers
4	Details for meeting Qualification Requirement (as per Format 4.6A of RFP) and Certificate from the Statutory Auditors of M/s.KSK Energy Ventures Limited, Parent company of Wardha Power Company Limited (Bidder) along with Last Three Financial Years' unconsolidated audited annual accounts, duly certified by the Statutory Auditors.
5	Details for meeting Qualification Requirement (as per Format 4.6 B of RFP) along with necessary supporting documents, mentioned therein.
6	Bidder's Undertaking from Wardha Power Company Limited (as per Format 4.7 of RFP)
7	Undertaking from the Financially Evaluated Entity i.e. KSK Energy Ventures Limited, Parent Company of Wardha Power Company Limited (as per Format 4.7 B of RFP)
8	Board Resolution from Wardha Power Company Limited duly certified by the Company Secretary (as per Format 4.8 of RFP)
9	Board Resolution from KSK Energy Ventures Limited duly certified by the Company Secretary (as per Format 4.8 of RFP)
10	Bid Bond for Rs.151.50 Crores from Andhra Bank Limited (as per Format 4.9 of RFP)
11	Checklist for submission of Bid (as per Format 4.11 of RFP)
12	Disclosure from Wardha Power Company Limited (as per format 4.12 of RFP)
13	Details of Generation source and the primary fuel (as per Format 4.13 of RFP)
14	Certificate of relationship of Parent Company with the Bidding Company (as per Format 4.14 of RFP)
15	Initialled RFP Documents:
	a) Power Purchase Agreement
	b) Default Escrow Agreement
	b) Agreement to Hypothecate cum Deed of Hypothecation



Sb





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaitara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

COVERING LETTER

Date: 9th January 2010

From: Wardha Power Company Limited
8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad - 500 033, India

Tel. : +91 40 23559922 - 25
Fax : +91 40 23559930
E-mail address : kishore@ksk.co.in

To

Mr. K P Jangid,
Chief Finance Manager (Commerce)
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara-390 001

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 22/06/2009 with bid specification no. GUVNL/01/LTPP/2009

Dear Sir,

We, the undersigned Wardha 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 Procurer 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.



[Handwritten signature]



At the outset, this bid is being made in pursuance of Article 8.9(a) of the Fuel Supply Agreement dated 16th Nov 2006 and the subsequent amendments dated 21st April 2007, 31st August 2007 and 4th July 2009 (Collectively referred to 'the Coal Supply Agreement' or 'CSA') entered into between Gujarat Mineral Development Corporation, KSK Energy ventures Limited and Wardha Power Company Limited under which GUVNL is the nominated person to be offered power in terms thereof (Copies of the CSA attached). Subsequent to the invitation of bids by GUVNL, GMDC has directed us to participate and submit our bid vide letter no. GMDC/P,R&D/618/09-10/11468 dated 6th July 2009 and letter no. GMDC/P,R&D/851/09-10 dated 24th December 2009 (Copies of which are enclosed). Accordingly, not withstanding anything to the contrary in this bid document including undertakings, Draft PPA and obligations thereto etc, the terms of the CSA shall govern the basis of PPA in pursuance of the RFP and shall at all times be read with as an integral part of this bid document. Specifically, the terms of the CSA need to be included in the proposed PPA to be entered into in pursuance of this bid since the supply of power under this bid is based on power to be generated out of the coal mined from Morga-II coalfield and to be supplied by GMDC under the CSA. GMDC has now, vide enclosed letter no. GMDC/P,R&D/874/09-10 dated 4th January 2010, has indicated tentative time schedule for mining of coal from Morga-II coalfield.

1. We give our acceptance to the RFP, dated 22/06/2009 and RFP Documents attached thereto, issued by the Procurer, as amended, subject to fulfillment of terms, conditions and obligations by Gujarat Mineral Development Corporation under the Coal Supply Agreement. In token of our acceptance to the RFP Documents, the same have been initialed 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, subject to the fulfillment of terms, conditions and obligations by Gujarat Mineral Development Corporation under the Coal Supply Agreement.

2. Bid Bond

We have enclosed a Bid Bond of Rs 151.50 Crores (Rupees One Hundred and Fifty One Crores and Fifty Lakhs only), in the form of Bank Guarantee No.1006101GFIN0004 dated 08th January 2010 as per Format 4.9 from Andhra Bank and valid up to 31st July 2010 in terms of Clause 2.12 of this RFP. The offered quantum of power by us is 1010 MW.



[Handwritten signature]
11/1/10

[Handwritten signature]
11/1/10

3. We have submitted our Financial Bid strictly as per Format 4.10 of this RFP, without any deviations, conditions save for such provisions as are considered necessary in view of the Coal Supply Agreement 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 Procurer 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 : S Kishore
Designation : Wholetime Director
Company : Wardha Power Company Limited
Address : 8-2-293/82/A/431/A, Road No.22,
Jubilee Hills, Hyderabad – 500 033
Phone Nos. : +91 40 23559922 - 25
Fax Nos. : +91 40 23559930
E-mail address : kishore@ksk.co.in

- i. 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 + one (1) copies (duly attested) as desired by you in the RFP for your consideration.



- ii. It is confirmed that our Bid is consistent with all the requirements of submission as stated in the RFP and subsequent communications from the Procurer save for such provisions as are considered necessary in view of the Coal Supply Agreement.
- iii. The information submitted in our Bid is complete, strictly as per the requirements stipulated in the RFP save for such provisions as are considered necessary in view of the Coal Supply Agreement and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Bid.
- iv. 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.
- v. We confirm that we have not taken any deviation save for the terms and conditions contained in the Coal Supply Agreement so as to be deemed non-responsive with respect to the provisions stipulated in Clause 2.4.1, of this RFP.
- vi. 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 five (5) years 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 five (5) years from the Bid Deadline to any licensee in India as per the provisions of Clause 2.1.8.

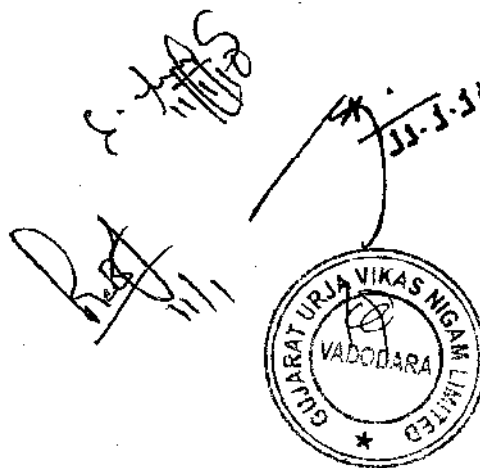
Dated the 9th January, 2010

Thanking you,

We remain,

Yours faithfully,
For Wardha Power Company Limited


S Kishore
Wholetime Director





GMDC/P,R&D/618/09-10 / 11468

July 06, 2009

Fax No : 040 23559930

M/s. KSK Energy Ventures Pvt. Ltd.
431/A, Road No : 22,
Jubilee Hills,
HYDERABAD

Sub : Participation in competitive bids invited by GUVNL for procurement of 3000 MW (\pm 20%) power on long term basis under Case-1

Dear Sirs,

M/s. Gujarat Urja Vikas Nigam Limited (GUVNL) have published an advertisement on 19/6/2009 in three National Dailies, inviting competitive bids for procurement of 3000 MW (\pm 20%) power on long term basis under Case-1. A copy of their letter dated 26/6/2009 received to this effect, is enclosed, which is self explanatory.

As per the Government directives communicated to you vide our letter No. GMDC/PR&D/402/08-09 dated 24/3/2009, GMDC will supply you the coal from Morga-II Coal Block for setting up of 1750 MW power project as stipulated in the FSA. After meeting with necessary power requirement of Chhatisgarh State, full generation of power shall be committed to GUVNL. No Merchant sale is to be allowed to any one else. Hence, you are requested to participate in the bid invited by GUVNL. To download the bidding documents, you may please visit their website www.guvnl.com.

Thanking you,

Yours faithfully,
For GMDC Limited,

A.L. THAKOR
General Manager (P,R&D)

Encl : as stated.

EXCERPT FROM (P,R&D) GUVNL TENDER BIDDING-07-09 PARTICIPATION IN BID BY POWER DEVELOPERS.doc

GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad 380 052, INDIA

Phone : (079) 2791 2284 / 2791 2350 / 2791 3200 / 2791 3501 Fax : 079-2791 2195

Direct : 2791 0096, email : tech@gmdcltd.com Website : www.gmdcltd.com



GUJARAT URJA VIKAS NIGAM LIMITED

Sardar Patel Vidyut Bhavan, Race Course, Vadodara 390007

Tele. No. : 0265-2310582 to 86 (PBX)
Fax : 0265-2344543, 2337918

Ref. No.: GUVNL : GM (Com.) : 1072
Date: 26/6/09

To,
Managing Director,
Gujarat Mineral Development Corporation Ltd.
Khanij Bhavan, University Ground,
Nr. Manav Mandir Char Rasta
Off. 132 ft. Ring Road, Vastapur,
Ahmedabad - 380 052.

Fax No. 079 - 27911454

Sub: Advertisement for inviting Competitive Bids for procurement of 3000 MW (\pm 20%) power on Long Term Basis by GUVNL under Case-I

Dear Sir,

This has reference to our letters dated 6th March, 2009 and 4th April, 2009, regarding initiating fresh Competitive Bidding Process for tying up power from the projects to be developed based on the Coal blocks / mines allocated to GMDC at the tariff committed by project developers to GMDC, once the allocation of coal mines / blocks is decided by the State Government.

In this regard, GUVNL has advertised for inviting offers from interested parties for supply of 3000 MW (\pm 20%) power on Long Term Basis through Competitive Bidding Process. The advertisement has been published in three National dailies and two vernacular dailies on 19th June, 2009.

You are therefore, requested to kindly impress upon the project developers to whom GMDC has agreed to supply coal from the mines allocated to it, to participate in GUVNL's bidding process by downloading the bidding documents from GUVNL web-site www.guvnl.com and offer the agreed capacity & tariff committed by such project developers to GMDC.

Thanking you,

Yours faithfully,


(L. Chuaungo)
Managing Director

MD
GMLPDD

MD
29/06



Sh. Kirm

172



GMDC/P,R&D/851/09-10

December 24, 2009

Fax No : 040 23559930

M/s. KSK Energy Ventures Pvt. Ltd.
431/A, Road No : 22,
Jubilee Hills,
HYDERABAD

Sub : Submission of RFP document against competitive bid No. 01/LTPP/2009 invited by GUVNL for procurement of 3000 MW (\pm 20%) power on long term basis under Case-1

Ref : Our letter No. GMDC/P,R&D/618/09-10 dated 6/7/2009

Dear Sirs,

We have received letter dated 22/12/2009 through fax from M/s. Gujarat Urja Vikas Nigam Limited (GUVNL) informing that you have been registered with them for participation in their subject bid invited by them. However, no RFP from your end to this effect has since been received by them till date.

Vide our letter referred to above, we had requested you for participation in the bid invited by GUVNL in view of Government directives (communicated to you vide our letter No. GMDC/PR&D/402/08-09 dated 24/3/2009) that GMDC will supply you the coal from Morga-II Coal Block for setting up of 1750 MW power project as stipulated in the FSA. After meeting with necessary power requirement of Chhattisgarh State, full generation of power shall be committed to GUVNL. No Merchant sale is to be allowed to any one else.

Since the last date for submission of RFP is on or before 11/1/2010, you are requested to kindly submit your bid to GUVNL well within stipulated time period.

Thanking you,

Yours faithfully,
For GMDC Limited,

A.L. Thakor
A.L. THAKOR
General Manager (P,R&D)

Copy fws. for information, to -

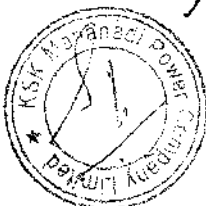
Shri S. B. Khyalia, ED (F), GUVNL, SPV Bhavan, Race Course, Baroda 390 007

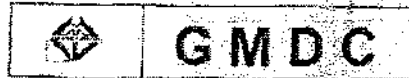
FORCES OF R&D/TECH/ENERGY/24-04-09 TO CLARIFY ON 01/09/2009 REPORT 11-11-10 BY POWER DEVELOPMENT

GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vashtapur, Ahmedabad 380 052, INDIA
Phone : (079) 2791 2284 / 2791 2360 / 2791 3200 / 2791 3501 Fax : 079-2791 2185
Direct : 2791 0036, email : tech@gmdcltd.com Website : www.gmdcltd.com





GMDC/P,R&D/674/09-10

January 04, 2010

Fax No. 040-23559930

The Director
KSK Energy Ventures Pvt. Ltd.
8-2-283/82/A/431/A
Road No 12
Jubilee Hills
HYDERABAD (AP) 500 033

Sub : Tentative schedule for supply of Coal from Morga-II Coal Block.

Dear Sir,

With reference to your meeting with our Managing Director and as requested by you, please find appended hereto the tentative schedule for supply of coal from Morga-II coal Block, for further necessary action at your end. However, you would kindly appreciate that maintenance of time schedule ultimately depends on the mandatory permissions to be received from Govt. of India.

Thanking you,

Yours faithfully,
For GMDC Limited,


A.L. THAKOR
General Manager (P.R&D)

Encl : as stated.

GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED

(A Government of Gujarat Enterprise)

Khanij Bhavan, 132 FT. Ring Road, Near University Ground, Vastrapur, Ahmedabad 380 052, INDIA.
Phone : (079) 2791 2284 / 2791 2350 / 2791 3200 / 2791 3501 Fax : 079-2791 2195
Direct : 2791 0096, email : tech@gmdcltd.com Website : www.gmdcltd.com



CHRONOLOGY MORGA -II

Sr. No	Activity	Morga - II
1	Block allotment by GOI to GMDC	02/08/2006
2	PL applied	01/12/2006
3	PL approval received	16/02/2009
4	Survey work completed	25/08/2007
5	FCA applied for Exploration	03/01/2007
6	FCA to be received	
7	Receipt of GR	24/01/2008
8	Exploration agency finalised and issued LOI to M/s. Adani Mining Company	10/11/2009
9	Work Order for appointment of consultant for MDO issued to M/s. aXYKno Capital Services Limited, Nagpur	28/11/2009
10	Exploration for preparation of GR to start (awaiting permission under FCA from MoEF)	
11	GR preparation	3 months after exploration likely June 10
12	MDO tender for advertisement	Feb. 10
13	MDO appointment	31/03/2010
14	Activities	
	i) Mining plan preparation & approval	March 2011
	ii) Infrastructure facility Road / Building etc.	April 10 to March 11
	iii) Land acquisition	April 10 to March 12
	iv) Environment clearance	April 10 to March 12
	v) FCA application for diversion of Forest land for mining & diversion of land	April 10 to March 13
	vi) R & R	April 10 to March 13
	vii) Mining Operation	
	a) Deployment of equipment	Dec-13
	b) Actual mining operation	March 14

FROM : KSK Mahanadi Power Corporation Ltd





ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

SI No: 37609 Date: 26/11/09 Rs: 100/-

Sold to: J. Krishna S/o J. Ramaiah. R/o Hyd.

For Whom: Wardha power Company Limited., Hyd.

K. RAMADEVI

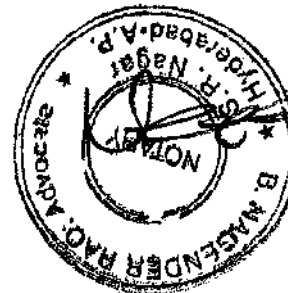
Stamp Vendor, L No: 2798

Renewal L No: 13/2007

S.No: 6-1-543, Near Railway Gate
Khairatabad, Hyderabad-500 004

POWER OF ATTORNEY

Know all men by these presents, We Wardha Power Company Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, do hereby constitute, appoint and authorize Mr. S Kishore, residing at B3, Subhagya apartments, Gagan Mahal Colony, Domalguda, Hyderabad – 500 029, who is presently employed with us and holding the position of Wholtime Director as our true and lawful attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to submission of our Bid for supply of power on long term basis through tariff based competitive bidding process for meeting the requirements of Gujarat Urja Vikas Nigam Limited (hereinafter referred to as the "Procuer") in the country of India in response to the RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009 issued by the Procuer, including signing and submission of the Bid and all other documents related to the Bid, including but not limited to undertakings, letters, certificates, acceptances, clarifications, guarantees or any other document which the Procuer may require us to submit. The aforesaid Attorney is further authorized for making representations to the Procuer, and providing information / responses to Procuer, representing us in all matters before the Procuer, and generally dealing with the Procuer in all matters in connection with our Bid till the completion of the bidding process as per the terms of the RFP.



We hereby agree to ratify all acts, deeds and things done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall be binding on us and shall always be deemed to have been done by us.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RFP.

Signed by the within named
Wardha Power Company Limited
through the hand of
Mr. K A Sastry
duly authorized by the Board to issue such Power of Attorney

Dated this 6th day of January 2010

Accepted

Signature of Attorney
S. Kishore
Wholtime Director
Wardha Power Company Limited
8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033



Attested

(Signature of the executant)
K. A. Sastry
Wholtime Director
Wardha Power Company Limited
8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033



ATTESTED

B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

Signature and stamp of Notary of the place of execution



Common seal of Wardha Power Company Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated 26th December, 2009



[Handwritten signature]

WITNESS

1. *[Handwritten signature]*
(Signature)

Name ... *Vikrant Mohabe* ...

Designation... *Assistant Manager (HR)* ...

2. *[Handwritten signature]*
(Signature)

Name ... *Sankalp Dubey* ...

Designation... *Executive - HR* ...



ATTESTED

B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

6 JAN 2010



[Handwritten signature]



ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

SI No: 87609 Date: 26/11/09 Rs: 100/-

Sold to: J. Krishna S/o J. Ramaiah. R/o Hyd.

For Whom: Wardha power Company Limited., Hyd.

299640

K. RAMADEVI

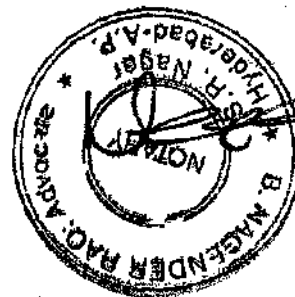
Stamp Vendor, L. No: 2/98

Renewal L. No: 13/2007

S.No: 8-1-543, Near Railway Gate
Khairatabad, Hyderabad-500 004

POWER OF ATTORNEY

Know all men by these presents, We Wardha Power Company Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, do hereby constitute, appoint and authorize Mr. S Kishore, residing at B3, Subhagya apartments, Gagan Mahal Colony, Domalguda, Hyderabad – 500 029, who is presently employed with us and holding the position of Wholtime Director as our true and lawful attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to submission of our Bid for supply of power on long term basis through tariff based competitive bidding process for meeting the requirements of Gujarat Urja Vikas Nigam Limited (hereinafter referred to as the "Procurer") in the country of India in response to the RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009 issued by the Procurer, including signing and submission of the Bid and all other documents related to the Bid, including but not limited to undertakings, letters, certificates, acceptances, clarifications, guarantees or any other document which the Procurer may require us to submit. The aforesaid Attorney is further authorized for making representations to the Procurer, and providing information / responses to Procurer, representing us in all matters before the Procurer, and generally dealing with the Procurer in all matters in connection with our Bid till the completion of the bidding process as per the terms of the RFP.



We hereby agree to ratify all acts, deeds and things done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall be binding on us and shall always be deemed to have been done by us.

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RFP.

Signed by the within named
Wardha Power Company Limited
through the hand of
Mr. K A Sastry
duly authorized by the Board to issue such Power of Attorney

Dated this 6th day of January 2010

Accepted

Signature of Attorney
S. Kishore
Wholetime Director
Wardha Power Company Limited
8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033



Attested

(Signature of the executant)
K. A. Sastry
Wholetime Director
Wardha Power Company Limited
8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033



ATTESTED
B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

Signature and stamp of Notary of the place of execution



Common seal of Wardha Power Company Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated 26th December, 2009



[Handwritten signature]

WITNESS

1.

(Signature)

Name Vikrant Mohabe

Designation Assistant Manager (HR)

2.

(Signature)

Name Bankalp Dubey

Designation Executive - HR



ATTESTED
[Handwritten signature]
B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

6 JAN 2010



[Handwritten signature]





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF WARDHA POWER COMPANY LIMITED AT THEIR MEETING HELD ON 26TH DECEMBER, 2009 AT 1000 HOURS AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 8-2-293/82/A/431/A, ROAD NO.22, JUBILEE HILLS, HYDERABAD - 500033

ISSUE OF POWER OF ATTORNEY IN FAVOUR OF MR. S. KISHORE FOR SUBMISSION OF BID TO GUJARAT URJA VIKAS NIGAM LIMITED (GUVNL)

"RESOLVED THAT approval of the Board be and is hereby accorded to execute the Power of Attorney in favour of Mr. S. Kishore, Wholetime Director of the Company for the purpose of submitting and signing Bid documents to Gujarat Urja Vikas Nigam Limited (GUVNL).

RESOLVED FURTHER THAT Mr. S. Kishore, Wholetime Director, be and is hereby authorised to sign and execute all deeds/ documents and undertakings as may be necessary in connection with submission of Bid documents including amendments if any and represent the Company before the Government Authorities or any other Statutory Authorities as may be necessary for the purpose of submitting of Bid documents to GUVNL on such terms and conditions as he may consider beneficial and in the interest of the Company.

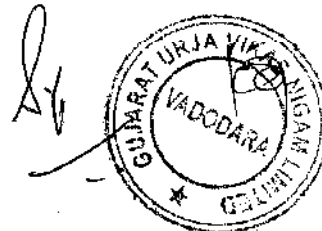
RESOLVED FURTHER THAT Power of Attorney, as per draft, place before the meeting and initialed by the Chairman for the purpose of identification, be executed for this purpose in favour of Mr. S. Kishore, Wholetime Director and Mr. K.A. Sastry, Wholetime Director be and is hereby authorized to sign on behalf of the Company."

//Certified Copy//

For Wardha Power Company Limited




Company Secretary



BIDDER'S COMPOSITION AND OWNERSHIP STRUCTURE

- **Corporate Details:**

Please provide the following information for the Bidder.

a. Company's Name, Address, Nationality and Director's details:

Name: Wardha Power Company Limited

Registered/Principal Address: 8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033

Website Address: www.ksk.co.in

Corporate Identification Number, if any: U40109AP2005PTC47917

Country of Origin: INDIA

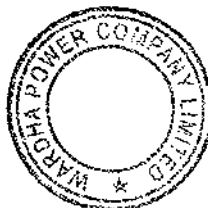
Address for Correspondence: 8-2-293/82/A/431/A, Road No.22
Jubilee Hills, Hyderabad – 500 033
Ph: +91 40 23559922 -25
Fax: +91 40 23559930

Director's Details:

1) Mr. K. A. Sastry
S/o. Late Dr. K. Venkateswara Rao

Date of Birth: 02/08/1959
Designation: Wholetime Director
Director Identification Number: 00006586
Residential Address: 84, Siddhartha Nagar,
P.O Vengal Rao Nagar,
Hyderabad – 500 038

Office Address: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad – 500 033



2)

Mr. S. Kishore
S/o. (Late) Shri N. S. Sethuraman

Date of Birth: 23/06/1962
Designation: Wholetime Director
Director Identification Number: 00006627

Residential Address: B3, Subhagya apartments,
Gagan Mahal Colony, Domalguda
Hyderabad – 500 029

Office Address: 8-2-293/82/A/431/A,
Road No.22, Jubilee Hills,
Hyderabad – 500 033

3)

Shri A. K. Agarwal
S/o. Shri Gopal Agarwal,

Date of Birth: 30/05/1960
Designation: Director
Director Identification Number: 02231613

Residential Address: C-154, Vivek Vihar
New Delhi-110 095

Office Address: Rural Electrification Corporation Limited,
Core – 4, SCOPE Complex, 7, Lodi Road,
New Delhi – 110003

4)

Shri R Ramesh Kumar
S/o. (Late) Sri Ramakrishnan Ramaiyer Thimmarajapuram

Date of Birth: 05/07/1961
Designation: Director
Director Identification Number: 02123450

Residential Address: P.No2, Patel Enclave,
Behind Kalyan Garden
Jai Jawahar Narag, Yaprul
Secunderabad – 500087

Office Address: 8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad – 500 033



5) Shri. C. Srinivas
S/o. (Late) Shri C. Bapiraju,

Date of Birth: 30/01/1961
Designation: Director
Director Identification Number: 02121676

Residential Address: P.No. 59, H.No. 32-76/1,
Sainik Nagar, Ramakrishnapuram
Secunderabad – 500056

Office Address: 8-2-293/82/A/431/A
Road No. 22, Jubilee Hills,
Hyderabad – 500 033

- b. Year of Incorporation: 28th October 2005
- c. Company's Business Activities: Power Generation
- d. Name of the authorized representative: S Kishore
- e. Telephone Number: +91-40-23559922-25
- f. Email Address: kishore@ksk.co.in
- g. Telefax Number: +91-40-23559930
- h. Status as a Bidder:
(i) Bidding Company ☒
(ii) Lead Member of the Bidding Consortium
(iii) Member of the Bidding Consortium
- Note: (tick the applicable serial number)
- i. Company's Local Address in India (if incorporated outside India):
Not applicable



Signature



j. Please provide the following documents:

- (i) Copy of the Memorandum and Articles of Association and certificate of incorporation or other equivalent organizational document (as applicable in the case of a foreign company), including their amendments, certified by the company secretary of the Bidding Company/each Member of the Consortium (as Attachment 1) - Attached
- (ii) Authority letter in favor of the Procurer from the Bidding Company/each Member of the Consortium (as per format specified below) authorizing the Procurer to seek reference from their respective bankers, lenders, financing institutions and any other person as given below in the Format for Authorization, as per Clause 2.1.7 of the RFP. - Attached

k. Whether the Bidder wishes to form a Project Company for the supply of power?
No (Yes/No)

l. Whether the Bidder has already formed a Project Company: No (Yes/No)
If Yes, the details of the Project Company as follows:

- i) Name of the Project Company
- ii) Name of the Equity Holder
- iii) Type and No. of Shares owned
- iv) % of equity holding
- v) Extent of voting control (%)
- vi) Date of incorporation

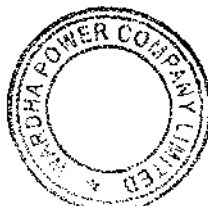
• **Details of Ownership Structure:**

Details of persons owning 10% or more of the total paid up equity of the Bidding Company / each Member of the Consortium.

Name of the Bidding Company: Wardha Power Company Limited*

Status of equity holding as on 4th January, 2010

Name of Equity Holder	Type and Number of Shares owned	% of Equity Holding	Extent of Voting Control (%)
Viraj Profiles Limited	Equity and No. of shares: 47762190	11.11	11.11
KSK Energy Ventures Limited	Equity and No. of shares: 95579739	22.23	22.23
KSK Electricity Financing India Private Limited	Equity and No. of shares: 271875617	63.24	63.24



Notes:

1. Status of equity holding should be provided not earlier than 30 (thirty) days prior to Bid Deadline.
2. The above table is to be filled in separately for each Consortium Member if applicable.

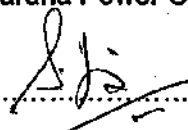
**The Company is currently in the process of demerging and transferring the proposed power generation facility in Chhattisgarh to M/s KSK Mahanadi power Company Limited (wholly owned subsidiary of KSK Energy Ventures Limited). The Scheme of arrangement has been approved by the Board and petition has been filed before Hon'ble High Court of Andhra Pradesh to sanction the Scheme. Upon the approval being accorded by the Hon'ble High Court of Andhra Pradesh, the right under this application and subsequent documents shall vest with KSK Mahanadi Power Company Limited.*

- Documents submitted in support of establishing the relationship with the Parent Company / Affiliate with the Bidding Company or with the Member of the Bidding Consortium (Including Lead Member) in terms of the provisions of Clause 2.1.5 of this RFP,:

1. Relationship Certificate from the Statutory Auditor.

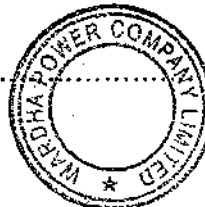
For and on behalf of Bidding Company/ Member of the Consortium

M/s. Wardha Power Company Limited


.....
Name: S Kishore

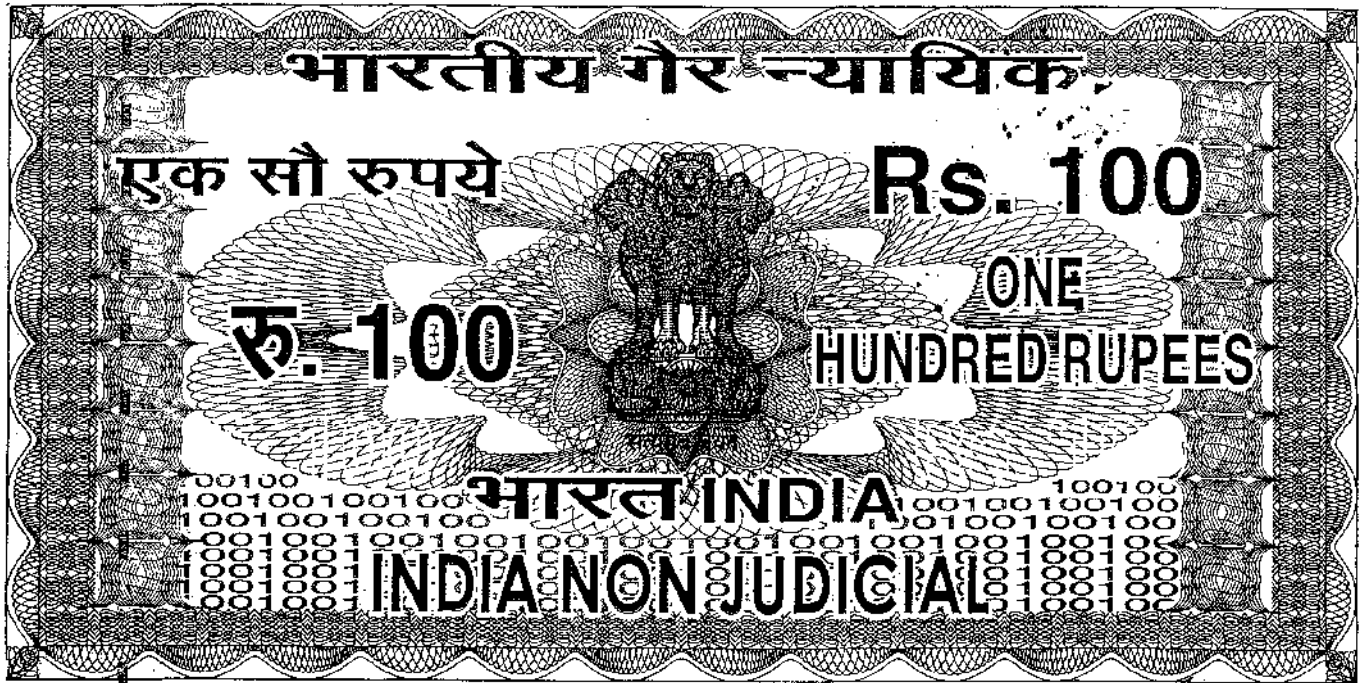
Designation: Whole Time Director

Stamp.....



Date: 6th January 2010
Place: Hyderabad





ఆంధ్రప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH

SI No: 2666 Date: 26/11/09 Rs: 100/-

Sold to: J. Krishna S/o J. Ramaiah. R/o Hyd.

For Whom: Wardha power Company Limited., Hyd.

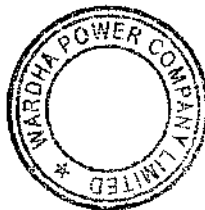
Z 299636
K. RAMADEVI
Stamp Vendor, L. No: 2/98
Renewal L. No: 13/2007
S.No: 6-1-543, Near Railway Gate
Kharatabad, Hyderabad-500 004

AUTHORISATION

The undersigned hereby authorize(s) and request(s) all our Bankers, a list of which is attached herewith as Annexure A hereto, including its subsidiaries and branches, any person, firm, corporation or authority to furnish pertinent information deemed necessary and requested by the Procurer to verify the authenticity of the documents / information submitted by us for meeting the Qualification Requirements in respect of our Bid for procurement of power on long term basis through tariff based competitive bidding process for meeting the requirements of Gujarat Urja Vikas Nigam Limited and / or regarding our financial standing and general reputation.

For and on behalf of **M/s. Wardha Power Company Limited**


S. Kishore
Wholetime Director

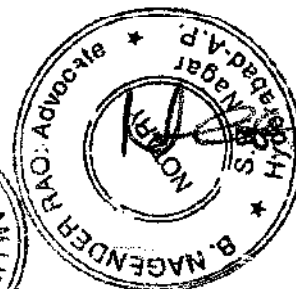
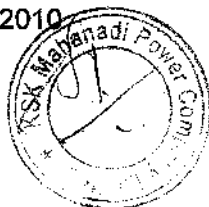


(Signature of Notary Public)

(Name and Address of the Attorney)

Place: Hyderabad.

Date: 6th January 2010



Annexure A

List of Bankers

1. ANDHRA BANK

3rd floor, # 6-3-648,
Padmaja Land Mark,
Somajiguda, Hyderabad-500 082-

Telephone -040-23421177

Attn : Mr. B Bhaskara Sharma, DGM-Specialized Corporate Finance

2. UCO Bank,

Road 22, Jubilee Hills,
Hyderabad-500033

Telephone-040-23555768/23555769

Attn : Mr. C Srinivasa Swamy, AGM


3. Axis Bank Limited

Central Office, Maker Towers,
F 13th Floor, Cuffee Parade,
Colaba, Mumbai-400005.

Telephone-022-67071442/022-67074401-Extn.1442

Attn : Mr.Prashant Murkute-AVP-Corporate Relationships



ATTESTED

B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

6 JAN 2010

4.6 A: FORMAT FOR QUALIFICATION REQUIREMENT (AS PER CLAUSE 2.1.2.1)

To,

Mr.K.P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

Sub: Bid for procurement of power on long term basis through tariff based competitive bidding process in response to the RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009.

We submit our Bid for the total capacity of 1010 MW for which we submit details of our Qualification Requirements.

Financial Bid	Offered Capacity in MW
1	1010 MW
Total of all Financial Bids	1010 MW

We certify that the Financially Evaluated Entity had a Network of Rs.1,948.19 Crore or equivalent USD* computed as per instructions provided in Clause 2.1.2 of this RFP based on unconsolidated audited annual accounts (refer Note-2 below) of any of the last three (3) financial years immediately preceding the Bid Deadline.

Name of Financially Evaluated Entity**	Relationship with Bidding Company***	Network (Rs. Crore)#	Financial Year
KSK Energy Ventures Limited	Parent Company	1,948.19	2008-09
....			
Total Network		1,948.19	

* Equivalent USD shall be calculated as per provisions of Clause 2.1.2

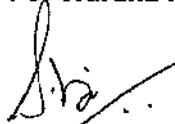
** The Financially Evaluated Entity may be the Bidding Company itself

*** The column for "Relationship with Bidding Company" is to be filled in only in case financial capability of Parent Company and/ or Affiliate has been used for meeting Qualification Requirements.



In case of more than one Financial Bid submitted by the Bidder, the Network shall be computed and evaluated on the basis of the sum total of the capacities offered by the Bidder in its Financial Bids.


Yours faithfully
For Wardha Power Company Limited

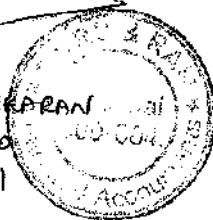

S. Kishore
Wholetime Director




Date: 06-01-2010
Place: Hyderabad

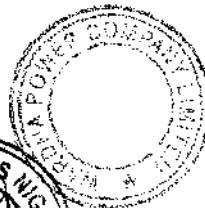
For Guru & Ram
Chartered Accountants


Name: A. RAJA SEKARAN
Date: 07-01-2010
Place: CHENNAI



Common Seal of Wardha Power Company Limited has been affixed in my/our presence pursuant to the Board of Director's resolution dated 26th Dec. 2009


.....
(Signature)
Name: S. KISHORE
Designation: WHOLE TIME DIRECTOR



WITNESS:

1. _____
(Signature)

Name Vikrant Mohabe

Designation Asst. Mgr. (HR)

Date: 06/01/2010

2. _____
(Signature)

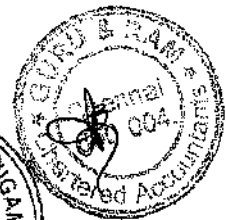
Name Dinkalp Dubey

Designation Executive - HR

Date: 06-01-2010

Notes:

1. Along with the above format, in a separate sheet, please provide details of computation of Networth duly certified by Statutory Auditor.
2. Audited consolidated annual accounts of the Bidder may also be used for the purpose of financial criteria provided the Bidder has at least 26% equity in each company whose accounts are merged in the audited consolidated accounts and provided further that the financial capability of such companies (of which accounts are being merged in the consolidated accounts) shall not be considered again for the purpose of evaluation of the Bid.
3. Managing Director/ Chief Executive Officer, being a full time director on the Board of the Bidding Company/ Member in case of a Consortium.
4. In case of Manager, the Company should confirm through a copy of Board Resolution attested by Company Secretary that the concerned person is appointed as Manager as appointed under Section 269 of the Companies Act, for the purpose in question. The Company Secretary shall also certify that the Company does not have a Managing Director or Chief Executive Officer. In case of the Bidding Company/Member being a foreign company, the same shall be signed by a person of equivalent position.



NETWORTH COMPUTATION DETAILS of M/s. KSK ENERGY VENTURES LIMITED:

Particulars			Rs.Crores
	2008-09	2007-08	2006-07
Equity Share Capital	346.10	294.19	91.03
Add: Reserves & Surplus	1,602.09	347.23	73.23
Subtract: Revaluation Reserves	-	-	-
Subtract: Intangible Assets	-	-	-
Subtract: Miscellaneous Expenditures to the extent not written off and carry forward losses	-	-	-
TOTAL	1,948.19	641.42	164.26

The computation of Networth is issued at the request of the M/s. Wardha Power Company Limited, for submission to M/s. Gujarat Urja Vikas Nigam Limited, as a part of the response to the Case-1 tender, for supply of power on long term basis.



UMAMAHESWARA RAO & CO.
CHARTERED ACCOUNTANTS



CERTIFICATE

We, Umamaheswara Rao & Co. Statutory Auditors of M/s.KSK Energy Ventures Limited having registered office at 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad-500 033 have verified the books of accounts of the company and hereby certify the Net-worth details as under:

Networth Details:

Particulars	Rs. In Crores		
	As at 31.03.2009	As at 31.03.2008	As at 31.03.2007
Equity Share Capital	346.10	294.19	91.03
Add: Reserves & Surplus	1,602.09	347.23	73.23
Subtract: Revaluation Reserves	Nil	Nil	Nil
Subtract : Intangible Assets	Nil	Nil	Nil
Subtract : Misc. Exp. To the extent not written off and carry forward losses	Nil	Nil	Nil
Total Network	1,948.19	641.42	164.26

The certificate is issued at the request of the Company for submission to M/s.Gujarat Urja Vikas Nigam Limited towards participation in the Case-I bidding process for supply of Power on Long term basis.

For Umamaheswara Rao & Co.
Chartered Accountants

(S. Venugopal)
Partner



Membership No:205565
Date: 26.06.2009

HEAD OFFICE
HYDERABAD

: Flat No. 5-H, 'D' Block, 8-3-324, Krishna Apartments, Yellareddyguda Lane, Ameerpet 'X' Roads, Hyderabad - 500 073.
Tel : 040 - 23751833 Telefax : 040 - 23751823 E-mail : contact@ucocas.com ucocas@yahoo.com

BRANCHES
GUNTUR

"Samata" 6th Line, Main Road, Brodipet, Guntur - 522 002 Grams : Relief Tel : 0863 - 2355986, 2241392
E-mail : ucognt@yahoo.co.in

GUDIVADA

Sri Jayam Street, Gourisankarapuram, Gudivada - 521 301, Tel : 08674 - 242144, 242174 E-mail : ucognt@yahoo.co.in

VISAKHAPATNAM

50-38-9, T.R.T. Colony, Seethammadhara, Visakhapatnam - 530 013. Tel : 0891 - 5522452, 2551352
E-mail : ucovsp@yahoo.co.in

Website : www.ucocas.com



4.6 B FORMAT FOR QUALIFICATION REQUIREMENT (AS PER CLAUSE 2.1.2.2)

To,
Mr. K. P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

Sub: Bid for procurement of power on long term basis through tariff based competitive bidding process in response to the RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009.

We hereby submit following details/documents in support of meeting the Qualification requirements prescribed in Clause 2.1.2.2.

1 Fuel:

➤ Domestic coal (captive mine) – **Not Applicable**

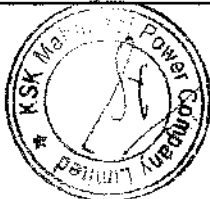
Name of the allocated mine (in case of mine allocation)	
Proven reserves of the mine (in case of mine allocation)	
Quantity of coal required for the power station at Normative Availability on an annual basis and supporting computation for the same:	

Particulars of documents enclosed in support of the above:

- Coal Block Allocation Letter/In Principle Approval for Allocation of Captive Block from Ministry of Coal,
- Other details submitted by the Bidder subject to being accepted by GUVNL as a sufficient proof for demonstration of ability.

➤ Domestic coal (linkage based):

Name of the allocated mine (in case of mine allocation)	Not Applicable
Proven reserves of the mine (in case of mine allocation)	Not Applicable
Quantity of coal required for the power station at Normative Availability on an annual basis and supporting computation for the same:	8.25 Million Tonnes



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Particulars of documents enclosed in support of the above:

- Linkage Letter from Fuel Supplier, or,
- Fuel Supply Agreement between Bidder and Fuel Supplier – Coal Supply Agreement with M/s. Gujarat Mineral Development Corporation Limited attached.
- Other details submitted by the Bidder subject to being accepted by GUVNL as a sufficient proof for demonstration of ability.

➤ Imported Coal: - **Not Applicable**

Name of the mine acquired or owned and country	
Proven reserves of the mine (in case of mine allocation)	
OR	
Copy of the fuel supply agreement required for a term of at least five (5) years or the term of the PPA (whichever is less) for the power station at Normative Availability on annual basis.	

Particulars of documents enclosed in support of the above:

- Fuel Supply Agreement between Bidder and Fuel Supplier
- Other details submitted by the Bidder subject to being accepted by GUVNL as a sufficient proof for demonstration of ability.

➤ Domestic (piped) Gas: - **Not Applicable**

Quantity of gas required for the power station at Normative Availability on an annual basis and supporting computation for the same.	
Copy of the long term fuel supply agreement (s) for the quantity of gas required for the power station at Normative Availability on an annual basis.	

Particulars of documents enclosed in support of the above:

- Fuel Supply Agreement between Bidder and Fuel Supplier, or,
- Gas block allocation letter / in principle approval of Gas block from Ministry of Petroleum and Natural Gas
- Other details submitted by the Bidder subject to being accepted by GUVNL as a sufficient proof for demonstration of ability.



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➤ RLNG (Imported gas): - **Not Applicable**

Copy of fuel supply agreement (s) for the quantity of gas required for a term of at least five (5) years or the term of the PPA (whichever is less) for the power station at Normative Availability on an annual basis.	
---	--

Particulars of documents enclosed in support of the above:

- Fuel Supply Agreement between Bidder and Fuel Supplier, or,
- Other details submitted by the Bidder subject to being accepted by GUVNL as a sufficient proof for demonstration of ability.

2 In case of existing power station: Documentary evidence regarding commissioning of the power station and available surplus capacity equivalent to the capacity offered in our bid. – **Not Applicable**

Yours faithfully,
For Wardha Power Company Limited


S. Kishore

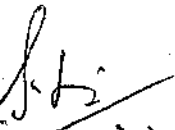
Wholetime Director

Date: 6th January 2010

Place: Hyderabad



Common Seal of M/s. Wardha Power Company Limited has been affixed in my/our presence pursuant to the Board of Director's resolution dated 26th December, 2009


(Signature)

Name: S Kishore

Designation: Wholetime Director





WITNESS:

1.

(Signature)

Name. Vikrant Moliabe

Designation. Asstt. Mgr (HR)

Date: 06/01/2010

2.

(Signature)

Name. Lankalp Dubey

Designation. Executive HR

Date: 06-01-2010

Notes:

1. Managing Director/ Chief Executive Officer, being a full time director on the Board of the Bidding Company/ Member in case of Consortium.
2. In case of Manager, the Company should confirm through a copy of Board Resolution attested by Company Secretary that the concerned person is appointed as Manager as appointed under Section 269 of the Companies Act, for the purpose in question. The Company Secretary shall also certify that the Company does not have a Managing Director or Chief Executive Officer. In case of the Bidding Company/Member being a foreign company, the same shall be signed by a person of equivalent position.



COAL COMPUTATION - REQUIREMENT- (for Format 4.6 B)	
<i>Particulars</i>	<i>Amount</i>
Turbine Gross Heat Rate (kCal/kWh)	1950
Boiler Efficiency (%)	87.5%
Station Heat Rate (kCal/kWh)	2228.57
Add: Deration in Heat Rate over 25 years @ 1.5%	2262.51
Net Station Heat Rate (adjusted for deration)	2262.51
Installed Capacity (in MW) of Power Station	1800
Normative Availability	85%
Gross Generation (Million kWh)	13,403
Gross Calarofic Value (kCal/kg) Grade F as per CEA Norms	3750
Coal Requirement (Million Tonnes)	8.09
Add: Carpet Loss @ 2%	0.16
Total Coal Requirement (Million Tonnes) per annum	8.25



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expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns and

M/s Wardha Power Company Pvt. Ltd., ('WPCPL') a wholly owned subsidiary of KSK Energy Ventures Private Limited, incorporated under the Companies Act, 1956, having its Corporate office at 431/A, Road No. 22, Jubilee Hills, Hyderabad 500033 (herein after referred to as WPCPL, of the Third Part, which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors.

WHEREAS GMDC is engaged, inter-alia, in exploration, mining and marketing of minerals; and

WHEREAS KSK is engaged, inter-alia, in the development of power projects in various States of India; and

WHEREAS GMDC and KSK have entered into an MOU on April 3, 2006 (hereinafter called the MOU) for exploitation of Coal reserves in the Coal Blocks allotted to GMDC;

WHEREAS GMDC has approached the Government of India for allotment of coal blocks under the Government Dispensation Scheme and has since received allocation of Morga-II Coal Block in the State of Chattisgarh.

WHEREAS GMDC confirmed that it has received a communication from the Government of India that it has been allotted Morga -II coal block in Chhattisgarh.

WHEREAS, GMDC has agreed to supply on priority basis, coal mined from the Morga-II Block to Special Purpose Vehicle (SPV) promoted or acquired by KSK for generating thermal power.

WHEREAS KSK has promoted a Special purpose vehicle (SPV) to set up a power project based on coal to be made available to it by GMDC from the Morga-II Block and incorporated it as WPCPL, a fully owned subsidiary of KSK.

WHEREAS WPCPL intends to set up a 1000 MW Power Project in the Chhattisgarh State in one or more phases, which would require 4 Million Tonnes (+/- 10%) of coal per annum and intends to utilize the coal so made available from Morga-II



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[Signature]



exclusively towards this end, provided that the Capacity may later be increased by another 500 MW subject to GMDC agreeing to offer priority supplies for the needs of such additional capacity.

WHEREAS GMDC confirms that the quantity of annually mineable coal from the Morga - II block would be determined assuming the life of the mine to be 30 years

WHEREAS GMDC confirms that it shall notify WPCPL about the exact quantum of coal available from the Morga II Coal Block on an annual basis within 3 months of the receipt of the Geological Report (GR) and would commit annual supply of 4 Million Tonnes (+/- 10%) of coal from the said block to WPCPL, on priority basis.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

Definitions

Calendar Month means, a month falling within a Calendar year.

Coal means coal mined by GMDC from the Morga - II Coal block.

MTPA means Million Tonnes per annum

Guaranteed QUANTITY means 4 MTPA (+/-10%) of coal mined by GMDC from the Morga-II Block to be supplied annually on priority basis to WPCPL.

KSK shall mean and include KSK Electricity Financing India Pvt. Ltd., incorporated under the Companies Act, 1956, having its Registered Office at 8-2-293/82A/431/A Road No. 22, Jubilee Hills, Hyderabad 500 033 being a Joint Venture between M/s. KSK and M/s. Lehman Brothers, USA and having a valid FIPB clearance under No. Fa.11.28 (2006) /362 (2005)- amend dated 24-04-2006 provided that the equity participation of KSK therein, presently at 51%, shall not be less than 26%.

ARTICLE-1

OBJECTS OF THE AGREEMENT

- 1.1 The object of this Agreement is to set out the terms and conditions under which GMDC shall offer to sell and WPCPL shall buy the guaranteed quantity of Coal from the Morga - II block during the validity of this agreement and other commercial and investment relations proposal among GMDC, KSK and



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WPCPL, and all and any of the terms of this Agreement shall only refer to and be construed, for and towards this purpose.

- 1.2 KSK confirms that, at all times, it shall hold at least 26% of the Equity of 'WPCPL'. If, however, KSK desires to reduce its holding below 26%, it shall seek the prior concurrence of GMDC and shall offer tag along rights to GMDC. Specific terms with respect to such tag along rights shall be enumerated in the Shareholders' Agreement to be entered into by and between GMDC and KSK.
- 1.3 GMDC may assign or transfer its rights and obligation under this Agreement to any Undertaking of the Government of Gujarat, any Joint Venture or any Body Corporate.
- 1.4 It is agreed among the parties that notwithstanding the current plans to set up the entire installed capacity (1000 MW) of the project at one location. KSK and WPCPL shall be free to split or change the location of the project, subject to sound technical and financial considerations, provided however, that the responsibility of GMDC is limited to offering coal for sale to WPCPL on ex mine basis and WPCPL and KSK shall make necessary arrangements to transport coal to such locations as they may deem fit at their own cost and risk.

ARTICLE-2

SCOPE OF THE AGREEMENT

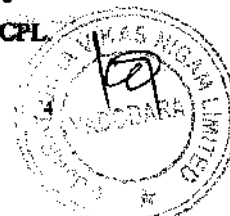
- 2.1 WPCPL shall buy and the GMDC shall offer to sell and make available the guaranteed quantity of Coal from the Morga-II Coal Block from the third year of commencement of commercial mining, provided that the quantity of coal to be offered for sale by GMDC and purchased by WPCPL shall not be less than 1 Million tonne from the first year of commencement of mining. GMDC shall notify WPCPL about commencement of commercial mining.
- 2.2 Subject to article 2.1, WPCPL shall provide to GMDC its annual requirement for coal with detailed monthly schedule at least one month prior to the commencement of the financial year. Monthly schedules will be proportionate to the guaranteed quantity.
- 2.3 In case any variation is observed in the quality of Coal, a system of joint sampling may be adopted with mutual consent of GMDC and WPCPL.



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Samples drawn will be analyzed at the laboratory of GMDC in the presence of the representative of WPCPL. The results obtained in such joint sampling and analysis will be construed as final. GMDC will take necessary actions to improve the quality, if required and feasible.

- 2.4 WPCPL shall make necessary arrangements at its own cost for transportation of Coal from the GMDC mine to its plants. GMDC shall load coal into WPCPL's vehicles or conveyor.

ARTICLE-3

PERIOD

Subject to Article 4.1, 4.2, 4.3 and 4.5, this Agreement shall be effective from the date of its execution and shall be valid for a period of 30 years from the commencement of supply of coal by GMDC to WPCPL, provided, the project achieves Financial Closure within 3 months being notified of availability of guaranteed quantity of coal on the basis of detailed exploration reports referred to in article 7.1 of this Agreement and the first phase of (minimum 500 MW) the project is commissioned within 37 months thereafter.

ARTICLE-4

TAKE OR PAY AND FINANCIAL GUARANTEES

- 4.1 Subject to clause 2.1, WPCPL agrees to accept, buy, pay for and off take every year the guaranteed quantity of coal from GMDC during the entire validity of this Agreement. If, however, WPCPL fails to accept, buy, pay for and off take the guaranteed quantity, it shall make good all losses incurred by GMDC in this regard and compensate GMDC the following costs incurred by GMDC in proportion to the shortfall in off take.

- a. All Direct & Indirect costs incurred by GMDC for the year as per Annexure-1.
- b. Margin payable to GMDC as per Annexure-1.

- 4.2 GMDC commits to supply to WPCPL the guaranteed quantity of coal. If however GMDC fails to supply the guaranteed quantity of coal for reasons



Signature

Signature



other than those described in Article-9 (Force Majeure), it shall, on expiry of a grace period of 30 days, either :

- (a) arrange to supply equivalent grade of coal from any other sources, or
- (b) pay to WPCPL any additional cost incurred by it for sourcing the short supply from third parties, provided WPCPL shall ensure and satisfy GMDC that it has procured coal from the most economic source available, provided further that GMDC shall not be required to discharge the obligations detailed in article 4.2 (a) and (b) above beyond a period of months from the date from which its failure to supply the guaranteed quantity of coal first commenced.

4.3 Claims related to "Take or pay obligation" by WPCPL shall be settled at the end of every month. The obligations relating to "take or pay" mentioned in 4.1 & 4.2 shall not apply during the operation of notified Force Majeure events or scheduled shut down of the Mine or Power plant.

4.4 WPCPL and / or KSK shall provide to GMDC the following as a guarantee for the fulfillment of the obligations assumed by them under this Agreement.

- i) A Bank Guarantee of Rs. in two equal installments of Rs each, one on or before 30th August, 2007 and the second on or before 30th March, 2008. The Bank Guarantee shall have an initial validity of one year and shall be renewed, a month before its expiry, for a further period of one year each at a time, till the expiry of the validity of this Agreement.
- ii) An irrevocable commitment from a First Class bank acceptable to the Banker of GMDC, to open an irrevocable, divisible, revolving, standby Letter of Credit for invoice value of the guaranteed quantity of coal or Rs. , whichever is higher, prior to the expected commencement of commercial mining as notified by GMDC. At all times, the Letter of Credit shall have a validity of at least

- 5 ✓
- (iii) The irrevocable commitment referred to in article 4.4 (ii) shall be submitted to GMDC by WPCPL along with the first Bank Guarantee referred to in article 4.4 (i) hereinabove.



[Signature]

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- (iv) The Letter of Credit shall be encashed by GMDC only on default of direct payment by WPCPL within the due date set out under Article 6.2.

The Bank Guarantee provided by WPCPL / KSK under article 4.4(i) shall be vacated by GMDC, if, on or before 31st March 2009, KSK and WPCPL shall arrange disbursement of funds to GMDC to meet its requirement of funds for the development of mines at Morga-II (estimated at about Rs.) and for investing in of WPCPL. The funds so made available shall not bear interest beyond and shall be available exclusively against the security of the relevant receivables expected by GMDC from WPCPL net of cost of production. If any guaranty is to be provided to the lenders, it shall be arranged at the cost and risk of KSK/WPCPL.

- 4.5 KSK and/or WPCPL shall deposit Rs. : with GMDC within of signing this Agreement as earnest money deposit. The Earnest Money Deposit shall be returned to KSK / WPCPL after :-
- a) WPCPL and or KSK has complied with article 4.4.1 of this Agreement.

ARTICLE-5

PRICE & OTHER TERMS AND CONDITIONS

- 5.1 The basic price for sale of Coal shall be fixed at the end of every year on the basis of the formula enumerated in and the price formula shall continue throughout the period of the Agreement, provided that it shall be open to GMDC to raise invoices on the basis of tentative prices fixed at the commencement of the year, to be adjusted on the basis of final prices fixed at the end of each financial year. WPCPL will honour invoices raised on the basis of tentative pricing.
- 5.2 All taxes, duties, charges and or levies of any nature as applicable from time to time, shall be payable by WPCPL at actuals, in addition to the Sale Price.



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ARTICLE -6

BILLING AND PAYMENT

- 6.1 GMDC shall raise invoices for the supplies made every fortnight.
- 6.2 WPCPL shall make payments against the invoices within 7 days from the date of the invoice issued by GMDC under clause 6.1 of this Agreement.

ARTICLE-7

CONDITION PRECEDENT TO GMDC'S OBLIGATIONS

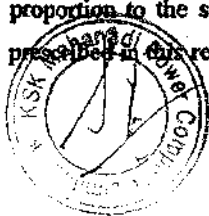
- 7.1 GMDC expressly clarifies and WPCPL and KSK fully understand that GMDC can offer and make available the guaranteed quantity of coal only if a minimum of 135 M.T of mineable reserves are available in the Morga-II Block. If the mineable reserves falls short of 135 M.T, the guaranteed quantity shall be reduced proportionately. GMDC shall indicate to WPCPL the actual availability of guaranteed quantity as soon as detailed exploration / prospecting reports are available with respect to the Morga-II Block.
- 7.2 GMDC agrees that it shall not supply coal from the Morga-II Block to other buyers unless it first meets the liability to supply the guaranteed quantity of coal to WPCPL. Further, GMDC shall not enter into any long-term arrangement for supply of coal from Morga-II Block to any third party, under terms more favourable than provided for under this Agreement.
- 7.3 On execution of this Agreement all and any rights available to KSK in terms of the MOU executed between GMDC and KSK on 3rd April 2006 in so far as they relate to the Morga-II Block and resources available therein shall deem to have been extinguished, save as otherwise expressly provided under this agreement. Similarly, GMDC shall, on execution of this agreement, be deemed to have discharged all or any of its obligations to KSK in terms of the said MOU, in so far as it relates to the resources available in the Morga-II block.



ARTICLE-8

RIGHT TO INVEST IN POWER PROJECT
AND ALLOCATION OF POWER

- 8.1 At its option, GMDC shall be entitled to invest in the equity of the WPCPL to the extent of . Shares offered to GMDC under this article shall be at par and shall provide GMDC proportionate voting rights and the right to nominate proportionate number of members on the Board of Directors of WPCPL.
- 8.2 Subject to article 8.1, the Equity for this purpose shall mean equity shares or any other form of instrument (like preference shares or sub debt etc), which is accepted by lenders to the project as a part of equity contributions by the promoters, while calculating the debt equity ratio. GMDC shall contribute to all forms of Equity in proportion to the quantum it wishes to contribute, which option it seeks to exercise as per 8.5 below.
- 8.3 Subject to article 8.1 above, it shall be the exclusive responsibility of KSK to determine the Debt Equity ratio, format of the Equity in a manner acceptable to the Lender and also to arrange loans from Lenders without having recourse to the Balance Sheets of any of either GMDC or KSK.
- 8.4 Subject to article 8.1, it is reiterated for the sake of clarity that the Equity could be raised through a combination of equity or equity like instruments, as acceptable to the lenders.
- 8.5 (i) GMDC shall convey its decision to participate in the equity of WPCPL within . of execution of this Agreement. If GMDC wishes to invest in the equity of the Power project (WPCPL), a separate Shareholders' Agreement will be entered into to give effect to this understanding.
- (ii) KSK shall, within . of the date of this Agreement, submit and conclude the Shareholders Agreement referred to at 8.5 (i) above.
- 8.6 The first call for subscription to equity shall be payable by GMDC within 30 days of such call by WPCPL and / or KSK on submission of proof that the proportionate amount to be invested or raised by KSK has been invested in the equity of WPCPL. Thereafter, all calls shall be subscribed by GMDC, in proportion to the subscription of shares by KSK and within the time frame prescribed in this regard.



[Signature]

[Signature]



8.7 If GMDC conveys its decision not to invest in the equity of the project or fails to convey its decision within the period set out in 8.5 (i) above, KSK shall be responsible for making all necessary financial arrangements for setting up the power project.

8.8 At all points of time, the KSK shall be responsible for drawing up plan(s) in the form and the nature of the power project that would be undertaken, the location at which the project(s) would be located, the need for one or more vehicles to execute the same, the configurations and technology for such plants, the off-takers of such power and tie up of the funds – both investors and lenders – for the project. KSK shall not expect any commitments from GMDC in this regard and may seek assistance to supplement such efforts and GMDC is not obliged to provide any such assistance.

Subject to article 8.1, KSK shall be responsible for day to day management and operations of the Power project.

8.9 WPCPL shall offer _____ of its annual power generation (output) to GMDC for its own use or for sale to customers or distributors. The allocation of _____ of power to GMDC shall not be priced higher than the lowest rate at which WPCPL has agreed to supply or has supplied power to third parties provided that the said rate would not exceed the notional rate at which the return on equity for the power project exceeds twenty percent during the year. Other terms governing the allocation and sale of power to GMDC shall not be less favourable compared to the terms applicable to any other customer of WPCPL at the relevant time. GMDC has to exercise its option of purchasing its allocation of generated power within _____ of KSK finalizing sales agreements with respect to the balance _____ of power and communicating to GMDC the terms governing such sale.

ARTICLE-9

FORCE MAJEURE

9.1 For the purposes of this Agreement "Force Majeure" will mean any natural calamities such as earthquake, cyclones, floods and epidemics and other events and occurrences such as strikes, lockouts, war, serious law and order



Signature

Signature

Signature



problems and withdrawal of statutory clearances which affect normal mining operations.

- 9.2 If any party is unable to fulfill any of its obligations under this Agreement because of Force Majeure, it shall notify the other party of the nature and extent of the Force Majeure within of its occurrence.
- 9.3 Where such circumstances last for a continuous period of , it will be open to the parties hereto to revoke fully or partially, the agreement or modify any or all of its conditions with mutual consent, as long as the 'Force Majeure' conditions are in force.

ARTICLE-10

ARBITRATION

- 10.1 Any dispute or difference concerning or arising from this agreement and or its implementation, breach or termination whatsoever, including any difference or dispute as to the interpretation of any term(s) of this Agreement, shall be referred to the arbitration of a sole Arbitrator to be appointed by GMDC and WPCPL.
- 10.2 The Arbitration shall be governed by Arbitration and conciliation Act 1996 (India).
- 10.3 The seat of such arbitration shall be Ahmedabad.

ARTICLE-11

OVER-RIDING EFFECT

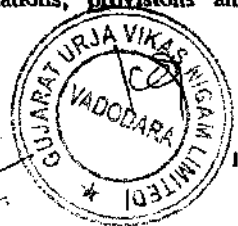
- 11.1 All and any rules, regulations, provisions and / or restrictions which are imposed or may come to be imposed, from time to time by the Union or the State Government or any other local or other Competent authority shall have an overriding effect over this Agreement and all obligations contemplated hereunder, will be subject to such rules, regulations, provisions and restrictions.



[Signature]

[Signature]

[Signature]



ARTICLE-12

NOTICE AND SERVICE

12.1 Any notice or other information required or authorized by this Agreement to be given

- (a) Delivering it by hand;
- (b) Sending it by pre-paid registered post or mail; to the relevant parties at the addresses given in this Article.

12.2 Service of any communication or document concerning or arising out of this Agreement shall be effected by any party by causing it to be delivered to the relevant party at the address set forth below, or to such other address as may be notified to it by that party in writing from time to time.

GMDC -

The Chairman & Managing Director
Khanij Bhavan, Near University Ground,
132 ft. Ring Road, Vastrapur, Ahmedabad 380052.

WPCPL-

The Director
431/A, Road No. 22,
Jubilee Hills, Hyderabad 500033

KSK -

The Director
431/A, Road No. 22,
Jubilee Hills, Hyderabad 500033

In witness whereof the parties hereto have set their respective hands and seals on the date herein above first mentioned.

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD. ('GMDC')

Authorized Signatory

Name: **C.J. JOSE, MS**
Designation: **Chairman & Mg. Director**
GMDC Ltd.

Date:



In the presence of

Name: **A. L. THAKOR**
Designation: **G.M (P.R.D)**

Date:

A. L. Thakor
General Manager(P.R&D)
Gujarat Mineral Dev. Corpn. Ltd
Ahmedabad



WARDHA POWER COMPANY PRIVATE LIMITED ('WPCPL')

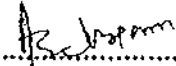

.....
Authorized Signatory

Name: S. Kishore

Designation: Director

Date: 16/11/06




.....
In the presence of

Name: A. SELVANAYAGAM

Designation: DLM (Gen)

Date: 16/11/06

KSK ENERGY VENTURES PRIVATE LIMITED ('KSK')



.....
Authorized Signatory

Name: S. Kishore

Designation: Director

Date: 16/11/06

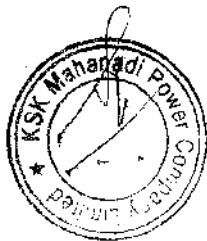


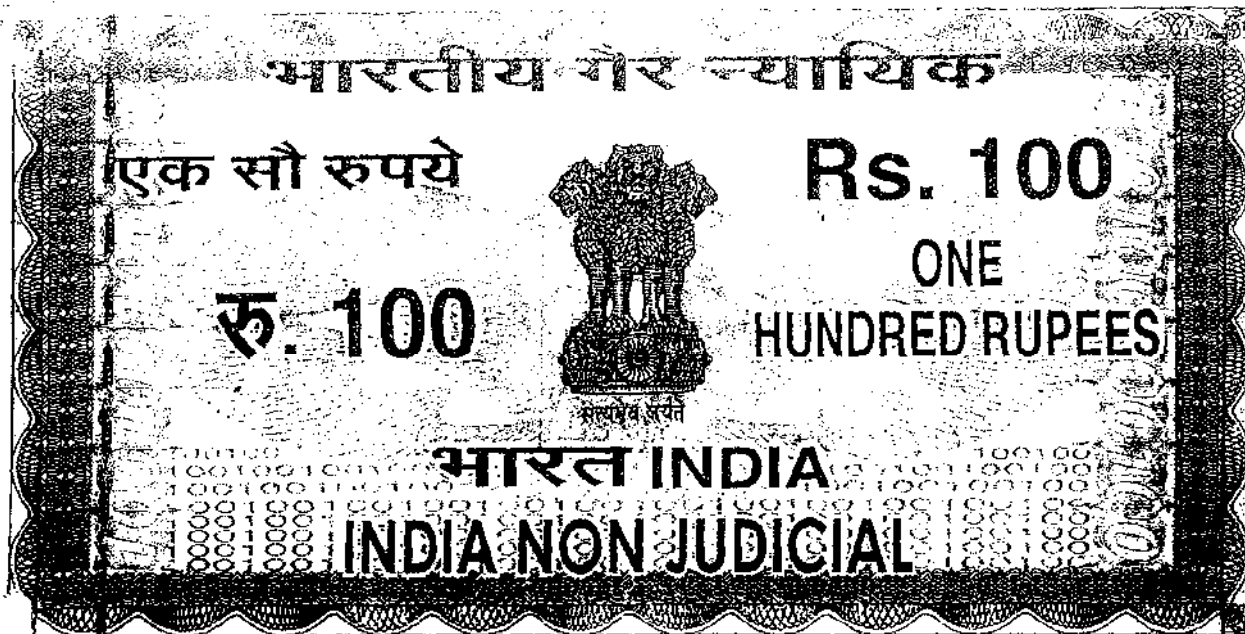

.....
In the presence of

Name: Swigun Kalkonde

Designation: -

Date: 16/11/06





ఆంధ్రప్రదేశ్ రాష్ట్రం ANDHRA PRADESH

K 083334
K. RAMADEVI
Stamp Vendor, L. No. 2/08
Renewal, till: 12/2007
S. No. 8-1-2003, Near Railway Gate,
Chaitanyam, Hyderabad-500 004

Sl. No: 18457 Date: 18/04/07 Rs: 100/-
Sold To: S. Vishwa S/o. S. Ramaiah, R/o Hrd.
For Whom: Wardha Power Company Pvt. Ltd., Hrd.

AMENDMENT

This first amendment to the Coal Supply and Investment Agreement executed on 16.11.2006 at Ahmedabad by and between Gujarat Mineral Development Corporation Ltd. (GMDC), KSK Energy Ventures Private Limited (KSK) and Wardha Power Company Private Limited (WPCPL), entered on this 21st day of April, 2007 at Ahmedabad.

1. In the aforesaid agreement, the recital beginning with the words "WHEREAS WPCPL intends to set up a 1000 MW Power Project in the Chhatisgarh State in one or more phases" in page 2 and ending with the words "subject to GMDC agreeing to offer priority supplies for the needs of such additional capacity", shall be substituted by the following :



[Signature]

Director



Director

"WHEREAS WPCPL intends to set up a 1750 MW power project in the Chhatisgarh state in one or more phases and intends to utilize coal made available by GMDC from the Morga II block exclusively towards this end".

2. The recital beginning with the words *"WHEREAS GMDC confirms that it shall notify WPCPL"* in page 3 and ending with the words *"supply of 4 million tonnes (+/- 10%) of coal from the said block to WPCPL, on priority basis"* shall be substituted by the following :

"WHEREAS GMDC confirms that it shall notify WPCPL about the exact quantum of coal available from the Morga II coal block on annual basis within three months of the receipt of the Geological Report (GR) and would commit supply of the guaranteed quantity of coal from the said block to WPCPL, on priority basis".

3. The definition of *"Guaranteed quantity"* beginning with the words *"Guaranteed Quantity means"* and ending with the words *"on priority basis to WPCPL"* shall be substituted by the following :

"Guaranteed Quantity means 7 million tonnes of coal to be mined from the Morga II block and to be supplied on priority basis to WPCPL"

4. The words *"1000 MW"* appearing in the 2nd line of article 1.4 shall be substituted by *"1750 MW"*.

5. The words *"1 million tonne"* appearing in the 5th line of article 2.1 shall be substituted by *"1.75 million tonnes"*.

6. The words "" and *"Rs. "* appearing respectively in the 1st and 2nd lines of article 4.4 (i) shall be substituted respectively by *"Rs. "* and *"Rs. "*.

7. The words *"Rs. "* appearing in the 4th line of article 4.4 (ii) shall be substituted by *"Rs. "*.

For A.A.K. Energy Ventures Private Limited,



Director.

For Wardha Power Company Private Limited



8. The following shall be inserted after article 4.4 (iv) :

"4.4(v) KSK and/or WPCPL shall provide to GMDC a development advance of Rs. in 2 equal installments of Rs. each on or before the dates stipulated for submission of the Bank Guarantee in terms of article 4.4 (i). The development advance so provided shall not bear any interest and shall be adjusted against supply of coal during the first five years of this agreement."

9. The words "135 million tonnes" appearing respectively in the 3rd and 4th lines of article 7.1 shall be substituted by "275 million tonnes".

10. Article 8.9 shall be deleted and the following shall be inserted under article 8.9 :

"8.9 (a) The KSK/WPCPL shall offer to sell, and make available to GMDC a total of 1010 MW of power out of the 1750 MW proposed to be generated daily (or equivalent number of units) at Rs. per KWH at the bus bar of the power station.

(b) At the option of GMDC, to be exercised within 3 months of signing of this amendment, KSK/ WPCPL shall offer to GUVNL the above quantum of power at Rs. at the Bus Bar of the Power Project or if required by GUVNL, at the GUVNL interconnection at the National Grid at Rs. per KW^h

(c) Both of the above rates referred to in 8.9 (b) above shall include a margin of Rs. per GMDC.

(d) The rate of Rs. for supply at the GUVNL interconnection of shall also include the cost of transmission and transmission losses up to the GUVNL interconnection.

(e) In case GUVNL cannot accept the direct offer for some reason and decides to invite open competitive bids for procuring power generated from domestic fuel, M/s. KSK/ WPCPL shall take part in the tender and quote a rate not higher than the above said rate/rates through a technically and financially qualifying bid, execute necessary power purchase agreement and supply power to GUVNL as per



[Signature]
Director.

[Signature]

3
Director



the agreement executed with GUVNL, provided that (1) GUVNL invites and concludes on the bids in this regard within 6 months of signing of this amendment and executes the agreement within 3 months thereafter, and (2) the bids are invited as per CERC norms.

- (f) In case GUVNL is not inclined to purchase power at the rates indicated in article 8.9 (b), or such other lower rate M/s. KSK, WPCPL and GMDC may agree to offer to GUVNL, KSK/ WPCPL shall be free to sell power otherwise agreed to be offered to GUVNL, to third parties, subject to the condition that (a) if power is sold at there shall be a margin
and (b) if power is sold at rates higher than
Rs. the excess realization above Rs.
shall be shared equally between GMDC and KSK/ WPCPL.

- (g) In case of any legal disability in KSK/ WPCPL paying to GMDC or GMDC receiving the above referred margin from sale of power, either in part or in full, the margin otherwise payable to GMDC shall be paid by KSK/ WPCPL through additional margin on sale of coal to the power project or through such other mutually agreed method.

- (h) GMDC proposes to invite bids for generation and supply of power from additional supplies of coal likely to be available beyond what is offered to KSK/ WPCPL of which KSK/ WPCPL shall be intimated in due course of time. If a better levelised rate for comparable quantum of power as offered by KSK (minimum 1000 MW) is received, accepted, and power is actually supplied by the bidder and is received by GMDC/GUVNL, the rates offered now by KSK/ WPCPL to GMDC/GUVNL shall be revised accordingly with prospective effect.

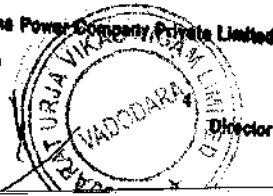
- (i) The entire quantum of power generated from the proposed additional supply to be put to bid, is required to be offered to GUVNL and therefore KSK would be required to meet the demand, if any, from the host state where the project would be set up, form the portion of power which is available with KSK after offering a total 1010 MW power to GMDC/GUVNL.

For Wardha Power Company Private Limited



For
Director

For
Director



For
Director

11. In the words " appearing in the last line shall be substituted by

In witness whereof the parties hereto have set their respective hands and seals on the date herein above first mentioned.

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD. ("GMDC")

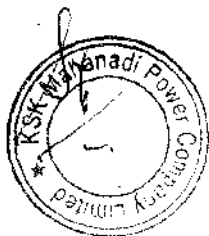
.....
<i>Authorized Signatory</i>	<i>In the presence of</i>
Name: C.J. JOSE, MS	Name: A. L. Thakor
Designation: Chairman & Mg. Director	Designation: General Manager (PR&D)
Date: GMDC Ltd.	Date: 21/4/07

WARDHA POWER COMPANY PRIVATE LIMITED ("WPCPL")

.....
<i>Authorized Signatory</i>	<i>In the presence of</i>
Name:	Name: Sushir Kalkonde
Designation:	Designation:
Date:	Date: 21/4/07

KSK ENERGY VENTURES PRIVATE LIMITED ("KSK")

.....
<i>Authorized Signatory</i>	<i>In the presence of</i>
Name:	Name: Sushir Kalkonde
Designation:	Designation:
Date:	Date: 21/4/07





ગુજરાત ગુજરાત GUJARAT

E 661851

નંબર : ૫૫૭ ૩.

તારીખ : ૨૩ માઈ ૨૦૦૭

નામ : ગુજરાત મહાપદી પાવર કંપની પ્રા. લિ.

હેડાફ્સ : ૩૦, ગાંધી માર્ગ

કે. જી. ફોતરીયા

લા. નં. એસ. બી. ૪૨૮, ૪૨૮/૧૯૯૯

એ-૪, સ્નેહ કલેટ, ગુરુકુળ રોડ,

અમદાવાદ મેમનગર સહાઈ

લેનારની સહી... ૩૦/૮/૨૦૦૭

AMENDMENT

This second amendment to the Coal Supply and Investment Agreement dated 16.11.2006 and the first amendment to the Coal Supply and Investment Agreement dated 21.04.2007 executed at Ahmedabad by and between Gujarat Mineral Development Corporation Ltd. (GMDC), KSK Energy Ventures Private Limited (KSK) and Wardha Power Company Private Limited (WPCPL), entered on this 31st day of August, 2007 at Ahmedabad.



Handwritten signatures of the representatives of the companies.



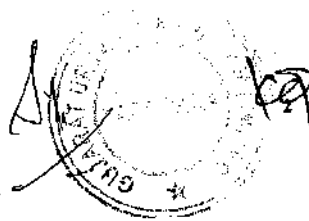
1. In the aforesaid amendment of 21.04.2007, the recital 1 (one) beginning with the words *"WHEREAS WPCPL intends to set up a 1750 MW Power Project in the Chhattisgarh State in one or more phases"* in page 2 and ending with the words *"subject to GMDC agreeing to offer priority supplies for the needs of such additional capacity"*, shall be substituted by the following :

"WHEREAS WPCPL intends to set up a 1750 MW power project in one or more phases and intends to utilize coal made available by GMDC from the Morga II block exclusively towards this end".

2. The recital 10 (ten) of the first Amendment dated 21.04.2007 beginning with the words

"8.9 (e) In case GUVNL cannot accept the direct offer for some reason and decides to invite open competitive bids for procuring power generated from domestic fuel, M/s. KSK/ WPCPL shall take part in the tender and quote a rate not higher than the above said rate/rates through a technically and financially qualifying bid, execute necessary power sale agreement and supply power to GUVNL as per the agreement executed with GUVNL, provided that (1) GUVNL invites and concludes on the bids in this regard within 3 months of signing of this amendment and executes the agreement within 3 months thereafter, and (2) the bids are invited as per CERC norms." shall be substituted by the following:

"8.9 (e) In case GUVNL cannot accept the direct offer for some reason and decides to invite open competitive bids for procuring power generated from domestic fuel, M/s. KSK/ WPCPL shall take part in the tender and quote a rate not higher than the above said rate/rates through a technically and financially qualifying bid, execute necessary power sale agreement and supply power to GUVNL as per the agreement executed with GUVNL, provided that (1) GUVNL invites and concludes on the bids in this regard within 9 months of signing of this amendment and executes the agreement within 9 months thereafter, and (2) the bids are invited as per CERC norms."



In witness whereof the parties hereto have set their respective hands and seals on the date herein above first mentioned.

GUJARAT MINERAL DEVELOPMENT CORPORATION LTD. ('GMDC')

.....
Authorized Signatory
Name: C J JOSE, IAS
Designation: CMD
Date: 31/08/07

.....
In the presence of
Name: A L THAKOR
Designation: GM (TECHNICAL)
Date: 31/08/07

WARDHA POWER COMPANY PRIVATE LIMITED ('WPCPL')

.....
Authorized Signatory
Name: S KISHORE
Designation: DIRECTOR
Date: 31/08/07

.....
In the presence of
Name: NAVJIT GILL
Designation: HEAD BUS. DEV. GRP.
Date: 31/08/07

KSK ENERGY VENTURES PRIVATE LIMITED ('KSK')

.....
Authorized Signatory
Name: S KISHORE
Designation: DIRECTOR
Date: 31/08/07

.....
In the presence of
Name: NAVJIT GILL
Designation: HEAD BUS. DEV. GRP.
Date: 31/08/07



and

KSK Energy Ventures Limited, ('KSK') incorporated under the Companies Act, 1956, having its Registered Office at 431/A, Road No.22, Jubilee Hills, Hyderabad 500033 (hereinafter referred as to KSK, of the Second Part, which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns.

and

Wardha Power Company Limited, ('WPCL') a wholly owned subsidiary of KSK Electricity Financing Private Limited, incorporated under the Companies Act, 1956, having its Registered Office at 431/A, Road No.22, Jubilee Hills, Hyderabad 500033 (hereinafter referred to as WPCL, of the Third Part, which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns.

WHEREAS:

1. GMDC is engaged, inter-alia, in exploration, mining and marketing of minerals;
2. KSK is engaged, inter-alia, in the development of power projects in various States of India;
3. GMDC and KSK have entered into an MOU on April 3, 2006 (hereinafter called the MOU) for exploitation of Coal reserves in the Coal Blocks allotted to GMDC;
4. GMDC has approached the Government of India for allotment of coal blocks under the Government Dispensation Scheme and has since received allocation of Morga-II Coal Block in the State of Chhattisgarh;
5. GMDC confirmed that it has received a communication from the Government of India that it has been allotted Morga-II coal block in Chhattisgarh; and
6. GMDC has agreed to supply on priority basis, coal mined from the Morga-II Block to a Special Purpose Vehicle (SPV) promoted or acquired by KSK for generating thermal power; and
7. KSK has promoted a Special purpose vehicle (SPV) to set up a power project based on coal to be made available to it by GMDC from the Morga-II Block and incorporated it as WPCL, a fully owned subsidiary of KSK; and



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Handwritten signature.

8. WPCL intends to set up a 1750 MW Power Project in the Chhattisgarh State in one or more phases and intends to utilize coal made available by GMDC from the Morga II block exclusively towards this end; and
9. Parties have entered into a Coal Supply and Investment Agreement dated 16.11.2006 (hereinafter called the "Basic Agreement") which was amended first by an Amendment Agreement dated 21.4.2007 and again by an Amendment Agreement dated 31.08.2007; and
10. KSK and WPCL have entered into a Memorandum of Understanding with the Government of Chhattisgarh and Chhattisgarh State Electricity Board on 15.02.2008, to set up 1750 MW power project in the state of Chhattisgarh, based on coal supply committed by GMDC from its Morga-II coal block whereby Government of Chhattisgarh and CSEB have agreed to provide the necessary support to the Project subject to certain obligations on the part of KSK/WPCPL; and
11. GMDC, vide its letter dated 24.03.2009, has communicated to KSK the approval of the Government of Gujarat to the Basic Agreement read with amendments thereto, which has necessitated making certain further amendments to the Basic Agreement read with amendments thereto.
12. Subsequently, in 236th meeting of the Board of Directors of GMDC held on 21/05/2009, it was decided to amend the CS&IA executed by and between the parties.
13. Parties seek to further amend the above Agreements read with amendments thereto, to incorporate the necessary changes, being these presents.

NOW THIS AMENDMENT AGREEMENT WITNESSETH AS FOLLOWS:

1. In the title, "Coal Supply & Investment Agreement" shall be corrected as "Coal Supply Agreement", "KSK Energy Ventures Private Limited" shall be corrected as "KSK Energy Ventures Limited" and "Wardha Power Company Private Ltd." shall be "Wardha Power Company Limited". All references to "WPCPL" shall be amended to "WPCL".
2. In definitions, the following changes shall be made:

The definition of Guaranteed Quantity which read as :



Page 3 of 8



"Guaranteed Quantity means 7 million tones of coal to be mined from the Morga II block and to be supplied on priority basis to WPCPL"

Shall now read as :

"Guaranteed quantity means the adequate quantity of coal required to be supplied annually on a priority basis to WPCPL to generate 1750 MW of power, to be mined out by GMDC from Morga-II Coal Block, limited to confirmed generation of 1750 MW of power by the said power plant."

3. Article 1.2 which earlier read as :

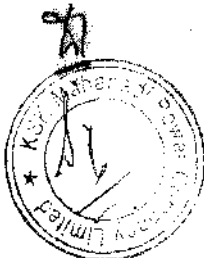
"KSK confirms that, at all times, it shall hold at least 26% of the Equity of 'WPCPL'. If, however, KSK desires to reduce its holding below 26%, it shall seek the prior concurrence of GMDC and shall offer tag along rights to GMDC. Specific terms with respect to such tag along rights shall be enumerated in the Shareholders' Agreement to be entered into by and between GMDC and KSK."

shall now read as :

"KSK confirms that there shall be no change of management control during the implementation period of the Project from the present equity holding arrangements. At all times, it shall hold at least 26% of the Equity of 'WPCPL'."

4. Article 3 which earlier read as

"Subject to Article 4.1, 4.2, 4.3 and 4.5, this Agreement shall be effective from the date of its execution and shall be valid for a period of 30 years from the commencement of supply of coal by GMDC to WPCPL, provided the project achieves Financial Closure within 3 months being notified of availability of guaranteed quantity of coal on the basis of detailed exploration reports referred to in article 7.1 of this Agreement and the first phase of (minimum 500 MW) the project is commissioned within 37 months thereafter."



Shall now read as :

"Subject to Article 4.1, 4.2, 4.3 and 4.5, this Agreement shall be effective from the date of its execution and shall be valid for a period of 30 years from the commencement of supply of Guaranteed Quantity of Coal by GMDC to WPCPL."

Article 4.2(b) which earlier read as

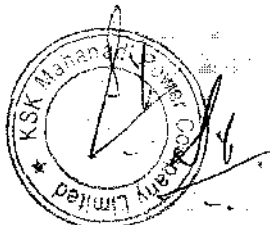
"pay to WPCPL any additional cost incurred by it for sourcing the short supply from third parties, provided WPCPL shall ensure and satisfy GMDC that it has procured coal from the most economic source available, provided further that GMDC shall not be required to discharge the obligations detailed in article 4.2 (a) and (b) above beyond a period of 6 months from the date from which its failure to supply the guaranteed quantity of coal first commenced."

Shall now read as :

"pay to WPCPL any additional cost incurred by it for sourcing the short supply from third parties, provided WPCPL shall ensure and satisfy GMDC that it has procured coal from the most economic source available, provided further that GMDC shall not be required to discharge the obligations detailed in article 4.2 (a) and (b) above beyond a period of 12 months or such other period in line with the Power Purchase Agreement to be entered into with GUVNL, from the date from which its failure to supply the Guaranteed Quantity of coal first commenced."

5. Article 8.9 (a) which read as

"The KSK/WPCPL shall offer to sell, and make available to GMDC a total of 1010 MW of power out of the 1750 MW proposed to be generated daily (or equivalent number of units) at Rs. 1.88 per KWH at the bus bar of the power station."



shall now read as :

"After giving consideration to the requirement of the Chhattisgarh State, as laid-down in their State policy, KSK/WPCL shall offer the remaining entire generation of power to GUVNL, in any case a minimum of 1010 MW of power out of the 1750 MW proposed to be generated daily (or equivalent number of units), at a tariff of Rs.1.98 per KWH at the bus bar of the power station or at Rs. 2.20 per KWH at the GUVNL interconnection at the National Grid. As per Government of Gujarat directive, no merchant sale of power is allowed. However, if GUVNL does not purchase power from the power developer, then the power developer i.e. KSK /WPCL shall be entitled to sell the power to other intending buyers, with the consent of GMDC and within the ambit of the PPA with GUVNL."

6. Clauses No 8.1 to 8.5 shall stand deleted.

7. Clause 8.7 which earlier read as :

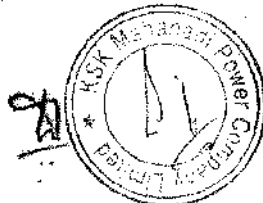
"If GMDC conveys its decision not to invest in the equity of the project or fails to convey its decision within the period set out in clause 8.5 (i) above, KSK shall be responsible for making all necessary financial arrangements for setting up the power project."

Shall now read as

"GMDC conveys its decision not to invest in the equity of the project and, therefore, now KSK shall be responsible for making all necessary financial arrangements for setting up the power project."

8. Clause 8.8 which earlier read as :

"At all points of time, the KSK shall be responsible for drawing up plan(s) in the form and the nature of the power project that would be undertaken, the location at which the project(s) would be located, the need for one or more vehicles to execute the same, the configurations and technology for such plants, the offtakers of such power and tie up of the funds - both investors and lenders - for the project. KSK shall not expect any commitments from GMDC in this regard and may seek assistance to supplement such efforts and GMDC is not obliged to provide any such assistance."



Page 6 of 8



Subject to article 8.1, KSK shall be responsible for day to day management and operations of the Power project."

Shall now read as

" At all points of time, the KSK shall be responsible for drawing up plan(s) in the form and the nature of the power project that would be undertaken, the location at which the project(s) would be located, the need for one or more vehicles to execute the same, the configurations and technology for such plants, the off-takers of such power and tie up of the funds – both investors and lenders – for the project. KSK shall not expect any commitments from GMDC in this regard and may seek assistance to supplement such efforts and GMDC is not obliged to provide any such assistance.

KSK shall be responsible for day to day management and operations of the Power project."

9. Clause 8.9 (b) shall stand deleted.

10. Clause 8.9 (c) which read as :

"Both of the above rates referred to in 8.9 (b) above shall include a margin of Rs. 0.10 per KWH to GMDC."

Shall now read as

"Both of the above rates referred to in 8.9 (a) above shall include a margin of Rs. 0.10 per KWH to GMDC."


11. Clauses 8.9 (h) & 8.9 (i) shall stand deleted.

12. All other terms and conditions of the Coal Supply and Investment Agreement dated 16/11/2006, First amendment dated 21/04/2007 and Second amendment dated 31/08/2007 shall be valid and hold good.




IN WITNESS WHEREOF the Parties hereto have set their respective hands and seals on the date herein above first mentioned.

For GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED (GMDC)


Authorized Signatory, I.P.S.
Chief General Manager
In the presence of

Name: Dr. Dinesh Misra, IFS
Designation: Chief General Manager
Date: 04/07/2009


Name: Shri A L Thakor
Designation: GM (P,R&D)
Date: 04/07/2009

For KSK ENERGY VENTURES LIMITED (KSK)



Authorized Signatory

In the presence of

Name: Shri Shishir Kalkonde
Designation: Head Fuel Resources
Date: 04/07/2009



Name:
Designation:
Date:


Shankar Patel
Purshid


For WARDHA POWER COMPANY LIMITED (WPCL)


Authorized Signatory
In the presence of

Name: Shri Shishir Kalkonde
Designation: Head Fuel Resources
Date: 04/07/2009



Name:
Designation:
Date:


Shankar Patel
Purshid

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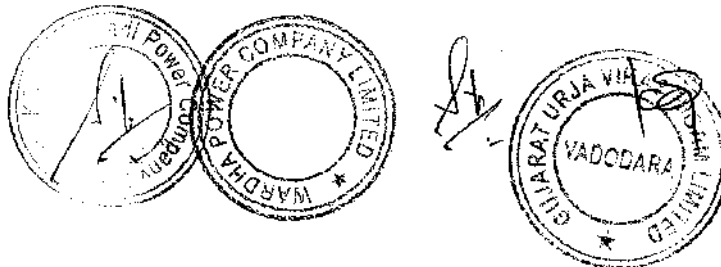
Bidder's Undertaking

To,
Mr. K.P. Jangid
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

Sub: Bidder's Undertakings for Bid for supply of power to Procurer in response to the RFP (bid specification no.GUVNL/01/LTPP/2009) dated 22/06/2009.

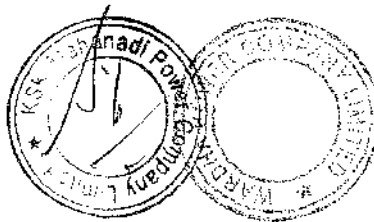
1. We give our unconditional acceptance to the RFP and RFP Documents issued by Procurer as a part of the RFP dated 22/06/2009, and as amended, subject to fulfillment of obligations of Gujarat Mineral Development Corporation under the Coal Supply Agreement dated 16th Nov 2006 and its amendments dated 21st April 2007, 31st August 2007 and 4th July 2009 ('collectively referred to as 'the Coal Supply Agreement'). We shall ensure that the Seller shall execute such RFP Documents as per the provisions of the RFP, read with the terms and conditions of the Coal Supply Agreement signed with Gujarat Mineral Development Corporation Limited.
2. We have submitted our Financial Bid strictly as per Format 4.10 of the RFP, without any deviations, conditions save for such provisions as are considered necessary in view of the Coal Supply Agreement and without mentioning any assumptions or notes for the Financial Bid in the said format.
3. We have submitted the Bid on the terms and conditions contained in the Coal Supply Agreement with Gujarat Mineral Development Corporation Limited and the RFP.
4. Our Bid (including Financial Bid) is valid up to the period required under Clause 2.9 of the RFP.
5. Our Bid (including Financial Bid) has been duly signed by authorised signatory and closed in the manner and to the extent indicated in the RFP save for such provisions as are considered necessary in view of the Coal Supply Agreement and the Power of Attorney/ Board Resolution as per Clause 2.4.1.1 in requisite format as per RFP has been enclosed in original with this undertaking.



6. We undertake that we shall not submit any bid, on the basis of the same generation source and quantum of power from such source as mentioned in our Bid, in any other bid process till the time of selection of Successful Bidder and issue of LOI or the termination of the process, whichever is earlier, subject to a maximum of period of one hundred and twenty (120) days from the Bid Deadline.
7. Not Applicable.
8. Not Applicable
9. Not Applicable
10. We confirm that our Bid meets the following conditions:
 - a) The Scheduled Delivery Date is not later than the date specified in the RFP, subject to the provisions of the PPA.
 - b) The quantum of power offered in our Bid is equal to or greater than the Minimum Bid Capacity and is for the following offered capacity.

Financial Bid	Offered Capacity in MW
1	1010 MW
Total of all Financial Bids	1010 MW

11. We confirm that the Financial Bid conform(s) to all the conditions in the RFP including:
 - a. Ratio of minimum and maximum Quoted Capacity Charges during the Contract Years for which the Tariff has been quoted in Format 4.10 of the Bid is not less than zero point seven (0.7) as provided in Clause 2.4.1.1(B)(x) of the RFP.
 - b. Financial Bid is in the prescribed Format 4.10, and is submitted duly signed by the authorised signatory
 - c. Financial Bid is unconditional



[Handwritten signature]



12. We have neither made any statement nor provided any information in this Bid, which to the best of our knowledge is materially inaccurate or misleading. Further, all the confirmations, declarations and representations made in our Bid are true and accurate. In case this is found to be incorrect after our selection as Successful Bidder, we agree that the same would be treated as a Seller's event of default under PPA, and consequent provisions of PPA shall apply.

**Yours faithfully,
For Wardha Power Company Limited**

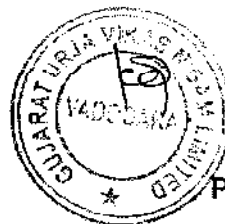

**S. Kishore
Wholetime Director**



Date: 6th January 2010

Place: Hyderabad

Original Power of Attorney/ Board Resolution as per Clause 2.4.1.1 is enclosed.



Undertaking from the Financially Evaluated Entity

Name: KSK Energy Ventures Limited
Full Address: 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad-500 033
Telephone No.: +91 40 - 23559922-25
E-mail address: kishore@ksk.co.in
Fax / No.: +91 40 - 23559930

To,

Mr. K.P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara - 390 007

Dear Sir,

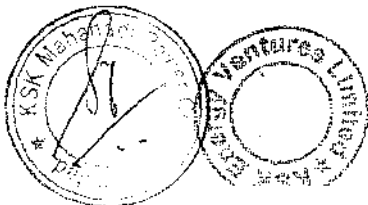
We refer to the Request for Proposal dated 22/06/2009 issued by you for procurement of power on long term basis through tariff based competitive bidding process for meeting the requirements of Procurer (bid specification no. GUVNL/01/LTPP/2009).

We have carefully read and examined in detail the RFP, including in particular, Clause 2.4.1.1 of the RFP, regarding submission of an undertaking, as per the prescribed Format 4.7 (B).

We have also noted the amount of the Contract Performance Guarantee required to be submitted as per Clause 2.13 of the RFP by the Wardha Power Company Limited for the supply of power in the event of it being selected as the Successful Bidder.

In view of the above, we hereby undertake to you and confirm that in the event of failure of Wardha Power Company Limited to submit the Contract Performance Guarantee in full or in part at any stage, as specified in the RFP, we shall submit the Contract Performance Guarantee for the amount not submitted by Wardha Power Company Limited.

In view of the above, we hereby undertake to you and confirm that in the event of failure of Wardha Power Company Limited to invest in full or in part, in the equity share capital



of the Project as specified in the Bid, we shall invest the said amount not invested by Wardha Power Company Limited.

We have attached hereto certified true copy of the Board Resolution whereby the Board of Directors of our Company has approved issue of this Undertaking by the Company.

All the terms used herein but not defined, shall have the meaning as ascribed to the said terms under the RFP.

For KSK Energy Ventures Limited


S. Kishore

Wholtime Director



Common seal of KSK Energy Ventures Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated 19th December, 2009.

WITNESS

1. 

(Signature)

Name

Designation..... **RAJESH KUMAR**
GENERAL MANAGER - BUSINESS DEVELOPMENT



2. 

(Signature)

Name

Designation..... **A. SREEKANTH**
MANAGER





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF WARDHA POWER COMPANY LIMITED AT THEIR MEETING HELD ON 26TH DECEMBER, 2009 AT 1000 HOURS AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 8-2-293/82/A/431/A, ROAD NO.22, JUBILEE HILLS, HYDERABAD - 500033

AUTHORISATION TO PARTICIPATE IN BIDDING FOR TENDERS ISSUED BY GUJARAT URJA VIKAS NIGAM LIMITED (GUVNL)

"RESOLVED THAT the consent of the Board be and is accorded for participating in the Bid initiated by Gujarat Urja Vikas Nigam Limited (GUVNL) for supply of upto 1017 MW power from the Chhattisgarh Coal based Power Project.

RESOLVED THAT Mr K.A. Sastry, Mr. S. Kishore, Wholetime Directors, Mr. C. Srinivas, Director of the Company be and are hereby severally authorized to take all the steps required to be taken by the Company for submission of Bid, including in particular, signing the Bid, making changes thereto and submitting amended Bid, all the documents related to the Bid, certified copy of this Board resolution or letter or undertakings, etc, required to be submitted to the Procurer as part of the Bid or such other documents as may be necessary in this regard.

RESOLVED FURTHER THAT, if required, the Common Seal of the Company be affixed on the relevant formats of Bid documents or any other documents which may be required in connection with the Bid in the presence of Mr. K.A. Sastry, Wholetime Director or Mr. S. Kishore, Wholetime Director or Mr. C. Srinivas, Director or Mr. M. Srirama Saran Prasad, Company Secretary or Mr. Rajesh Kumar who shall sign the same in token thereof."

//Certified Copy//

For Wardha Power Company Limited



B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38.

ATTESTED

Company Secretary



6 JAN 2010



Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Certificate

This is to certify that Wardha Power Company Limited has duly appointed
Wholetime Director in terms of Section 269 of the Companies Act, 1956.

The Company does not have any Managing Director or Chief Executive
Officer or Manager under section 269 of the Companies Act 1956.

The Company has Wholetime Director and Directors in its Board.

This certificate is issued for submission to M/S Gujarat Urja Vikas Nigam
Limited towards participation in the Case- 1 bidding process for supply of
power on long term basis.

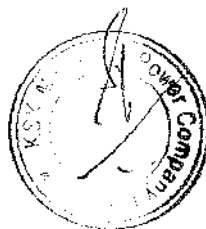
For Wardha Power Company Limited


Company Secretary

Place: Hyderabad
Date :







CERTIFIED COPY OF RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF KSK ENERGY VENTURES LIMITED HELD ON 19TH DECEMBER, 2009 AT 10.30 HRS AT 8-2-293/82/A/431/A, ROAD NO. 22, JUBILEE HILLS, HYDERABAD – 500 033.

PROVIDING OF UNDERTAKING TO GUJARAT URJA VIKAS NIGAM LIMITED IN CONNECTION WITH THE BID BY WARDHA POWER COMPANY LIMITED

RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and compliance thereof and as permitted under the Memorandum and Articles of Association of the company, approval of the Board be and is hereby accorded for issuing an Undertaking to the Procurer, in the format specified in the RFP, draft of which is attached hereto and initialled by the Chairman,

- a. Whereby the company undertakes to provide the 100% percent of the Contract Performance Guarantee in case of failure of the Wardha Power Company Limited to provide such Contract Performance Guarantee,
- b. And also invest 100% of equity investment for the project in case of failure of the Wardha Power Company Limited to invest in full or in part, in the equity share capital of project as specified in the bid

as per the terms and conditions of the RFP with Bid Reference No. GUVNL/01/LTPP/2009 dated 22nd June 2009 to be submitted on due date as per Clause 2.8 of RFP.

RESOLVED FURTHER THAT Mr. K.A. Sastry or Mr. S. Kishore, Directors or Mr. Rajesh Kumar, Authorised Signatory, be and are hereby authorized to take all the steps required to be taken by the Company for submission of Bid, including in particular, signing the Bid, making changes thereto and submitting amended Bid, all the documents related to the Bid, certified copy of this Board resolution or letter or undertakings etc, required to be submitted to the Procurer as part of the Bid or such other documents as may be necessary in this regard.

// CERTIFIED COPY //

For KSK Energy Ventures Limited

Company Secretary

ATTESTED

B. NAGENDER RAO, B.Sc., DPM., LLB
ADVOCATE & NOTARY
APPOINTED BY GOVT. OF A.P.
(SHOP No. 10, HUDA MAITRIVANA, M
AMEERPET (S.R. NAGAR POST)
HYDERABAD-38

6 JAN 2010





KSK Energy Ventures Limited

Registered Office

8-2-293/82/A/431/A,

Road No. 22, Jubilee Hills,

Hyderabad - 500 033

Tel: +91-40-23559922-25

Fax: +91-40-23559930

Certificate

This is to certify that KSK Energy Ventures Limited has duly appointed Wholetime Directors in terms of Section 269 of the Companies Act, 1956.

The company does not have any Managing Director or Chief Executive Officer or Manager under section 269 of the Companies Act, 1956.

The Company has Wholetime Directors and Directors in its Board.

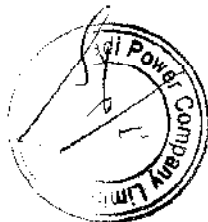
This certificate is issued for submission to M/S Gujarat Urja Vikas Nigam Limited for submission along with Response to RFP under Case – I Bidding.

For KSK Energy Ventures Limited

Company Secretary

Place : Hyderabad

Date : 2nd January, 2010



Undertaking from the Financially Evaluated Entity

Name: KSK Energy Ventures Limited
Full Address: 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad-500 033
Telephone No.: +91 40 – 23559922-25
E-mail address: kishore@ksk.co.in
Fax / No.: +91 40 - 23559930

To,

Mr. K.P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

We refer to the Request for Proposal dated 22/06/2009 issued by you for procurement of power on long term basis through tariff based competitive bidding process for meeting the requirements of Procurer (big specification no. GUVNL/01/LTPP/2009).

We have carefully read and examined in detail the RFP, including in particular, Clause 2.4.1.1 of the RFP, regarding submission of an undertaking, as per the prescribed Format 4.7 (B).

We have also noted the amount of the Contract Performance Guarantee required to be submitted as per Clause 2.13 of the RFP by the Wardha Power Company Limited for the supply of power in the event of it being selected as the Successful Bidder.

In view of the above, we hereby undertake to you and confirm that in the event of failure of Wardha Power Company Limited to submit the Contract Performance Guarantee in full or in part at any stage, as specified in the RFP, we shall submit the Contract Performance Guarantee for the amount not submitted by Wardha Power Company Limited.

In view of the above, we hereby undertake to you and confirm that in the event of failure of Wardha Power Company Limited to invest in full or in part, in the equity share capital of the Project as specified in the Bid, we shall invest the said amount not invested by Wardha Power Company Limited.



We have attached hereto certified true copy of the Board Resolution whereby the Board of Directors of our Company has approved issue of this Undertaking by the Company.

All the terms used herein but not defined, shall have the meaning as ascribed to the said terms under the RFP.

For KSK Energy Ventures Limited

S. Kishore
Wholetime Director

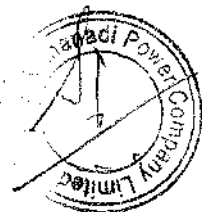
Common seal of KSK Energy Ventures Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated.....

WITNESS

1.
(Signature)
Name
Designation.....
2.
(Signature)
Name
Designation.....



P. L. Saur



SK

8/2010

10061019FIN0004

given, or agreed with or without our knowledge or consent, by or between concerned parties.

Our liability under this Guarantee is restricted to Rupees One Hundred and Fifty One Crores and Fifty Lakhs (Rs. 151.50 Cr) only. Our Guarantee shall remain in force until 31st July 2010 and the Procurer or its authorized representative shall be entitled to invoke this Guarantee until 30th August 2010.

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

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection, disputes, or disparities raised by the Bidder or any other person. The Guarantor Bank shall not require Gujarat Urja Vikas Nigam Limited Procurer or its authorized representative to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the Procurer or its authorized representative in respect of any payment made hereunder.

This BANK GUARANTEE shall be interpreted in accordance with the laws of India and the courts at Vadodara 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 Procurer or its authorized representative shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Bidder, to make any claim against or any demand on the Bidder or to give any notice to the Bidder to enforce any security held by the Procurer or its authorized representative or to exercise, levy or enforce any distress, diligence or other process against the Bidder.

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

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

कृते आन्ध्र बैंक
For ANDHRA BANK
विशेष कॉर्पोरेट वित्त शा. हैदराबाद
Specialised Corporate Finance Br. Hyd.

29/6/10
ग्रिड प्रबंधक / Senior Manager



कृते आन्ध्र बैंक For ANDHRA BANK
विशेष कॉर्पोरेट वित्त शा. हैदराबाद
Specialised Corporate Finance Br. Hyd.

8/1/2010
ग्रिड प्रबंधक Dy. General Manager



10061016FIN0004

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rupees One Hundred and Fifty One Crores and Fifty Lakhs (Rs. 151.50 Cr) only and it shall remain in force until 31st July 2010, with an additional claim period of thirty (30) days thereafter. We are liable to pay the guaranteed amount or any part thereof under this BANK GUARANTEE only if the Procurer or its authorized representative 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 8th day of January 2010 at Hyderabad.

Signature of Bank Official

Name: S. P. RASOOL

Designation with Bank Stamp

कृते आन्ध्रा बैंक
For ANDHRA BANK
विशेष कॉर्पोरेट वित्त शा. हैदराबाद
Specialised Corporate Finance Br. Hyd.

उप महा प्रबंधक / Senior Manager

कृते आन्ध्रा बैंक For ANDHRA BANK
विशेष कॉर्पोरेट वित्त शा. हैदराबाद
Specialised Corporate Finance Br. Hyc

उप महा प्रबंधक Dy. General Manager

Attorney as per Power of attorney No. 5846.

For:
Andhra Bank,
Specialised Corporate Finance Branch,
Padmaja Landmark,
6-3-648, 3rd Floor,
Somajiguda, Hyderabad-500082
Dated this 8th day of January, 2010

आन्ध्रा बैंक / ANDHRA BANK

विशेष कॉर्पोरेट वित्त शाखा
Specialised Corporate Finance Br.

पद्माजा लॉन्ड मार्क
6-3-648, Padmaja Land Mark,
आर.टी.ए. कार्यालय के पास, सोमाजीगुडा
Adj. to R.T.A. Office, Somajiguda
हैदराबाद/HYDERABAD-500082.

Witness:

1. _____

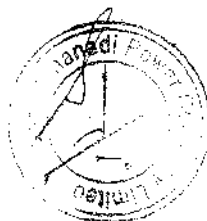
Signature

Name and address. B. N. PRAKASH
KSK Energy Ventures Limited
Hyderabad

2. _____

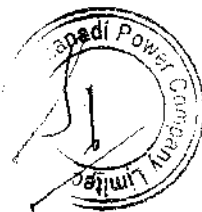
Signature

Name and address D. S. R. NIVASARAMA
KSK Energy Ventures Limited
Hyderabad.



Checklist for submission of Bid

Submission of Bid requirements	Response (Yes/No)
i. Covering Letter as per Format 4.1	Yes
ii. Original Power of Attorney as per Format 4.2	Yes
iii. Consortium Agreement as per Format 4.3 (if Bid is submitted by a Bidding Consortium)	Not applicable
iv. Letter of consent from Consortium Members as per Format 4.4 (if bid is submitted by a Bidding Consortium)	Not applicable
v. Bidder's composition and ownership structure as per Format 4.5	Yes
vi. Details of meeting Qualification Requirement as per Format 4.6 (A) and (B)	Yes
vii. Documentary evidence for meeting the Qualification Requirement as per Format 4.6 (A) and (B)	Yes
viii. Bidder's Undertaking as per Format 4.7 (A)	Yes
ix. Undertaking from the Financially Evaluated Entity as per Format 4.7 (B)	Yes
x. Applicable Board Resolutions as per Format 4.8	Yes
xi. Bid Bond as per Format 4.9	Yes
xii. Financial Bid as per Format 4.10	Yes
xiii. Checklist of submission of Bid as per this Format 4.11	Yes

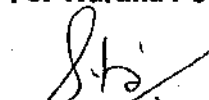


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Submission of Bid requirements		Response (Yes/No)
xiv.	Disclosure as per Format 4.12	Yes
xv.	Details of source of power and primary fuel as per Format 4.13;	Yes
xvi.	Certificate of relationship of Parent Company with the Bidding Company as per Format 4.14;	Yes
xvii.	Calculation sheets detailing computation of Networth considered for meeting Qualifying Requirements.	Yes
xviii.	Last 3 financial years' unconsolidated/consolidated audited annual accounts of the Financially Evaluated Entity duly certified by the Statutory Auditor.	Yes
xix.	Authority letter in favour of Procurer from the Bidder authorising Procurer to seek reference from their respective bankers & others.	Yes
xx.	Initialing of all pages of Bid by authorized signatory.	Yes

For Wardha Power Company Limited



S. Kishore
Wholetime Director



Place: Hyderabad
Date: 6th January 2010





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Disclosure

To:
Mr. K. P. Jangid,
Chief Finance Manager,
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Sub: Bidder's Disclosure for Bid for supply of power to Procurer in response to the RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009

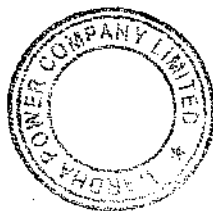
We hereby declare that the following companies with which we have direct or indirect relationship are also separately participating in this bidding process as per following details

Sl. No.	Name of the Company	Relationship
1.	Nil	Not Applicable

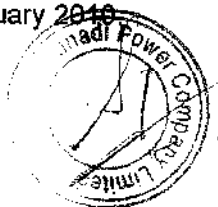
Further we confirm that we don't have any Conflict of Interest with any other Bidder participating in this bid process.

For Wardha Power Company Limited


S. Kishore
Wholetime Director



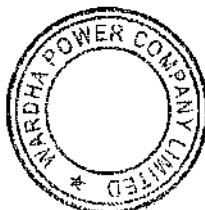
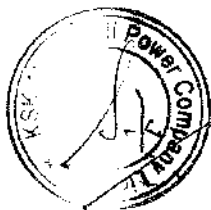
Date: 6th January 2010



Details of the generation source and the primary fuel

(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)	Nariyara Village, Akaltara Tehsil, Jhajgir-Champa District, Chhattisgarh			
2.	No. of existing/ proposed units and installed capacity of each unit (in MW)	Existing – Not Applicable			
		Sl. No.	No. of Units	Installed Capacity	COD
		1.			
		2.			
				
		Proposed			
		Sl. No.	No. of Units	Installed Capacity	Expected COD
		1.	1	600 MW	29 th March 2015
		2.	1	600 MW	29 th March 2015
		3.	1	600 MW	29 th March 2015
			1800 MW	
		Although Wardha Power Company Limited (WPCL) is setting up 3600 MW Power Station, but we are declaring only 1800 MW (Units 4, 5 & 6 (in order of commissioning)) as Power Generation Source because our offer for supply of power to Gujarat Urja Vikas Nigam Limited (GUVNL) under this bid is directly linked to Coal Supply Agreement signed with Gujarat Mineral Development Corporation Limited (GMDC) (A Government of Gujarat Enterprise). However, at all times, in line with the Coal Supply Agreement, the Power supplies to GUVNL shall be after meeting the obligations of Government of Chhattisgarh/Utility.			
3.	Primary Fuel	Coal			
4.	Dates of last major R&M (unit-wise)	Applicable for existing units : <i>Not Applicable</i> S No. Date 1. 2.			
5.	Duration of Fuel Supply Agreement(s) (FSA)	30 years from the date of commencement of coal supply			
6.	Quantum of power contracted with other purchasers, if any (in MW)	706 MW.			
7.	Details of surplus capacity (in MW)	1094 MW Gross Capacity (1010 MW Net Capacity)			
8.	Distance of Inland transportation of fuel (in km)	120 km approx.			



St.



(B) 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/ Fuel tie up with a Central / State Government Company / Undertaking, which has been allocated coal block under the government dispensation scheme / domestic captive coal mine/ imported coal/ domestic (pipeline) gas/ imported gas (R-LNG)")	Fuel tie up with State Government Company / Undertaking, which has been allocated coal block under the government dispensation scheme
3	Fuel grade (Applicable only in case of coal)	F-Grade
4	Name of the CIL 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 Agreement entered into with M/s. Gujarat Mineral Development Corporation Limited; State Government Enterprise, which has been allocated coal blocks under the government dispensation scheme, by Ministry of Coal, Government of India.
6	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-

(C) Details of Hydel Plants ; Not Applicable

S.No	Particulars	Details (to be furnished by the Bidder)
1	Location	
2	Design Energy [please attach certificate of design energy from a competent authority]	
3	Annual PLF based on design energy	

For Wardha Power Company Limited

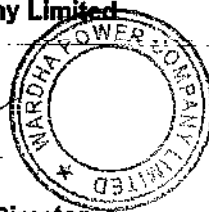
Signature:

Name:

Designation: **Wholetime Director**

Date: **6th January 2010**

Place: **Hyderabad**



SAVITA JYOTI ASSOCIATES

COMPANY SECRETARIES

CS. SAVITA JYOTI, B.Com., F.C.S.

CERTIFICATE OF RELATIONSHIP

To

Mr.K P Jangid
Chief Finance Manager,
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara - 390 007.

Dear Sir,

Sub: Bid for procurement of power on Long term basis through tariff based competitive bidding process in response to RFP (bid specification no. GUVNL/01/LTPP/2009) dated 22/06/2009.

We hereby certify that M/s KSK Energy Ventures Limited is the Parent Company of the Bidding Company as per the definition of Parent Company as provided in this RFP and based on details of equity holding as on seven (7) days prior to the Bid Deadline.

The details of equity holding of the Bidding Company in the Parent Company or vice versa as on seven (7) days prior to the Bid Deadline are given as below:

Name of Bidding Company	Name of the Affiliate of the Bidding Company *	Name of the Parent Company of the Bidding Company	Name of the company having common control on the Affiliate and the Bidding Company
Wardha Power Company Limited	NA	KSK Energy Ventures Limited	NA

*Bidding Company to hold at least twenty six percent (26%) in such Affiliate as on seven (7) days prior to Bid Deadline

For SAVITA JYOTI ASSOCIATES

Savita Jyoti

CS. SAVITA JYOTI

Place : Hyderabad
Date: 4th January, 2010

SAVITA JYOTI, FCS 3738
Practicing Company Secretary
Certificate of Practice No. 1798



Sr



Annexure

SHAREHOLDING PATTERN OF WARDHA POWER COMPANY LIMITED

AS ON 04.01.2010

Sl. No.	Name of the Shareholder	No. of Equity Shares of Rs.10/- (Fully paid)	No of Equity Shares of Rs.10/- (Partly paid)	Total	% to Total Equity
	Class A Equity Shares				
1	Viraj Profiles Limited	3120000	44642190	47762190	11.11
2	KSK Energy Ventures Limited	-	33079739	33079739	7.69
3	Graphite India Limited	-	2476558	2476558	0.58
4	Facor Steels Limited	-	1945867	1945867	0.45
5	Sona Alloys Private Limited	-	2653455	2653455	0.62
6	R.L. Steels & Energy Limited	-	2653455	2653455	0.62
7	Mahindra Hinoday Industries Limited	-	1768970	1768970	0.41
8	Mahindra & Mahindra Limited		1945867	1945867	0.45
9	Mahindra Vehicle Manufacturers Limited		1238279	1238279	0.29
	TOTAL : A	3120000	92404380	95524380	22.22
	Class B Equity Shares				
1	KSK Electricity Financing India Private Limited	139339967	132535650	271875617	63.24
2	Mr. G.V.Pavan Kumar	-	1	1	0.00
3	Mr. M.S.Phanisekhar	-	1	1	0.00
4	Mr. B.Kalyan Chakravarthy	-	1	1	0.00
	TOTAL: B	139339967	132535653	271875620	63.24
	Equity Shares				
	KSK Energy Ventures Limited	62500000	0	62500000	14.54
	TOTAL: C	62500000	0	62500000	14.54
	GRAND TOTAL (A+B+C)	204959967	224940033	429900000	100.00

SHAREHOLDING PATTERN OF M/S.KSK ELECTRICITY FINANCING INDIA PRIVATE LIMITED

AS ON 04.01.2010

Sl. No.	Name of the Shareholder	No. of Equity Shares of Rs.10/- (Fully paid)	Total	% to Total Equity
1	KSK Energy Ventures Limited	570115295	570115295	100%
2	Mr. S Kishore (Nominee of KSK Energy Ventures Limited)	10	10	0%
	GRAND TOTAL	570115305	570115305	100%

Note: Ownership of KSK Energy Ventures Limited in Wardha Power Company Limited is through its 100% owned entity KSK Electricity Financing India Private Limited.



Samita Tyoti

SAVITA JYOTI, FOS 3738
Practicing Company Secretary
Certificate of Practice No. 1796

AB





**AGREEMENT
TO
HYPOTHECATE CUM
DEED
OF
HYPOTHECATION**



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.



Rajesh Kumar Jain

K.A: S. K.P. JANGID

From: Rajesh Kumar Jain
Sent: Tuesday, February 02, 2010 2:55 PM
To: 'coacom@gebmail.com'
Cc: 'kkjangid2001@yahoo.co.in'
Subject: GUVNL SEEKING CLARIFICATIONS IN RESPONSE TO CASE-1 BID SUBMITTED BY

Dear Sir,

Good Day!

This has reference to the enclosed fax received from GUVNL regarding the captioned subject. Enclosed, please find our response. We have enclosed only 2 pages of initialed "Request For Proposal" with this message. The remaining initialed pages shall be sent in a separate message.

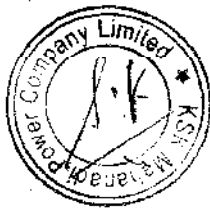
Please acknowledge the safe receipt of this message and feel free to contact us if any clarifications are sought.

Thanking you

With Best Regards

Rajesh Kumar

General Manager-Business Development
+91 90008 34447



2/2/2010



Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/AJ431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Ref : GUVNL, VDARA/SK/1160201/93
Date : 2nd February 2010

To

Mr. K P Jangid
Chief Finance Manager (Commerce)
Gujarat Urja Vikas Nigam Limited (GUVNL)
Sardar Patel Vidyut Bhavan
Race Course, Vadodara-390 007

Sub: GUVNL's Competitive Bid specification no. 01/LTPP/2009 for procurement of 3000 \pm 20% power on long term basis under Case-1 Bidding.

**Ref: 1. RFP Bid specification No.GUVNL/01/LTPP/2009 dated 22/06/2009
2. WPCL's response to the Bid submitted on 11th January 2010**

Dear Sir,

We acknowledge the receipt of your fax message GUVNL:CFM(Com.):159 dated 25th January 2010, wherein you have asked us to submit some clarifications with respect to our bid, which has been submitted by us in response to Bid specification No.GUVNL/01/LTPP/2009.

Our point-wise response to the clarifications sought is as under:

1. We are surprised to note your contentions regarding conditional acceptance of the RFP. GUVNL is fully aware of the background under which we have submitted the bid. It is evident that GUVNL initiated this Competitive Bidding Process for tying up power from the projects to be developed based on the Coal blocks/mines allocated to GMDC at the tariff committed by project developers to GMDC and vide letter dated 26th June 2009, GUVNL have requested GMDC to impress upon such project developers to participate in GUVNL's aforesaid bidding process. At the instance of GUVNL, GMDC issued directions to the beneficiaries of coal blocks/mines including us to participate in the bidding process and requested us to submit the bid in terms of the Coal Supply Agreement. Even though the tender is issued under Case -1 Bidding Procedure, we have submitted our bid pursuant to and in compliance of the Coal Supply Agreement entered with GMDC. A copy of the Coal Supply Agreement was also enclosed with our Bid. Under the Coal Supply Agreement, the supply of power by our company to GUVNL at a certain price is a consideration for GMDC discharging its obligations under the said agreement. The supply of power to GUVNL is to be made using the coal supplied by GMDC under the Coal Supply Agreement. Therefore, the offer of supply of power by our company to GUVNL is dependent and conditional on GMDC discharging its obligations. In lieu of above, we had to make certain amendments to certain formats including the format of Covering Letter and format of Bidder's Undertaking to relate our bid to the provisions of the Coal Supply Agreement and therefore request you to accept the covering letter, submitted by us with the Bid.





2. Enclosed, please find the duly initiated "Request for Proposal" document issued by GUVNL with our cover note wherein we have mentioned that, wherever required, we have incorporated suitable amendments in the formats to relate our bid to the provisions of the Coal Supply Agreement signed with GMDC. The other RFP documents namely "Power Purchase Agreement (PPA), Default Escrow Agreement and Agreement to Hypothecate cum Deed of Hypothecation were initiated and were submitted with our bid with similar cover note.
3. In our opinion, Power of Attorney, which has been submitted by us with our Bid, is strictly according to Format 4.2 as given in "Request for Proposal" document. As per Board Resolution attached with Power of Attorney, Mr. K.A Sastry is authorized to sign the Power of Attorney on behalf of the Company and signatures of Mr. K.A. Sastry are very much there on all the pages of Power of Attorney.
4. As mentioned in our response to point number 1, we have made certain amendments to certain formats including the format of Covering Letter and format of Bidder's Undertaking to relate our bid to the provisions of the Coal Supply Agreement and therefore we request you to accept the Bidder's Undertaking as it is. Additionally, enclosed please find the Undertaking from WPCL as per format 4.7 (B).
5. Enclosed please find the required notarized copy of Board Resolution from Wardha Power Company Limited as per format 4.8.
6. We confirm that subsequent to transfer of generation facility of M/S Wardha Power Company Limited to M/S KSK Mahanadi Power Company Limited, there would be no changes in the Financial Bid, which was submitted on 11th January 2010. All the obligations as agreed upon by WPCL from this generation facility before demerger shall be transferred to M/s.KSK Mahanadi Power Company Limited upon demerger. However, as required under sub clause xiii of clause 2.4.1.1, we have submitted the initialed RFP Documents with our Bid clearly mentioning that the terms and conditions contained in the Power Purchase Agreement are accepted subject to the terms and conditions contained in the Coal Supply Agreement (CSA) being incorporated in the Power Purchase Agreement. It was also specifically mentioned that the terms of the CSA need to be included in the proposed PPA to be entered into in pursuance of this bid since the supply of power under this bid is based on power to be generated out of the coal mined from Morga-II coalfield and to be supplied by GMDC under the CSA.

In the circumstances, we request you to accept the documents as it is and consider our offer as responsive. On receipt of your letter under reply, we have immediately written to GMDC vide our letter ref.GMDC, AHMD/SK/1060101/98 dated 29th January 2010 seeking their advise on how to proceed. A copy of the said letter is enclosed for your reference. As soon as we receive a response from GMDC, we shall inform you.

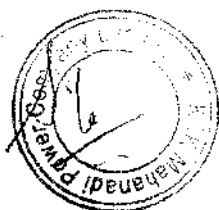
We hope that you will find above in order. Please let us know if any clarifications are sought.

Thanking you,

Yours faithfully,
For Wardha Power Company Limited


S Kishore
Wholetime Director

Encl : as stated above





KSK Energy Ventures Limited

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500 033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Date : January 29, 2010

Ref : GMDC/AHMD/SK/1060101/98

The Managing Director
Gujarat Mineral Development Corporation (GMDC)
Khanij Bhavan, 132 Fr Ring Road,
New University Ground, Vastrapur
Ahmedabad 380052

Kind Attention: Shri. V.S.Gadhvi, IAS

Sub: RFP Documents against competitive bid No 01/ LTTP/2009 invited by GUVNL

Ref: 1. Your letter no. GMDC/P,R&D/618/09-10/11468 dated 6th July 2009
2. Your letter no. GMDC/P,R&D/851/09-10 dated 24th December 2009
3. Your letter no. GMDC/P,R&D/874/09-10 dated 4th January 2010
4. Our letter no. GMDC/AHMD/SK/1060101/40 dated 11th January 2010

Dear Sir,

This has reference to the above mentioned correspondence regarding the captioned subject.

We are constrained to seek your advice on the way forward in the light of the letter from GUVNL dated 25th January 2010 in pursuance of our bid in the Tender No 01/LTTP/2009 to supply power to GUVNL. Copy of the GUVNL letter is enclosed for your reference.

As per your directions contained in the letters referred at 1 and 2 above, we submitted the bid to GUVNL pursuant to Article 8.9(a) of the Fuel Supply Agreement on 11th January 2010 and informed the same to your good office vide our letter mentioned referred at 4 above. As conveyed earlier, a copy of "Non Financial Bid" and "Financial Bid" (which has been submitted to GUVNL) can be immediately sent to your good office, if you so desire.



GUVNL is fully aware of the background under which we submitted the bid. At the instance of GUVNL, GMDC issued directions vide letters referred at 1 and 2 to the allottees of coal blocks including us to participate in the Tender and submit the bid in terms of the Coal Supply Agreement. Even though the tender is issued under Case -1 bidding guidelines, GUVNL is fully aware that we have submitted our bid pursuant to and in compliance of the Coal Supply Agreement entered with GMDC. A copy of the Coal Supply Agreement was also enclosed with the RFP documents. Consequently, we had to make certain amendments to the "Covering Letter", "Bidder's Undertaking" and "Covering letter for initialed RFP documents" to relate the bid to the provisions of the Coal supply Agreement.

Please find enclosed copies of the "Covering Letter", "Bidder's Undertaking" and "Covering letter for initialed RFP documents" submitted by us in the Bid wherein we have referred to the terms and conditions of Coal Supply Agreement signed between GMDC and KSK/WPCL. Simply stated, the amendments in the said documents were to highlight the fact that the provisions of the Coal Supply Agreement had to be read into the proposed PPA to be entered into with GUVNL after the acceptance of our bid.

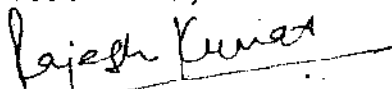
We are now surprised to receive the enclosed letter from GUVNL wherein they have asked us to remove the reference of the terms and conditions of Coal Supply Agreement (CSA) signed between GMDC and KSK/WPCL from these documents and have mentioned that our bid shall be considered non responsive if we do not submit these documents without any reference to CSA before 2nd February 2010.

In the circumstances, we have no option but to seek your advice. We shall be obliged if you could suggest us how shall we proceed and suggest us further course of action.

We request for an early reply as we need to submit our response to GUVNL on/before 2nd February 2010.

Thanking you

Yours sincerely



Authorized Signatory
KSK Energy Ventures Limited





Wardha Power Company Limited

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Undertaking

Name: WARDHA POWER COMPANY LIMITED
Full Address: 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad-500 033
Telephone No.: +91 40 - 23559922-25
E-mail address: kishore@ksk.co.in
Fax / No.: +91 40 - 23559930

To,
Mr. K.P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

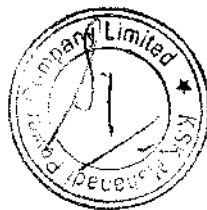
We refer to the Request for Proposal dated 22/06/2009 issued by you for procurement of power for long term basis through tariff based competitive bidding process for meeting the requirements of Procurer (bid specification no. GUNVL/01/LTPP/2009).

We have carefully read and examined in detail the RFP, including in particular, Clause 2.4.1.1 of the RFP, regarding submission of an undertaking, as per the prescribed Format 4.7 (B).

We have also noted the amount of the Contract Performance Guarantee required to be submitted as per Clause 2.13 of the RFP by us for the supply of power in the event of being selected as the Successful Bidder.

We have also noted the amount of the equity investment required to be made in the Project by us to undertake the obligations under the PPA for the supply of power.

In view of the above, we hereby undertake to you and confirm that we shall invest the equity share capital for the Project as specified in the Bid.



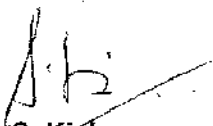
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We have attached hereto certified true copy of the Board Resolution whereby the Board of Directors of our Company has approved issue of this Undertaking by the Company.

All the terms used herein but not defined, shall have the meaning as ascribed to the said terms under the RFP.


For Wardha Power Company Limited

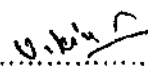

S. Kishore
Wholetime Director

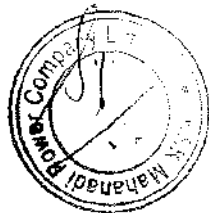


Common Seal of Wardha Power Company Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated 26th December, 2009

WITNESS

1. 
(Signature)
Name Vikram Mohabe
Designation Assistant Manager (HR)

2. 
(Signature)
Name V. Kishore Kumar
Designation Asst. Manager (HR)





Wardha Power Company Limited

Works
Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office
8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF WARDHA POWER COMPANY LIMITED AT THEIR MEETING HELD ON 26TH DECEMBER, 2009 AT 1000 HOURS AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 8-2-293/82/A/431/A, ROAD NO.22, JUBILEE HILLS, HYDERABAD - 500033

PROVIDING UNDERTAKING TO GUJARAT URJA VIKAS NIGAM LIMITED (GUVNL)

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 and compliance thereof and as permitted under the Memorandum and Articles of Association of the company, approval of the Board be and is hereby accorded for issuing an Undertaking to the Procurer, in the format specified in the RFP, draft of which is attached hereto and initialled by the Chairman,

- a) To invest and/or arrange to invest on its own or through the Promoters in the project One Hundred Percent (100%) of the equity investment in the Wardha Power Company Limited.
- b) And also undertakes to provide the One Hundred Percent (100%) of the Contract Performance Guarantee, As per the terms and conditions of the RFP, representing the total amount of Contract Performance Guarantee required to be provided.

as per the terms and conditions of the RFP with Bid reference no. GUVNL/01/LTPP/2009 to be submitted on due date as per clause 2.8 of RFP."

RESOLVED THAT Mr K.A. Sastry, Mr. S. Kishore, Wholetime Directors, Mr. C. Srinivas, Director of the Company be and are hereby severally authorized to take all the steps required to be taken by the Company for submission of Bid, including in particular, signing the Bid, making changes thereto and submitting amended Bid, all the documents related to the Bid, certified copy of this Board resolution or letter or undertakings, etc, required to be submitted to the Procurer as part of the Bid or such other documents as may be necessary in this regard.



Sh.



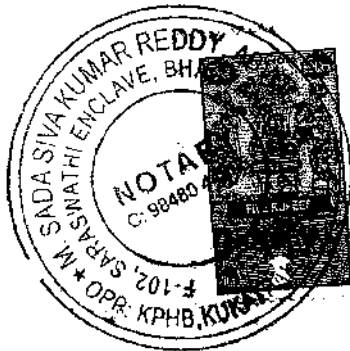
RESOLVED FURTHER THAT, if required, the Common Seal of the Company be affixed on the relevant formats of Bid documents or any other documents which may be required in connection with the Bid in the presence of Mr. K.A. Sastry, Wholetime Director or Mr. S. Kishore, Wholetime Director or Mr. C. Srinivas, Director or Mr. M. Srirama Saran Prasad, Company Secretary or Mr. Rajesh Kumar who shall sign the same in token thereof."

//Certified Copy//

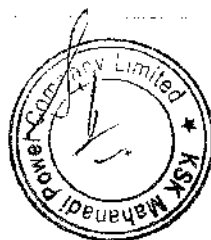
For Wardha Power Company Limited



Director



TRUE COPY
ATTESTED
1.2.2010
M.SADA SIVA KUMAR REDDY, B.Com., B.L.,
ADVOCATE & NOTARY
Appointed by Govt. of A.P.
G.O. Ms. No. 198, Rev(Regn-II), dt.11-6-2006
Flat No. 302, Baraswathi Enclave,
Bhagya Nagar Colony, Kukatpally, R.R.DL. (A.P.)



Undertaking

Name: WARDHA POWER COMPANY LIMITED
Full Address: 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad-500 033
Telephone No.: +91 40 – 23559922-25
E-mail address: kishore@ksk.co.in
Fax / No.: +91 40 - 23559930

To,
Mr. K.P. Jangid,
Chief Finance Manager (Commerce),
Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390 007

Dear Sir,

We refer to the Request for Proposal dated 22/06/2009 issued by you for procurement of power for long term basis through tariff based competitive bidding process for meeting the requirements of Procurer (bid specification no. GUNVL/01/LTPP/2009).

We have carefully read and examined in detail the RFP, including in particular, Clause 2.4.1.1 of the RFP, regarding submission of an undertaking, as per the prescribed Format 4.7 (B).

We have also noted the amount of the Contract Performance Guarantee required to be submitted as per Clause 2.13 of the RFP by us for the supply of power in the event of being selected as the Successful Bidder.

We have also noted the amount of the equity investment required to be made in the Project by us to undertake the obligations under the PPA for the supply of power.

In view of the above, we hereby undertake to you and confirm that we shall invest the equity share capital for the Project as specified in the Bid.



Handwritten signature



We have attached hereto certified true copy of the Board Resolution whereby the Board of Directors of our Company has approved issue of this Undertaking by the Company.

All the terms used herein but not defined, shall have the meaning as ascribed to the said terms under the RFP.

For Wardha Power Company Limited

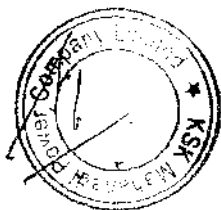
S. Kishore
Wholetime Director

Common Seal of Wardha Power Company Limited has been affixed in my/our presence pursuant to Board of Director's Resolution dated 26th December, 2009

WITNESS

1.
(Signature)
Name
Designation.....

2.
(Signature)
Name
Designation.....



Handwritten signature



Wardha Power Company Limited .

Works

Near Nariyara Village,
Akaltara Tehsil,
Janjgir - Champa District,
Chhattisgarh

Registered Office

8-2-293/82/A/431/A,
Road No. 22, Jubilee Hills,
Hyderabad - 500033
Tel: +91-40-23559922-25
Fax: +91-40-23559930

Date : 31st January 2010
Ref : GUVNL, VDARA/SK/1160201/92

To

Mr. K P Jangid
Chief Finance Manager (Commerce)
Gujarat Urja Vikas Nigam Limited (GUVNL)
Sardar Patel Vidyut Bhavan
Race Course, Vadodara-390 007

Sub: **GUVNL's RFP No.01/LTPP/2009 for procurement of power for 'Long Term' under Case - I Bidding Procedure through tariff based competitive bidding.**

Dear Sir,

We acknowledge the receipt of your fax message GUVNL:CFM(Com.):159 dated 25th January 2010, wherein you have asked us to submit some clarifications with respect to our bid, which has been submitted by us in response to GUVNL's Bid specification No.GUVNL/01/LTPP/2009.

As asked under point 2 of the above mentioned fax message, enclosed please find the initialed "Request for Proposal" document. Please note that the terms and conditions contained in the enclosed "Request for Proposal" document are accepted subject to the provisions of the Coal Supply Agreement signed with GMDC and wherever required, we have incorporated suitable amendments in the formats to relate our bid to the provisions of the Coal Supply Agreement signed with GMDC.

Thanking you,

Yours faithfully
For Wardha Power Company Limited

S Kishore
Wholtime Director

Encl : as stated above



REQUEST FOR PROPOSAL

FOR

PROCUREMENT OF POWER

FOR 'Long Term'

Under Case – 1 Bidding Procedure

THROUGH

TARIFF BASED COMPETITIVE BIDDING PROCESS

**(As per Bidding 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

OF

Gujarat Urja Vikas Nigam Limited

Issued by

**Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara - 390007**

November 2009



Sh



Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara - 390 007

Request for Proposal (hereinafter referred to as RFP) for Long term procurement of power under Case – 1 bidding procedure through tariff based competitive bidding (as per Bidding 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 requirement of Gujarat Urja Vikas Nigam Limited in the State of Gujarat with bid specification no. GUVNL/01/LTPP/2009.

This RFP is issued to: –

M/s

Issued by:

Name: Mr. K.P. Jangid.

Designation: Chief Finance Manager (Commerce)

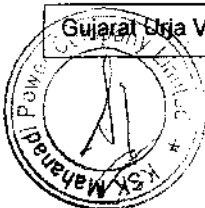
Address: Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara - 390001

Phone: 0265-2334751

Fax: 0265-2344543

Email: coacom@gebmail.com

Date:



Gujarat Urja Vikas Nigam Limited

Page 2

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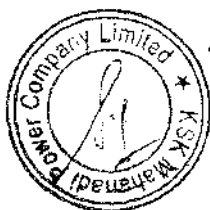
Financial Bid

- Total capacity of power (in MW) offered by the Bidder: One Thousand and Ten MW (1010 MW)
- Fractions of the offered total capacity of power (in MW)* (insert as applicable) (Refer 'b' of instructions below): Not Applicable
- Name of the Interconnection Point : Proposed 400/765kV PGCIL Pooling Station at Champa in Jhanigir-Champa District of Chhattisgarh
- Name of the Injection Point : CTU Interface in the State of 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 Region

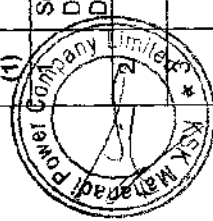
* The Procurer can contract the total capacity of power offered by the Bidder or any combination of the fractions of the offered total capacity.

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

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



Contract Year	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non Escalable Capacity Charges	Quoted Escalable Capacity Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Inland Transport Charges	Quoted Escalable Inland Transport Charges	Quoted Non Escalable Overseas Transport Charges	Quoted Escalable Overseas Transport Charges	Quoted Non Escalable Fuel Handling Charges	Quoted Escalable Fuel Handling Charges
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Scheduled Delivery Date	31st March	1.360	NIL	0.520	NIL	NA	NA	0.100	NIL	NA	NA	NA	NA
	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
4	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
5	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
6	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
7	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
8	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
9	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
10	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
11	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
12	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
13	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
14	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
15	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
16	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above

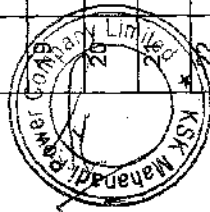


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Contract Year	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non Escalable Capacity Charges	Quoted Escalable Capacity Charges	Quoted Non Escalable Energy Charges	Quoted Escalable Energy Charges	Quoted Non Escalable Inland Transport Charges	Quoted Escalable Inland Transport Charges	Quoted Non Escalable Overseas Transport Charges	Quoted Escalable Overseas Transport Charges	Quoted Non Escalable Fuel Handling Charges	Quoted Escalable Fuel Handling Charges		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
17	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
18	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
19	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
20	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
21	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
22	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
23	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
24	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
25	1-Apr	31st March	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above
26	1-Apr	Last Anniversary of the Contract Period	1.360	Same as above	0.520	Same as above	NA	Same as above	0.100	Same as above	NA	Same as above	NA	Same as above

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

S. Kishore
Wholesale Director
Place: Hyderabad
Date: 9th January 2010



Instructions:

- a) 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.
 - b) The Bidder may submit option for fractional capacity (offered part quantum of the generating station) which it is willing to supply at the same quoted tariff.
 - c) The Quoted Tariff in Rs./kWh shall be provided up to three (3) decimal points and upto five (5) decimal points in case of Quoted Tariff in USD.
 - d) All pages of this Format shall be signed by the authorized signatory in whose name Power of Attorney as per Clause 2.4.1.1 is issued.
 - e) Ensure 25 years values of Non Escalable tariff components and only 1 (one) value for Escalable components.
 - f) 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.
- The contents of this format shall be clearly typed.
- In case of a hydel 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 or payment in such case



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पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उपम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



केन्द्रीय कार्यालय : "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, हरियाणा
फोन : 2571700 - 719, फैक्स : 2571760, 2571761 तार 'नेटग्रिड'
Corporate Office : "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, Haryana
Tel. : 2571700 - 719, Fax : 2571760, 2571761 Gram : 'NATGRID'

संदर्भ संख्या/Ref. Number

C/ENG/SEF/TA/LW/09/003

1st October, 2009

To,
As per the enclosed List

Sub: Long Term Open Access for IPP generation projects in Chhattisgarh (Raigarh & Champa -Janjgir complex) who have made some progress and to be materialized during 11th Plan/early 12th Plan

Dear Sir,

The grant of Long Term Open Access for evacuation of power from various IPP generation projects in Chhattisgarh, Western Region who have made some progress and are likely to be materialized during 11th Plan/early 12th Plan as informed by CSPTCL/CSPGCL has been considered for the following projects:

A. Projects in Raigarh Complex

1. R.K.M. Powergen Pvt. Ltd.
2. Athena Chhattisgarh Power Pvt. Ltd.
3. Jindal Power Ltd.
4. Jindal Power Ltd.(Existing plant)
5. SKS Power Generation (Chhattisgarh) Ltd.
6. Korba West Power Co. Ltd.
7. DB Power Ltd.

B. Projects in Champa Complex

1. Wardha Power Co. Ltd.
2. Bharat Aluminium Co. Ltd
3. Vandana Vidhyut Ltd.
4. Lanco Amarkantak Power Pvt Ltd
5. Chhattisgarh Steel & Power Ltd.

C. For above projects in Raigarh and Champa Complex

- Chhattisgarh State Power Transmission Co. Ltd.(CSPTCL)

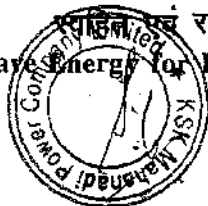
The intimation letter for providing Long Term Open Access is enclosed. It is requested that the respective generation project developers and CSPTCL may initial the BPTA and also provide an undertaking to sign the requisite BPTA upon its approval by CERC.

Thanking you,

Yours faithfully,


(Pankaj Kumar)
General Manager (SEF)

Encl: As above



POWER GRID CORPORATION OF INDIA LTD.
Long Term Open Access - Intimation

Intimation No. C/ENG/SEF/TALW/09/003

1st October, 2009

Ref: Application No.:

- (i) Dated 09.08.08 from R.K.M. Powergen Pvt. Ltd.
- (ii) EIPL/PGCIL/CG/071010 dated 11.10.07 from Athena Chhattisgarh Power Pvt Ltd
- (iii) JPL/ADDL-PP/PGCIL/100 dated 17.11.08 from Jindal Power Ltd.
- (iv) JPL/1000MW/ADD400/PGCIL/09-3 dated 16.05.09 from Jindal Power Ltd.
- (v) SPGCL/PG/08/01 dated 30.04.08 from SKS Power Generation (Chhattisgarh) Ltd.
- (vi) KPL/70302A dated 18.10.2007 from Korba West Power Co. Ltd..
- (vii) DBPL/CG/OA/01 dated 12.03.2008 from DB Power Ltd.
- (viii) PGCIL GUR/GPRAO/148 dated 22.04.2008 from Wardha Power Co. Ltd.
- (ix) BALCO/1200/STAT/Transmission./2008/002 dated 02.08.2008 from Bharat Aluminium Co. Ltd
- (x) VWL/PGCIL/08-09/405 dated 31.07.2008 from Vandana Vidhyut Ltd.
- (xi) LAPPL/PGCIL/LTOA/8528 dated 20.05.2008 from Lanco Amarkantak Power Pvt Ltd
- (xii) Dated 25.04.09 from Chhattisgarh Steel & Power Ltd.
- (xiii) Dated 02.09.08 from Chhattisgarh State Power Transmission Co. Ltd.(erstwhile CSEB)

Name and Address of the Applicants :

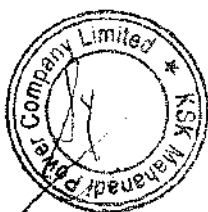
1. As per the enclosed list at Annex-1
2. The long term open access of the following is PERMITTED with requirement of additional system strengthening as per the details given below:

<p>(a) Names of the injecting utility :</p> <ul style="list-style-type: none"> Point(s) of injection of power 	<p>As per Annexure - 2</p> <ul style="list-style-type: none"> 400kV Raigarh Pooling Station (Near Kotra) 400kV Raigarh Pooling Station (Near Tamnar) 400kV Ghampa Pooling Station
<ul style="list-style-type: none"> Name(s) of concerned SLDC 	<ul style="list-style-type: none"> Chhattisgarh/Maharashtra SLDC/



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	Gujarat SLDC/WRLDC
<p>(b) Name of drawee utility/state/region</p> <ul style="list-style-type: none"> Point(s) of drawl of power (Nearest EHV Substations and Ownership of EHV substations) Name(s) of concerned SLDC 	<p>As per Annexure-3</p> <ul style="list-style-type: none"> Suitable POWERGRID sub-station connected with STU network in the respective Regions Concerned SLDCs of respective target beneficiary states/RLDCs of Western & Northern Region
(c) Quantum of transmission capacity permitted :	As per details indicated at Annexure-3
(d-i) Transmission Strengthening requirement (Dedicated part):	<p>As per Annexure-4</p> <p>The developers shall ensure availability of identified dedicated transmission system at its own cost before scheduled commissioning of generating units.</p>
(d-ii) Transmission Strengthening requirement (System Strengthening):	As per Annexure-5
(e) Date of commencement of open access :	<p>Date of commencement of above open access would be after fulfilment of all the conditions listed below:</p> <ol style="list-style-type: none"> 1) Availability of transmission system indicated at (d-i) & (d-ii) above. 2) In the interim period between the commissioning of the generation projects viz. RKM Powergen, Balco and Vandana Vidyut and commissioning of the indicated common system strengthening scheme at d(ii) above, connectivity of these projects to WR grid is provided through interim arrangement (Annexure-4) for transfer of power depending upon the transmission capacity available on short-term basis. <p>Further, after establishment of connectivity to the pooling station (Raigarh/Champa), respective developer shall remove LILO arrangement (interim) and restore the line to its original configuration at their own cost.</p>



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	3) Signing of BPTA with POWERGRID by Applicants for sharing of transmission charges for regional and strengthening scheme. Further, for implementation of any element of system strengthening scheme by transmission licensee (other than POWERGRID) separate Agreement needs to be executed by the applicant with respective licensee.
(f) Period for which the Open access is permitted :	25 years from the date of commencement of open access
(g) Name of utilities with whom BPTA is to be signed by the applicant seeking long term open access:	Power Grid Corporation of India Ltd. <i>Note: Firm beneficiaries of the respective generation project may be informed to us urgently so that additional system strengthening may be identified, if required.</i>

3. Due date for receipt of acceptance : Within one week from issue of this letter

Note: In the event of non-signing of BPTA by 16th October, 2009 and non-furnishing of the Bank Guarantee as per clause 6 of BPTA, the LTA would be treated as cancelled and fresh application would be required in case applicant wants to apply for LTA again.

Place: Gurgaon
Date: 01.10.2009


Name: Pankaj Kumar
Desig: General Manager(SEF)

To:
As per the enclosed list

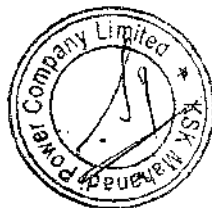
Copy to :

Member Secretary Western Regional Power Committee Plot No. F-3, MIDC Area, Marol Opposite SEEPZ, Andheri (East) Mumbai - 400 093	Member Secretary Northern Regional Power Committee 18-A, Shaheed Jeet Singh Sansanwal Marg Katwaria Sarai, New Delhi-110 016
Member Secretary Southern Regional Power Committee 29, Race Course Cross Road Bangalore 560 009	



Copy for information to:

ED(Commercial)/ED(SO)/ED(NRTS-I)/ED(NRTS-II)/ED(WRTS-I)/ED(WRTS-II)/ED(SRTS-I)/ED(SRTS-II)/ED(WRLDC)/GM (NRLDC)/GM(SRLDC)



Signature



Annexure-1

Mr. S.N. Chauhan Managing Director Chhattisgarh State Power Transmission Co. Ltd. "Vidyut Sewa Bhawan" Danganiya, Raipur 402 010 (CG)	Mr. Anil Kumar Jain Associate Vice President Bharat Aluminum Company Ltd C/o Administrative building, Balco Nagar, Korba-495684
Director Athena Chhattisgarh Power Pvt Ltd 7-1-24 B Block, 5th floor, "Roxana Towers" Greenlands, Begumpet, Hyderabad-500016	Mr. Vinod Agrawal Director Vandana Vidhyut Ltd Vandana Bhawan, M.G. Road, Raipur, Chhattisgarh
Mr. S.P. Anand, Sr. Vice President, Jindal Power Ltd International Home Deco Park, Room #105, Plot #7, Sector 127, Taj Express way, Noida, UP- 201301	Mr. K. Raja Gopal Director & CEO Lanco Amarkantak Power Pvt Ltd. Plot No-397, Udyog Vihar, Phase-3 Gurgaon- 122 016
Mr. Ravindranath Rathore Director SKS Power Generation (Chhattisgarh) Ltd 501 B, Elegant Business park, Andheri Kurla Road, J.B. Nagar, Andheri(E), Mumbai-400059	Mr. Girish Agarwal Director DB Power Limited G-3A/4-8, Kamanwala Chambers, New Udyog Mandir-2, Mahim (West) Mumbai-400016
Mr. A.M. Mishra Head-Electrical Korba West Power Co Ltd 2nd floor, Centrum Plaza, Sector-53, Gurgaon-122002	Mr. Alok Choudhari Director Chhattisgarh Steel & Power Ltd 142, Saheed Smarak complex, G.E Road, Raipur, Chhattisgarh
Mr. G.P. Rao General Manager Wardha Power Company Ltd 8-7/203621/VAISHNA Road No. 22 Jubilee Hills, Hyderabad-500 033	Mr. T.M. Singaravel Director R.K.M. Powergen Pvt. Ltd. 147, Gitanjali Nagar, Avanti Vihar, Sector-I, Raipur (C.G)-492004



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Names of Injecting Utility/Applicant for Grant of Long Term Open Access coming up in Chhattisgarh

A. Projects in Raigarh Complex

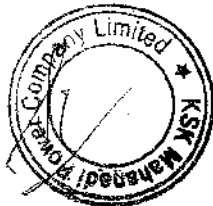
1. R.K.M. Powergen Pvt. Ltd.(4x360MW)
2. Athena Chhattisgarh Power Pvt. Ltd. (2x600MW)
3. Jindal Power Ltd.(4x600MW + 2x250MW)
4. SKS Power Generation (Chhattisgarh) Ltd. (4x300MW)
5. Korba West Power Co. Ltd. (1x600MW)
6. DB Power Ltd. (2x600MW)

B. Projects in Champa Complex

1. Wardha Power Co. Ltd. (6x600MW)
2. Bharat Aluminium Co. Ltd.(4x300MW)
3. Vandana Vidhyut Ltd.(2x135MW+1x270MW)
4. Lanco Amarkantak Power Pvt Ltd. (2x660MW)
5. Chhattisgarh Steel & Power Ltd. (1x35 MW + 1x250MW)

C. For above projects in Raigarh and Champa Complex

- Chhattisgarh State Power Transmission Co. Ltd.



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Details of IPP Projects in Chhattisgarh and LTOA quantum

Sno	Developer	Capacity (MW)	LTOA (MW)	Unit wise comm schedule	LTOA quantum (MW)*			
	RAIGARH COMPLEX				WR	NR	SR	TOTAL
1	RKM Powergen Ltd.(4x360)	1440	1440	Mar'11,Jun'11,Sep'11,Dec'11	840	300	300	1440
2	Athena Chhattisgarh Power Ltd.(2x600)	1200	1200	Mar'12, Aug'12	823	377		1200
3	Jindal Power Ltd.(4x600)	2400	2400	Mar'12,Jul'12,Nov'12,Mar'13	1610	790		2400
4	Jindal Power Ltd.(2x250)[Existing]	500	500	Existing	500			500
5	SKS Ispat & Power Ltd.(4x300)	1200	1200	Nov'11,Dec'11,Mar'12,Mar'12	800	400		1200
6	Korba West Power Co. Ltd.(1x600)	600	600	Jul'12	600			600
7	DB Power. Ltd.(2x600)	1200	1200	Nov'11, Feb'12	818	382		1200
	sub-total	8540	8540		5991	2249	300	8540
	JANJGIR-CHAMPA COMPLEX							
1	Wardha Power Co. Ltd (6x600)	6600	3600	Feb'12, Jun'12,Oct'12,Jan'13, Jun'13,Oct'13	3600			3600
2	BALCO(4x300)	1200	900#	Jun'10, Sep'10, Dec'10, Mar'11	450	450		900
3	Vandana Vidhyut Ltd.(2x135+1x270)	540	540	Apr'11,Dec'11,Mar'12	440	100		540
4	Lanco Amarkantak Power Pvt. Ltd.(2x660)	1320	1320	Mar'12,Jun'12	462	858		1320
5	Chhattisgarh Steel & Power Ltd.(1x35+1x250)	285	285	Existing, Dec'11	200	85		285
	sub-total	6945	6645		5152	1493	0	6645
	Total	15485	15185		11143	3742	300	15185
*WR/NR allocation also includes Chhattisgarh Share i.e, 35/37.5% of project capacity as per of LTOA application of CSPTCL; # Balance 300MW for their(Balco) Captive consumption								



Annexure-4

Dedicated transmission system to be implemented by Long Term Open Access
applicant/Generation project developer

Sl. No.	Name of Scheme & Elements
1.	<u>R.K.M. Powergen (1440 MW)</u> a) 400kV RKM- Raigarh Pooling station (Near Kotra) D/c (Quad) <u>Interim arrangement</u> a) LILO of 400kV Rourkela-Raigarh D/c at RKM b) Restoration of 400kV Rourkela-Raigarh D/c by removing LILO after commissioning of 400kV RKM- Raigarh Pooling Station(near Kotra) D/c (Quad)
2.	<u>Athena Chhattisgarh Power (1200MW)</u> a) 400kV Athena - Raigarh Pooling station (Near Kotra) D/c (Quad)
3.	<u>Jindal Power (2900MW)</u> a) 400kV JPL – Pooling station (Near Tamnar) 2xD/c (Quad) b) 765/400kV 3x1500MVA transformer at Raigarh Pooling Station(Near Tamnar)
4.	<u>SKS Power Generation(1200 MW)</u> a) 400kV SKS - Raigarh Pooling station (Near Kotra) D/c (Triple/Quad)
5.	<u>Korba West Power Co. Ltd. (600 MW)</u> a) LILO of 400kV Athena – Raigarh Pooling station (Near Kotra) D/c at Korba (W)
6.	<u>DB Power Ltd. (2x600 MW)</u> a) DB Power – Raigarh Pooling Station (near Kotra) 400kV D/c (Quad/triple)
7.	<u>Wardha Power Co. Ltd(3600MW)</u> a) 400kV Wardha Power – Champa Pooling Station 2xD/c (Quad) b) 765/400kV 3x1500MVA transformer at Champa Pooling Station
8.	<u>BALCO (1200 MW)</u> a) 400kV BALCO - Champa Pooling Station D/c (Quad/Triple) <u>Interim arrangement</u> a) LILO of 400kV Korba-Birsinghpur D/c at BALCO b) Restoration of 400kV Korba-Birsinghpur D/c by removing LILO after commissioning of 400kV BALCO - Champa Pooling Station D/c
9.	<u>Vandana Vidhyut (540 MW)</u> a) 400kV Vandana Vidhyut - Champa Pooling Station D/c <u>Interim arrangement</u> a) LILO of Korba-Birsinghpur 400kV one ckt. at Vandana Vidhyut b) Restoration of 400kV Korba-Birsinghpur line by removing LILO after commissioning of 400kV Vandana Vidhyut - Champa Pooling Station D/c



Sl. No.	Name of Scheme & Elements
10.	<u>Lanco Amarkantak Power Ltd(1320 MW)</u> a) 400kV LANCO – Champa Pooling Station D/c (Quad)
11.	<u>Chhattisgarh Steel & Power Ltd. (285 MW) [CSPL]</u> a) LILO of Champa Pooling Station - Vandana Vidhyut 400kV D/c at CSPL

Note :

1. The termination of the line as well as location of Pooling Station is subject to minor changes depending upon final survey and physical constraints, if any.
2. In case of any major development, if there is a change in the transmission system to achieve overall optimization of the system, then this Annexure would be modified by mutual consent.

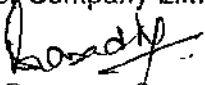



MEMORANDUM
AND
ARTICLES
OF
ASSOCIATION
OF

WARDHA POWER COMPANY LIMITED

CERTIFIED TRUE COPY

For Wardha Power Company Limited


Company Secretary





भारत सरकार-कॉर्पोरेट कार्य मंत्रालय

कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

लिमिटेड कम्पनी के रूप में परिवर्तित होने के परिणामस्वरूप, कम्पनी के नाम में परिवर्तन का नया
निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U40109AP2005PLC047917

मैसर्स WARDHA POWER COMPANY PRIVATE LIMITED.

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

WARDHA POWER COMPANY PRIVATE LIMITED.

जो मूल रूप में दिनांक अठारह अक्टूबर दो हजार पांच को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स

WARDHA POWER COMPANY PRIVATE LIMITED.

के रूप में निगमित की गई थी, और उसके द्वारा कम्पनी अधिनियम, के साथ पठित धारा 31/21 की शर्तों के अनुसार विधिवत आवश्यक
विनिश्चय दिनांक 16/03/2009 को पारित किया है, उक्त कम्पनी का नाम परिवर्तित होकर आज मैसर्स

WARDHA POWER COMPANY LIMITED.

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा हैदराबाद में आज दिनांक दो अप्रैल दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name on
Conversion to Public Limited Company

Corporate Identity Number : U40109AP2005PLC047917

In the matter of M/s WARDHA POWER COMPANY PRIVATE LIMITED.

I hereby certify that WARDHA POWER COMPANY PRIVATE LIMITED. which was originally incorporated on
Twenty Eighth day of October Two Thousand Five under the Companies Act, 1956 (No. 1 of 1956) as WARDHA
POWER COMPANY PRIVATE LIMITED. having duly passed the necessary resolution on 16/03/2009 in terms of
Section 31/ 21 read with Section 44 of the Companies Act, 1956; the name of the said company is this day
changed to WARDHA POWER COMPANY LIMITED. and this Certificate is issued pursuant to Section 23(1) of
the said Act.

Given under my hand at Hyderabad this Second day of April Two Thousand Nine.



(LAKSHMI PRASAD K)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

आंध्र प्रदेश

Andhra Pradesh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:

WARDHA POWER COMPANY LIMITED.

8 2 293 82A 431A ROAD NO-22, JUBILEE HILLS,

HYDERBAD - 500033,

Andhra Pradesh, INDIA



CERTIFIED TRUE COPY

For Wardha Power Company Limited

Company Secretary



प्रारूप आई आर

Form I

[See Regulation 16(1)]

निगमन का प्रमाण - पत्र

CERTIFICATE OF INCORPORATION

ता ०१:..... का स:.....

47917 05 - 2006
No. of 20

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कम्पनी अधिनियम, 1956 के अर्थात् निगमित की गई है यह कम्पनी पंजीकृत है।

Thereby certify that **WARDHA POWER COMPANY PRIVATE LIMITED**

is this day (incorporated under the Companies Act, 1956 * (and that the Company is limited.)

मेरे हस्ताक्षर से आज ता को दिया गया।

Given under my hand at **HYDERABAD** this **TWENTY EIGHTH**

OCTOBER **FIVE**

day of **Two thousand and**
(SIXTH KARTIKA, 1927 SAKA)

CIN - U40109AP2005PTD47917

Seal

जे.एस.सी. - 1

J.S.C - 1

* TO BE OMITTED IN RESPECT OF UNLIMITED COMPANY



P. Atchuta Ranaiah
(P. ATCHUTA RANAIAH)
कम्पनियों का रजिस्ट्रार
Registrar of Companies
Asst. Andhra Pradesh
Hyderabad.



81



UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

WARDHA POWER COMPANY LIMITED

- I. The name of the Company is "Wardha Power Company Limited"
- II. The Registered Office of the Company will be situated in the State of Andhra Pradesh
- III. The objects for which the Company is established are as under:

(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To generate, harness, develop, accumulate, distribute and supply electricity by setting up power plants either by hydro, thermal, gas, and diesel oil or through renewable energy sources such as solar, photovoltaic, windmill, biomass and or other means by use of liquid, gaseous or solid fuels for the purpose of light, heat, motive, power and for all other purposes for which electrical energy can be employed and transmit, distribute, supply and sell such power either directly or through transmission lines or facilities of central/state governments or any other licensee, other consumers of electricity including for captive consumption for any industrial projects, joint venture companies or otherwise and generally to develop, generate accumulate power at any other place or places and to transmit, distribute, sell and supply such power.



2



CERTIFIED TRUE COPY

Basundhara
Company Secretary

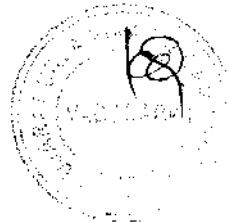
2. To construct, establish, operate, manage power station, boiler houses, steam turbine, switch yard, sub-station, transmission lines, accumulators, workshops, and all such works necessary for generating, accumulating, distributing, and supply of electricity. To construct, lay down, establish, fix, erect equipment and maintain power generating machinery, and all other type of plant and machinery, electric equipment and cables, computer and control equipment, transmission lines, accumulators, fittings and apparatus in the capacity of principals, constructors or otherwise.
3. To establish captive power plants on stand alone or co-operative basis for an individual identity or a group of industrial and other consumers and supply power to the participants in the co-operative effort either directly or through the transmission lines of Electricity Boards or any other authorities by entering into appropriate arrangements.
4. To purchase, lease acquire, sublease, act as agents, sell, license any mine, mining, rights, mines and lands in India or elsewhere believed to contain coal and lignite and to prospect, explore, excavate, open and work mines, drill and sink shafts or wells in connection with carrying on the business of the company.

(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS ARE:

1. To carry on the business of consultants and contractors in setting up all type of plants for production of electrical energy, mining of ores, minerals, metals and also to undertake research and development programmes in the field of energy, mining and other allied fields.
2. To buy, sell, exchange, alter, improve, service, erect and commission, manipulate, prepare for market, import or export or otherwise deal in all kinds of power plants and power generation equipment including but not restricting to steam turbine, gas turbine, hydro turbine, generators, condensers, exchangers and power plant auxiliaries, steam generators and steam generator systems and all relating to power generation or generation of electricity business in any part of India.
3. To carry on the business of general electric power trading and supply company in all the branches, and to construct, lay down, establish, fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps, and works and to generate, accumulate, trade in, distribute, sale and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private;



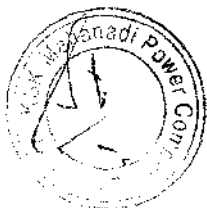
Signature



4. To establish, operate and maintain such generating stations and main transmission lines connected therewith, as may be required to be established by the competent government or Appropriate Authority in relation to the Company;
5. To operate and maintain in the most efficient and economical manner the generating stations, tie lines, substations and main transmission lines, assigned to it by the Competent government(s) in co ordination with the state electricity boards and the agency having control over the power system, if any, connected therewith;
6. To own, acquire, establish, operate and maintain generating stations, transmission systems and power system for generation, evacuation, distribution and transmission of power for supply to the State Electricity Boards, Vidyut Boards, Power utilities generating companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organizations and bulk consumers of power.
7. To obtain license, approvals and authorization from government, statutory and regulatory authorities as may be necessary to carry out and achieve the objects of the company and connected matters which may seem expedient to develop the business interests of the company in India and abroad.
8. To carry out, subject to the provisions detailed in investigations and prepare schemes, in co- ordination with the Boar(s) for establishing generating station and tie lines, substations and transmission lines connected therewith in such manner as may be specified by the Central Electricity Authority.
9. To design, manufacture, erect and use equipment and machinery of all kinds for the storage or transmission of energy or information, including appliances for the interlinking of terminals and exchanges;
10. To acquire concessions or licenses granted by or to enter into contracts with the Government of India or any State Government, Municipal or Local Authority, Company or person in India for the construction, operation and maintenance of any electric power for lighting, heating, signaling, telephone traction, motive or any other purposes for trade, industrial, manufacturing or any other purposes as may be mutually agreed together with required movable and immovable facilities, such as land, building, railway siding, site or lists of Central/State governments/ electricity boards as per the terms and conditions conducive to the interest of the company and to pay therefore in terms of shares of the Company or to execute such agreements, guarantees, deeds and documents as may be proper , necessary or expedient.



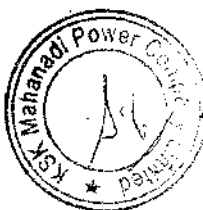
11. To make applications before appropriate authorities under the applicable statutory provisions for the time being in force in connection with obtaining permissions for prevention and control of air and water pollution, develop greenhouse, green belt and take necessary and consequential steps in relation thereto.
12. To negotiate, enter into agreements and contracts with foreign companies, firms and individuals for technical assistance, know-how and collaboration in generating, distributing and transmitting power manufacturing, marketing, importing and exporting of raw materials and any or all of the materials, products or by products.
13. To apply for, purchase or otherwise acquire trademarks, patents, licenses, concessions and the like concerning any exclusive or non exclusive or limited right of any kind which may appear to be necessary or convenient for the business of the company and to purchase or otherwise acquire any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company.
14. To pay either in cash or by allotment of shares as the company deems fit all costs, charges and expenses, which the company shall consider to be in the nature of preliminary expenses.
15. To promote any other Company or Companies in India or abroad, for the purpose of acquiring or taking over all or any of the properties, rights and liabilities of the company.
16. To enter into arrangements or agreements with any other person, for the carrying out by such other person, on behalf of the Company, of any of the objects of the Company.
17. To apply for, purchase or otherwise acquire any patents, patent rights, copyrights, trademarks, formulae, licenses, concessions and the like conferring any exclusive, non exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
18. To appoint managers, engineers, contractors, brokers, canvassers, agents and other persons and to establish and maintain agencies or branches in any part of India and abroad for the purposes of the Company and to discharge and to discontinue the same.



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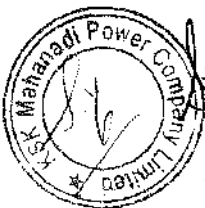
19. To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, buildings, flats, easements and hereditaments of any tenure or description in India and abroad whether for residential, business, manufacturing or other purposes required for the company and any rights, easements, advantages and privileges relating thereto and either for investment or resale or for trafficking in the same and to turn the same into account as may seem expedient and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, factories, warehouses, godowns, shops, buildings, and other structures, works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company.
20. To sell, mortgage, assign, lease, pledge, dispose of or in any manner deal with all or any part of the undertaking, property and assets of the company for such consideration as the company may think fit and in particular for shares, debentures or other securities of any company having objects altogether or in part similar to those of this company.
21. To receive money on deposit other than public deposits or loan and borrow or raise money in such manner, as the company shall think fit and secure and discharge any debt or obligation binding on the company in such manner as may be thought fit and in particular, by mortgages of the undertaking and all or any of the immovable and movable property (both present and future) and the uncalled Capital of the Company or by the Creation and issue on such terms as may be thought expedient, debentures or debenture stock(Perpetual or otherwise) or other securities of any description, without however doing the business of banking as defined under the Banking Regulation Act, 1949 and also performance and discharge by the Company or any other person or Company any obligation undertaken by the Company or any other person or Company as the case may be.
22. To lend and advance money or give credit to such persons or companies and on such terms, conditions and stipulations as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.
23. To negotiate loans, to draw, make, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, coupons, bills of lading, warrants and other negotiable or transferable instruments and securities but not to do banking business as defined in the Banking Regulation Act, 1949.



24. To invest and deal with the funds of the Company not immediately required in any manner from time to time in such assets, properties, securities, shares, bullion, specie or investments or otherwise as may from time to time be determined by the Directors and sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
25. Subject to the Banking Regulation Act, 1949, to open Account or accounts with any bank or banks in the name of the Company and to operate upon the same.
26. To pay out of the funds of the Company all costs, Charges and expenses which the company may lawfully pay with respect to the promotion, incorporation and establishment of the Company or the issues of its capital, including brokerage or commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures, bonds or other securities of the company.
27. To apply for and acquire permits, licenses and quota rights, from the Government of India or from State Governments or from Foreign Governments, to import and export plant, equipment, spare parts thereof, machinery, raw materials, intermediates, finished products and processing materials connected with the power generating, distribution and transmitting facilities of the Company.
28. To apply, tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to objects or business herein mentioned or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same.
29. To purchase or otherwise acquire and undertake the whole or any part of the business, property rights and liabilities of any person, firm or company carrying on or proposing to carry on any business which the Company is authorized to carry on, or possessed of any property or rights, suitable for any of the purposes of the company and to purchase, acquire, sell and deal in property, shares, debenture- stocks of any such person, firm or company and to conduct, make or to carry into effect any arrangements in regard to the winding up of the business of any such person, firm or Company.
30. To employ experts to investigate and examine in to the condition, management, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets, property or rights.
31. To take part in the management, supervision and control of the business or operations of any Company or undertaking entitled to carry on the business, which the Company is authorized to carry on.



32. To subscribe or contribute or otherwise to asset or grant money to public objects, purposes, funds and institutions and to any other useful institutions, funds or purpose which in the opinion of the Board of Directors are deserving and/or are likely to promote the interests or the business of the Company or to further its objects and/or to charitable and other useful funds whatsoever or for any exhibition.
33. To search for, purchase or acquire from or enter into any arrangements with any Government or Electricity Board/s or authorities, municipal, local or otherwise or any person or company, in India or abroad any rights, powers, privileges, grants, decrees, charters, contracts, permits, loans, licenses and concessions whatsoever which may seem to the Company capable of being turned to account or which the Company may think directly or indirectly conducive to any of its objects or capable of being carried on in connection with its business, and to work, develop, carryout exercise and turn to account the same.
34. To provide for the welfare of the employees (including directors) or ex employees of the Company and wives and families or the dependants or relations of such persons by building or contributing to the building of houses, dwellings or quarters or by grant of money, gratuities, pensions, allowances, bonus or any other payments or by creating and subscribing or contributing to provident and other funds, associations, institutions, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries.
35. To insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from availability or loss in any respect either fully or partially and also to insure and to protect and indemnify any part or portion thereof either on mutual principle or otherwise.
36. To acquire, purchase, takeover and/or amalgamate the business of Companies which, under existing circumstances, from time to time may conveniently or advantageously, be combined with the business of the Company, to amalgamate with Companies whose business are so acquired, purchased or taken over and/or to enter into agreements with the object of acquisition of such undertakings and/or business.
37. To carry on whether in India and abroad in the world any business or branch of a business which this Company is authorized to carry on by means of or through the agency of, any subsidiary Company or companies and to enter into any arrangement with such subsidiary company for sharing the profits and bearing the losses of any business or branch so carried on for financing any such subsidiary Company or



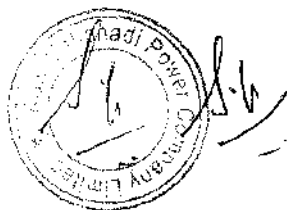
guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on, including power at any time either temporarily or permanently to close any such branch or business and / or to appoint directors or managers of any such subsidiary Company.

38. To execute any trust the undertaking whereof may seem desirable and whether gratuitously or otherwise.

39. To establish, provide, maintain, conduct, and/or subsidize training institutes, research laboratories, power units, experimental workshops and testing laboratories for scientific and technical research and experiments, to undertake and carry on scientific and technical investigations by providing, subsidizing, endowing and /or assisting laboratories, workshops, libraries, meetings and conferences of scientific or technical persons and by providing for financial assistance in the form of scholarships, prizes, grants and loans to students and others; allowances to scientific or technical professors or teachers or experts or institutions and generally to encourage, promote and reward studies, research, experiments, tests and inventions of any kind that may be considered likely to assist in any business which the Company is entitled to carry on: ---

(C) OTHER OBJECTS:

1. ~~To carry on all or any of the businesses of prospecting, exploring, excavating, opening and working mines, drill and sink shafts or wells and to pump, refine, raise dig and quarry for metallic, or mineral, saline or chemical substances, kieselghur, French chalk, China clay, bentonite and other clays, boryles, calcite and such other filler materials, earth's or other ingredients namely rock phosphate, brimstone, brine, bauxite and rare earth or the like.~~
2. To carry on the business of electrical, electronics, telecommunication, mechanical, civil and chemical engineering, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and manufacture of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity (including the term electricity all power that may be directly or indirectly derived there from or may be incidentally hereafter discovered in dealing with electricity, solar energy, tidal power or any other natural resources) galvanism, magnetism or otherwise.
3. To carry on the business of electricians, electrical engineers and manufacturers of all kinds of electrical machinery stores and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, electrical motors, fans, furnaces, lamps,



meters, engines, dynamos, batteries, telephonic or telegraphic apparatus of any kind and manufacturers of and dealers in scientific instruments of any kind and generate, accumulate, distribute and supply heat, motive power and for all other purposes for which electrical energy can be employed.

4. To Carry on the business of mechanical engineers, metal workers, machinists, iron and steel converters, smiths and to buy, sell manufacture, repair, convert, alter, let on hire and deal in machinery, industrial equipment, implements, rolling stocks and hardware of all kinds.
5. To act as stockist, commission agents, manufacturer's representatives or agents, selling and purchasing agents, distributors, brokers, and attorneys, subject to provisions of the Companies Act 1956 for any other Company, firm, corporation or person.
6. To equip, maintain or work by steam electricity, gas, water or other power in factories for carrying on the business of manufacture of electrical machinery, apparatus, equipment and other factory or workshop belonging to the Company or which the Company may possess the right to work or manage.
7. To carry on the profession of consultants on management, employment, engineering, industrial and technical matters to industry and business and to act as employment agents.
8. To Supply and provide, maintain and operate, design and engineering consultancy services applicable over the whole range of industry, trade, commerce and agriculture.

IV The liability of the Members is limited.

- V The Authorized Share Capital of the Company is Rs.3000,00,00,000 (Rupees Three Thousand Crores Only) divided into 275,00,00,000 (Two hundred and seventy five Crores only) equity shares of Rs.10/- (Rupees ten only) each and 25,00,00,000 (Twenty Five crores) Preference shares of Rs.10/- (Rupees ten only) with power of the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preferences, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereof may be altered or dealt with in accordance with the accompanying Articles of Association but not otherwise.**



We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of the Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Sl. No.	Name, Address, Description and occupation of the Subscriber	No. of Equity shares taken by each subscriber	Signature of subscriber	Name, Address, Description and Sign. Of witness
1.	K.A.Sastry S/o. Dr. K.V. Rao 84, Siddharthanagar P.O.Vengal Rao Nagar Hyderabad – 500 038. Occupation: Business	3500 (Three Thousand Five Hundred only)	Sd/-	Sd/- C.Srinivas S/o.Late C.B.Raju Plot No.59 R.K.Puram Secunderabad – 500 056. Occupation: Employment
2.	S. Kishore S/o. N. Sethuraman B-3, Subhagya Apartments Gagan Mahal Colony Domalguda Hyderabad – 500 029 Occupation: Business	3500 (Three Thousand Five Hundred only)	Sd/-	
3.	Hari Kiran Vadlamani S/o. Uma Maheswara Rao 501, Pooja Pride Srinagar Colony Hyderabad – 500 034. Occupation: Business	3500 (Three Thousand Five Hundred only)	Sd/-	
	Total No. of Shares Taken	10500 (Ten Thousand Five Hundred only)		

Place : Hyderabad

Date : 25.10.2005



UNDER THE COMPANIES ACT, 1956

(1 OF 1956)

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF**

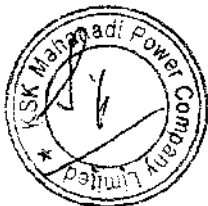
WARDHA POWER COMPANY LIMITED

GENERAL

- | | | |
|--|------|---|
| Application of
Table A of
Schedule 1 of
the Act | (ii) | The Regulations contained in Table A of the first schedule of the Act (as defined below) shall not apply to the Company (as defined below) to the extent modified or excluded by these Articles (as defined below). The regulations for the management of the Company and the observance of the Shareholders (as defined below) and their representatives shall, subject to any exercise of the Company's power to modify, alter, delete or add to its regulations, as prescribed by the Act, be such as are contained in these Articles. |
|--|------|---|

INTERPRETATION

- | | | |
|-----------------------|----|---|
| | 2. | In these regulations, unless repugnant to the subject or context: |
| Interpretation clause | a. | The word or expressions contained in these Regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. |
| "The Act" | b. | "The Act" means the Companies Act, 1956 or any statutory modifications or re-enactment's thereof for the time being in force including Rules framed under the different Sections. |
| "The Company" | c. | "The Company" or "This Company" means Wardha Power Company Limited |
| "Auditors" | d. | "Auditors" means and include those persons appointed as such for the time being by the company. |



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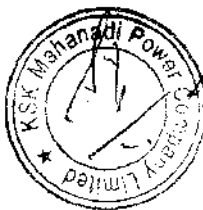
"Annual Meeting"	General	e.	"Annual General Meeting" means to include a general meeting duly called and constituted and any adjourned holding thereof.
"Capital"		f.	"Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the company.
"Common Equity"		g.	"Common Equity" refers to that part of the capital of the company that carries distinctive voting rights and could consist of multiple Classes of shareholders with differential rights in the company.
"Dividend"		h.	"Dividend" includes bonus.
"Gender"		i.	Words imparting the masculine gender also include the feminine gender and vice-versa.
"General Meeting"		j.	"General Meeting" means a meeting of members.
"in writing" and Written"		k.	"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
"Marginal Notes"		l.	"Marginal Notes" used in these Articles for convenience and shall not affect the construction or interpretation hereof. In any event of conflict between the Marginal Notes and Articles contained herein, the Articles shall prevail.
"Member"		m.	"Member" means a person who agrees in writing to become a member of the company and whose name is entered in the Register of Members.
"Month"		n.	"Month" means a calendar month.
"Non User Member"		o.	"Non- User Members" shall mean members of the Company who are not User members.
"KSK Energy Ventures Limited"		oa	KSK Energy Ventures Limited means developer of the Company's power project shall in short called KSK
"Office"		p.	"Office" means the Registered Office for the time being of the company.
"Paid-up"		q.	"Paid-up" includes credited as paid-up.
"Person"		r.	"Person" means a legal or natural person or any group of persons legally recognized or not including an individual, corporation, firms, limited liability company, association, trust or any other entity or organization including a Government or political subdivision, agency or instrumentality thereof.
"Preference Capital"		s.	"Preference Capital" means the preference shares of the Company held by the User and Non-User Members of the Company, carrying a fixed coupon rate and could be participatory or otherwise.
"Prescribed"		t.	"Prescribed" means prescribed under the Companies Act, 1956 or the Rules thereunder.



"The Sponsor"	Project u.	"The Project Sponsor" means the company facilitating User Members in setting up the Captive Power Plant
"Proxy"	v.	"Proxy" means an instrument of proxy executed by a member of the company appointing another person as his proxy (whether a member or not) to attend and vote instead of himself and shall be in one of the forms as prescribed.
"Register Members"	of w.	"Register of Members" means the Register of Members to be kept pursuant to the Act.
"The Registrar"	x.	"The Registrar" means the Registrar of Companies having jurisdiction over the company.
"Seal"	y.	"Seal" means the common seal for the time being of the company.
"Secretary"	z.	"Secretary" includes a Temporary or Assistant Secretary and any person(s) appointed to perform any of the duties of a Secretary subject to Section 383A of the Act.
"Share"	z.	"Share" means a unit of common stock, of the par value per share of the Company held by a shareholder from time to time.
"Singular number"	za.	Words imparting the "Singular number" include, where the context admits or requires, the plural number and vice-versa.
"Stock"	zb.	Stock includes Shares
"User Members"	zc	"User Members" shall mean High Tension/Industrial Consumers who holds 'Class A Equity Shares' in the Company and carry entitlement to the Power generated by the Company under Power Delivery Agreement between company & such member, use such power besides being bound by other contractual commitments and agreements.
"These Presents" or "Regulations" or "Articles"	zd.	"These presents" or "Regulations" or "Articles" means these Articles of Association as originally framed or altered from time to time and includes the Memorandum where the context so requires.
"Year"	ze.	"Year means the English calendar year and "Financial Year" shall have meaning assigned thereto by Section 2 (17) of the Act.

SHARE CAPITAL RIGHTS & OBLIGATIONS

Amount of Capital and Division of capital	3 a.	(1) The Authorized Share Capital of the Company is as provided for in Clause V of the Memorandum of Association of the Company as altered from time to time, payable in the manner as may be determined by the Directors, with power to increase, reduce, sub-divide or re-pay the same or to divide the same into several classes and to attach thereto any rights and to consolidate or sub-divide or reorganize the Shares and to vary such rights as may be determined in accordance with the regulations of the Company.
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(2) The Shares shall be under the control and disposal of the Directors who may allot or otherwise dispose of the same to such persons and on such terms as the Directors think fit and to give any persons any Shares whether at par or at a premium and for such consideration as the Directors may think fit.

(3) The Directors may allot and issue Shares in the capital of the Company on full payment or part payment or any property or goods or machinery supplied, sold or transferred or for services rendered to the Company.

Kinds of Equity
Capital

b. The Equity Shares of the Company shall be referred to as Common Equity and would be of two categories:

(1) **Class A** Equity Shares (referred to as Power Equity shares) which shall be at all times at least twenty six percent of the total Outstanding Common Equity Shares in the Company;

(2) **Class B** Equity Shares (referred as Ordinary Equity shares) which shall be such balance of the total outstanding common Equity Shares in the Company.

Rights &
Obligations of
Class A
Shareholders

c. (i) Class A Equity Shares shall be issued only to persons, firms, companies private or public, who have an industrial establishment or propose to establish such industry, using High tension power from Grid of the State Electricity Board/ Other Licensee's.

(ii) Class A Equity Shareholders shall be entitled to such portion of the electrical energy produced by the power plant which is equivalent to the total number of Class A shares held by him, divided by the total authorised Class A shares of the Company, multiplied by the total energy capable of being produced by the power plant.

(iii) In the event of any Class A Shareholder not consuming or using his entitlement of the electrical energy produced by the power plant, he may opt to surrender the same to the company as per applicable provisions and such surplus or un-utilised energy shall be offered by the Company to other Shareholders or be dealt with in the manner that the company deems fit. If the shares are transferred to any other party the transferee shall be entitled to use the energy quota from the date of registration of such transfer in the Register of the company and the shareholder who surrenders the energy shall cease to be a User Member and shall not have any right whatsoever in the company or on its energy generated.



(iv) All entitlements of demand and energy from the company and specific variations thereof, if any, with respect to the Class A Shares shall be governed by the appropriate power delivery agreement and choice of Tariff Plan, setting out the terms and conditions of the Class A members' entitlement to power including the price and all other terms on the exercise of the entitlement, entered into by each such Class A member and the Company.

(v) Class A Shareholders shall be entitled to a dividend, of 1/4th of the dividend rate declared for Class B shareholders with a cap of 0.01% of the face value of a share, from the distributable profit (if any), after the claims of Preferential Cumulative Share holders (dividend declared in the current year and the cumulative dividend for the past years in which dividend was due but not paid) have been met.

Rights &
Obligations of
Class B
Shareholders

d. (i) Class B shares shall be issued to Project Sponsor, developers and Financial Investors including Sectoral, Infrastructure funds, Private or Public, who jointly finance, construct and operate the Captive plant for collective benefit and meeting the power requirement of User Members

(ii) Class B Equity shareholders are vested with the power of carrying on the day-to day management of the company and shall be responsible:

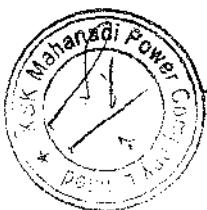
(a) For carrying on the affairs of the company in a transparent and fair manner with adherence to all applicable laws and regulations;

(b) For ensuring proper functioning of the power plant with maximum efficiency and in accordance with proper standards;

(c) For balancing the disparate interests of User Members and to carry on the operations of the power plant for the common collective benefit of all User members in an impartial and fair manner

(iii) Class B equity Shareholders to provide the necessary financial support by way of subscribing to Preference share capital of the company, unsecured loans, and also by way of providing the requisite services in syndication of requisite Debt / Facilities for setup of all requisite facilities of the company

(iv) Class B Equity Shareholders shall be entitled to dividend at a rate recommended by the Board, from the distributable profit (if any) after the claims of Preferential Cumulative Participatory Shareholders (dividend declared in the current year and the cumulative dividend for the past years in



which dividend was due but not paid) have been met.

- (v) In no circumstances shall Non-User Members subscription to Equity entitle them to receive power from the said plant and Non-User members' entitlement shall be restricted to exclusively to the enjoyment of all financial and economic benefits arising out of setup and operation of the plant and as provided for under these Articles.
- (vi) The Board of Directors of the company shall be authorized to avail of the expert services of Non-User members or their affiliates for the benefit of the company

Power to issue
Preference
Shares

- da. (i) Subject to the provisions of Section 80, any preference shares including redeemable preference shares may be issued by the Company on the terms that they are, or at the opinion of the Board are liable, to be redeemed on such terms and in such manner as the Board before the issue of the Shares may determine.
- (ii) Subject to the provisions of the Act, the Directors of the Company shall have the right to issue and allot redeemable preference shares which may be participative or cumulative or on any other such terms and conditions as the Board may decide at the time of the issue.
- (iii) The participative Preference Shareholders shall be paid dividend on a cumulative basis in accordance with a fixed determined coupon rate. They shall also have a preferential right to return of capital in case of winding up.

Further issue of
share capital

- e. (i) The company may, from time to time, by special resolution increase its capital by creation of new shares of such amount as Board may be deemed expedient.
- (ii) Where at any time the company intends to increase the share capital beyond the authorized amount in Memorandum by such amount as it thinks expedient by issuing new shares, the same shall be done subsequent to alteration of the Memorandum to give effect to such increases.

Power to issue
Shares at
premium

- f. The company shall have power to issue shares at a premium, but in doing so, the Company shall comply with the provisions of Section 78 of the Act.

"Power to issue
Shares at
discount

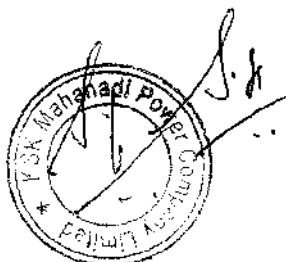
- g. The company shall have power to issue shares at a discount, but in doing so, the company shall comply with the provisions of Section 79 of the Act.



- "Power to issue Shares with differential rights"
- "Power to issue sweat equity Shares"
- Shares under control of Board
- Allotment for consideration other than cash
- h. The company shall have power to issue the equity shares with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.
- i. The company shall have power to issue sweat equity shares, but in doing so, the company shall comply with the provisions of the Section 79A of the Act.
- 4 Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose them off to such persons on such terms, conditions and at such times as the Board thinks fit and with full power to give any person the option to call for or be allotted shares of any class of the company either at a premium or at par or at a discount and such option being exercisable for such terms and for such consideration as the Board thinks fit.
- 5 Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the company as payment or part payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or know-how supplied or for services rendered to the company either in or about the formation or promotion of the company or in the conduct of its business and any shares which maybe so allotted, may be issued as fully paid up or partly paid-up otherwise than in cash, and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

ALTERATION OF SHARE CAPITAL

6. i) The Company shall have power to alter the conditions of the memorandum as follows, that is to say, it may;
- Increase of share capital
- Consolidation and division of shares
- Sub-division of shares
- Cancellation of shares
- a) Increase its share capital by such amount as it thinks expedient by issuing new shares;
- b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- c) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares is derived;
- d) Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled provided however, the



cancellation of shares in pursuance of exercise of this power shall not be deemed to be a reduction of share capital within the meaning of the Act.

Powers to be exercised in General Meeting

- ii) The powers conferred by this regulation shall be exercised by the Company in accordance with the provisions of the Act.

Conversion of shares into stock and vice-versa

7. i) The company may convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid up shares of any denominations.

Transfer of stock

- ii) (i) The right to transfer of the equity Shares is restricted in the manner hereinafter provided.
- (ii) The shareholder intending to transfer the share shall transfer the shares only after prior approval of the directors.
- (iii) The transfer of any equity share of the company shall be subject to the condition that the transferee shall assume all the rights and liabilities of the transferor under these articles.

Rights of stock holders

- iii) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at the meetings of the company and other matters as if they held the shares from which the stock arose, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantages.

Such of the regulations of the Company (other than those relating to warrants) as are applicable to paid-up shares shall apply to stock and the words "share" and "share holders" in those regulations include "stock" and "stock holders".

Rights of Shareholders

- iv) KSK shall have right to subscribe upto 74% of the equity capital of the Company from time to time either by itself or through its affiliates including its holding company. KSK shall also have the right to also allow participation in the equity within 74% other than its affiliates. KSK also has absolute and unconditional right to renounce its right to subscription in favour of its affiliates including its holding company not exceeding 48% of the paid up capital of the company.



Reduction of Share Capital & Redemption of share premium and reserve accounts

8. The Company may (subject to the provisions of Section 100 to 105 of the Act) from time to time, by a special resolution, reduce its share capital or any Capital Redemption Reserve Account or Share Premium Account in any way authorized by law and may as far as is necessary, alter its Memorandum of Association, by reducing the amount of its share capital and of its shares accordingly.

Power to buy-back its own shares

9. The Company shall have power to buy-back its own shares but in doing so, the company shall comply with the provisions of section 77, 77A, 77AA, 77B and other related provisions of the Act.

PAYMENT OF COMMISSION AND BROKERAGE

Disclosure of the rate of commission

10. a) The Company may exercise the powers of paying commission provided that the rate, percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Section 76 of the Act.

Maximum rate of commission

- b) The rate of commission shall not exceed the maximum percentage provided for in Section 76 of the Act.

Commission how paid

- c) The commission may be satisfied by payment of cash or the allotment of fully or partly paid-up shares or partly in the one way and partly in the other.

Power to pay brokerage

- d) The Company may also, on any issue of shares and debentures pay such brokerage as may be lawful and reasonable as per the provisions of the Act.

VARIATION OF SHAREHOLDERS RIGHTS

Application of rights to any class of shares how effected

11. i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the share of that class) may be subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Provisions relating to General Meetings, how far applicable to meetings of different classes of shareholders

- ii) Subject to the provisions of Section 170(2) (a) and (b) of the Act or any statutory modifications thereof, to every such separate General Meeting, the provisions of these Regulations relating to General Meetings shall mutatis apply so that the necessary quorum shall be five persons at least holding or representing by proxy one-third of the issued shares of the class in question.



Issue of further
pari-passu
shares not to
affect the right of
shares already
issued

- iii) The rights conferred upon the holders of the shares of any class issued with preference or other rights shall not unless otherwise provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of future shares ranking pari-passu therewith.

CERTIFICATES

Certificate of title
to shares

12. a) The Certificate of title to share shall be issued under the seal of the Company which shall be affixed in the presence of and signed by (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and, (ii) the Secretary or some other person appointed by the for the purpose; provided that at least one of the aforesaid two Directors shall be a person other than a Managing Director and shall be issued, sealed and signed in conformity with the provisions of the Companies (Issue of Shares Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees of owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate of any shares may be delivered to any one of such joint allottees or owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

One certificate
for all shares

- b) Every member in the first instance shall be entitled to one or more certificate as issued by the Company for all the shares registered in his name and every certificate of shares shall specify the number of members of shares in respect of which it is issued, and the amount paid —up thereon or credited thereto.

Market lots

- c) However, the Board of Directors shall have power to issue share certificates in market lots and where the share certificates are issued in, other than market lots, sub-division, consolidation of share certificates into market lots shall be done by the Company free of charge.

Limitation of time
for issue of share
certificates

- d) The Company shall, within three months after the allotment of any of its shares, debentures or debenture stock, and within two month after the application for the registration of the transfer of any such shares, debentures or debenture stock, deliver in accordance with the procedure laid down in Section 113 of the Act, the certificates of all shares, debentures and certificates of debenture stocks allotted or transferred, unless the conditions of issue of the shares, debentures or debenture stock otherwise provide.



Issue of new certificates in lieu of worn out, defaced, lost or destroyed one.

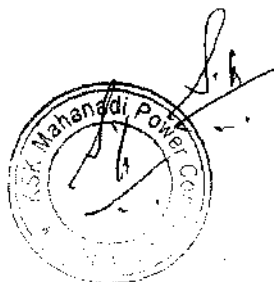
- e) If any certificate be torn, worn out, mutilated, defaced, destroyed or lost, a new one or new ones may be issued in lieu thereof, on production to the Directors, of evidence satisfactory to them, of its being torn, worn out, mutilated, defaced, destroyed, or lost, or in default of such evidence on such indemnity bond as the Board of Directors may think sufficient.

No fee for new certificate

- f) No fee shall be charged for the issue of new share certificates in replacement of those certificates which are torn, defaced, old, worn out, decrepit or where cages on the reverse of Share Certificates are completely exhausted. No fee shall be charged for the following, for split, consolidation, renewal and pucca transfer receipt into denominations corresponding to the market units of trading or for sub-division of renounceable letter of Rights or for registration of any Power of Attorney, Probate, Letters of Administration or Death Certificate or for similar other documents. However a fee of Rs.1/- shall be charged in respect of new certificate issued for reasons other than those mentioned above, besides the out-of-pocket expenses incurred by the Company in investigating evidence or indemnity required by the Company.

Joint holders

- g) Where two or more persons are registered as the holders of any shares, they shall be deemed to hold the same as joint holders with benefits of the survivorship subject to the following and other related provisions contained in these regulations :-
- i) The joint holders of any share shall be liable severally as well jointly for and in respect of all calls and other payments which ought to be made in respect of such shares;
 - ii) On the death of any such joint holders, the survivor or survivors shall be the person(s) recognized by the Company as having any title or interest in the share but the Directors may require such evidence of death as they deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holders from any liability on shares held by him jointly with any other person(s);
 - iii) Any of the joint holders may give effectual receipt of any dividends or other moneys payable in respect of such shares;
 - iv) Only the person whose name stands first in the Register as one of the joint holders of any shares, shall be entitled to the delivery of the certificate relating to such shares or to receive documents from the Company and any documents served on or sent to such person shall be deemed as good service on all the joint holders.



- v) Any of the two or more joint holders may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy, then, one of such persons so present whose name stands first or higher (as be the case) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but other or others of the joint holders shall be entitled to be present at any meeting personally. Several executors or administrators of a deceased member in whose (deceased member's) sole name any shares stand, shall for the purpose of this sub-article, be deemed to be joint holders.

Issue of
certificate in
case of joint
holders

- h) In respect of any share or shares held jointly by several persons, the delivery of certificate to the person first named on the Register shall be sufficient delivery to all such shareholders.

In whose name
shares Board
may be
registered

- i) Shares may be registered in the name of any person, the joint holders or any limited company, but not in the name of a minor nor shall more than four persons be registered as joint holders of any share.

Company not
bound to
recognize any
interest in shares
other than that of
registered holder

- j) Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by the statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

CALLS ON SHARES

Calls

13. a) The of Directors Board may from time to time, subject to the terms on which any shares Board may have been issued, and further subject to Section 91 of the Act, make such calls as they think fit, upon the members in respect of all monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium), and not by the conditions of allotment thereof made payable at fixed times.

Notice of call

- b) Each member shall, subject to receiving at least thirty days notice specifying the time and place of payment (as appointed by the Board) pay to the Company at the specified time and place, the amount called on his shares.



Revocation and postponement of call	c) A call may be revoked or postponed at the discretion of the Board.
When call deemed to be made	d) A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
Amount payable at fixed times or by installments payable as calls	e) If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed time or by installment at fixed times whether on account of the nominal amount of share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly and shall be payable on the date on which by the terms of issue such sum shall become payable.
When interest on call or on installment payable	f) If the sum payable in respect of any call or installment be not paid on or before the appointed date for payment thereof, the holder for the time being of shares in respect of which the call shall have been made, or the installment shall be due, shall pay interest at the rate of 5% for the payment thereof to the time of actual payment, or such other higher rate as the Board may determine. The Directors shall be at liberty to waive payment of any such interest, wholly or in part. In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Payment of call in advance	g) Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company Board may pay interest at such rate, (not being more than 6% per annum), as the Directors think fit. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to vote or participate in profits until the same would but for such payment, become presently payable. The Board may, at any time repay the amount, so advanced upon giving to such members three months notice in writing.
Liability of joint holders	h) The joint holders of a share shall be severally as well as jointly liable for the payment of calls and installments and interest on the installments and calls due in respect of such shares.



Evidence in
action for call.

- i) Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company for the recovery of any money due for any call, it shall be sufficient to prove that the name of the members sued is entered in the Register as the holders, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the calls is duly recorded in the Minutes Book of the Board Meeting and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which the call was made nor that the meeting at which the call was made was duly convened or constituted nor any other matter, whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

LIEN

Company to
have Lien on all
Equity and
Preference
Shares issued to
User Members

14. a) The Company shall have a first and paramount lien upon all Equity Shares and Preference Shares registered in the name of each User Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys whether presently payable or not, called or payable at fixed time in respect of such shares, any dues/arrears on account of consumption of energy or other payables of the respective User Member.

No equitable interest in any Equity / Preference Share shall be created except upon the footing and condition laid down herein these regulations and such lien shall extend to all dividends, bonus shares and other benefits declared from time to time in respect of such Equity / Preference Shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

The company shall have a right to sell or otherwise dispose off Equity Shares and Preference Shares issued to a User Member for the purpose of realising its dues from the respective User Members in such manner as the Company deems fit.

Enforcing a lien
by sale

- b) For the purpose of enforcing such lien, the Board may sell the shares or otherwise dispose of such Equity Shares / Preference Shares to realize its dues from respective user members, subject thereto in such manner as the Board thinks fit, provided that no sale shall be made:
- i) unless the sum in respect of which the lien exists is presently payable; or

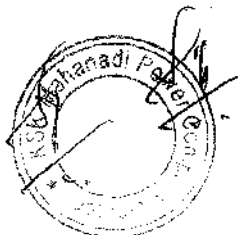


- ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Title of purchaser on sale	c)	Upon any sale after forfeiture or for enforcing lien purported exercise of the powers herein, the Directors Board may cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see effect to any such sale nor shall his title to the shares be effected by irregularity or invalidity in the proceedings in reference to the sale. The Board may authorize some person to transfer the shares sold to the purchaser thereof. Upon any such sale as aforesaid, the existing certificate(s) in respect of the shares sold shall stand cancelled and become null and void and no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser(s) concerned.
Application of proceeds of sale	d)	The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
Restriction on exercise of voting right of members who have not paid calls, etc.	e)	No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
Surrender of shares	f)	The Board may at any time, and subject to the provisions of the Act, accept the surrender of any shares from or by a member so desirous and dispose such shares in a manner and on such terms as the Board may think fit.

FORFEITURE OF SHARES

15. a) If a member fails to pay the whole or any part of any calls or installment or any money due in respect of any shares either by way of principal or interest on or before the date appointed for a payment of the same or and extension thereof, the Board may at any time there after during such time as the call or installment remains un-paid or decree remains unsatisfied, serve notice on him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the date of forfeiture.



Form of notice and effect of non-payment	b) The notice aforesaid shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and also state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made, will be liable to be forfeited.
If default notice not complied with, shares may be forfeited	c) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the date of forfeiture.
Notice of forfeiture to member as in the register	d) When any share is declared to be forfeited, notice of forfeiture shall be given to the member in whose name it stood immediately prior to forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.
Effect of forfeiture	e) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share and all other rights incidental to the share including entitlement to the Power from the company's plant, except only such of these rights, as by these Articles are expressly saved.
Liability of forfeiture	f) A member whose shares have been so forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, be liable to the company all calls or installments, interest in respect of such shares at the time of forfeiture, together with interest thereon from the date of forfeiture until the payment at such rate as the Directors Board may determine. The liability, of such person shall cease if and when the company shall have received the payment in full of all such money in respect of the shares.
Disposal of forfeited shares and power to cancel forfeiture.	g) Every share so forfeited as aforesaid, shall thereupon, be deemed to be the property of the company and the Board of Directors may sell or otherwise dispose off the same either to the original holder thereof or to any other person upon such terms and in such manner as the thinks fit. However, at any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms, as it thinks fit.
Certificate of forfeiture conclusive proof	h) A certificate in writing under the hand of a Director or the Secretary that the call or other moneys in respect of a shares was or were due and payable and notice thereof given and that the default in payment of the call or other moneys was made, and that the forfeiture of the shares made by a resolution of the Board of Directors to the effect, shall be conclusive evidence of the facts therein stated as against all



persons claiming to be entitled to such shares.

Partial payment
not to preclude
forfeiture

- i) Neither the receipt by the company of portion of any money which shall, from time to time be due from any member to the company in respect of his shares, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein before provided.

Application of
forfeiture
provisions to
sum payable
otherwise than
on calls

- j) The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Form of transfer

16. a) The shares in the company shall be transferred in accordance with the provisions of Section 108 of the Act by an instrument in writing in the prescribed form under the Companies (Central Government's) General Rules and Forms 1956; or any statutory modification thereof for the time being in force.

Register of
transfers

- b) The Company shall keep a register of transfers and there shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Who are to
exercise transfer

- c) The instrument of transfer of any shares in the company shall be executed by or on behalf of both the transferor and the transferee.

When the
transferee is
deemed to be
holder of shares
Instrument of
transfer to be
deposited

- d) The transferor shall be deemed to remain a holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

- e) Every instrument of transfer shall not be registered until such instrument is deposited along with the certificate of the shares or debentures to be transferred and together with any other evidence the Directors Board may require to prove the title of the transferor, or his right to transfer the shares or debentures. The instrument of transfer shall, after registration, be kept by the company, but all instruments of transfer which the Board may decline to register shall be returned to the person depositing the same. One instrument



of transfer should be in respect of one class of shares. The Board may waive the production of instrument of transfer to any certificate upon production of an evidence satisfactory to them as to its loss or destruction, and on such terms as to indemnification, as the Board may think fit.

Notice of
registered holder

- f) Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors Board may give notice by letter sent by registered post acknowledgement due to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within 10 days from posting of such notice to him he shall be deemed to have admitted the validity of the transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event non receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors.

Board's power to
register transfers

- g) A The Board may, subject to the right of appeal under section 111 of the Act, refuse to register a transfer of the shares of the company, on one or more of the following grounds viz.
- i) That the instrument of transfer is not proper or has not been duly stamped and executed or the certificate relating to the security has been delivered to the company or that any other requirement of law relating to such transfer has not been complied with; or
 - ii) That the transfer is in contravention of any law; or
 - iii) That the transfer is likely to result in such change in the composition of the Board as would be prejudicial to the interest of the company or to the public interest; or
 - iv) That the transfer is prohibited by any order of any Court or Tribunal or other Authority under any law for the time being in force, or

v) That the Company has a lien upon the shares so proposed to be transferred; or

vi) That the transfer is in contravention of any provisions contained in the Memorandum of Understanding/Agreement and other relevant documents entered into between the parties thereto



Provided that the registration of the acknowledgement of transfer of any share shall not be refused on the ground that its transferor either alone or with another, is indebted to the company on any account whatsoever.

B The registration of a transfer shall be conclusive evidence of the approval of the Directors, of the transferee.

C No fee shall be charged on a transfer of shares

D And also subject to the provisions of the Section 22A of the Securities Contracts (Regulation) Act, as and when it applies to the Company.

E At the discretion of the Board, transfer of any share may be subject to the condition that the transferee shall assume the rights and liabilities contracted by the transferor under any agreement entered into between the members inter se and/or with the Company.

Requirement of instrument of transfer	h.	The board may also decline to recognize any instrument of transfer unless the instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board may reasonably require to show the register of the transfer to make the transfer, and the instrument of transfer is in respect of only one class of shares.
Notice of refusal	i.	If registration of a share or debenture of the company is refused, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and the transferor, the notice of refusal.
Closing of share transfer books and register	j.	The Directors may, on giving seven days previous notice by advertisement as required by section 154 of the Act, close the register of members for any period or periods not exceeding thirty days at a stretch but not exceeding in the whole forty five days in each year.
Prohibition of Transfer	k.	The shares shall under no circumstances, be transferred to an un-discharged insolvent or a person of unsound mind.
Custody of the instrument of transfer	l.	All instruments of transfer which are registered shall be retained by the company, but may be destroyed upon the expiry of such period as the Board may, from time to time, determine. Any instrument of transfer which the Board declines to register shall (except in a case of fraud) be returned to the person depositing the same.
Transmission of registered shares	17. (a)	(i) On the death of a member, the survivor or survivors, (where the member was a joint holder) and his legal representatives where he was a share holder shall be the only person recognized by the Company as having any title to his interest in the shares.



As to a transfer
of shares of
deceased or
bankrupt
members

- b) (i) Nothing in clause (i) shall release the estate of deceased joint holder from any liability in respect of any shares, which had been jointly held by him with other persons
- (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be properly required by the Board and subject, as herein after provided elect either.

To be registered himself as holder of the share; or
To make such transfer of the share as the deceased or insolvent member could have made.

- (ii) The Board shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.

As to the notice
of election on
transmission

- (c) (i) If the person so becoming on transmission entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the company, notice in writing signed by him, stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

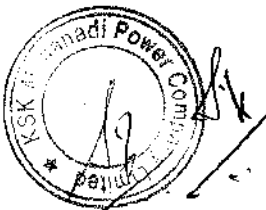
- (iii) All the limitations, restrictions and provisions of the regulations regulating the right to transfer and the registration of shares shall be applicable to any such notice of transfer as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

Rights in respect
of share
transmission

- (d) On the transfer of the shares being registered in his name, a person becoming entitled to a share by reason of death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were the registered holder of the share and that he shall not before being registered as a member in respect of the share be entitled in respect of the meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered holder himself or to transfer the shares. If the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Nomination

- (e) A holder or joint holder(s) of shares in or debentures (including the Fixed deposit holder under Section 58A of the Companies Act 1956) of the Company may nominate a person in the prescribed manner to whom the shares and/or



the interest of the member in the capital of the company or debentures of the Company shall vest in the event of the holder(s) death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Act or such other regulations governing the matter from time to time.

Refusal to register transmission of shares

(f) Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominees as if he were the transferee named in an ordinary transfer presented for registration.

The Company not liable for disregard of a notice prohibiting registration of a transfer

(g) The company shall incur no liability whatever in consequence of its registering or giving effect to any transfer of shares, made registration of a transfer or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of members) to the prejudice of persons having claim of an equitable right, title or interest to or in the shares notwithstanding that the Company may have had notice to such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice registration of such transfer and may have entered such notice or referred transfer thereto, in any book of the company shall not be bound or required to regard or attend or give effect of any claim which may be given to it of any equitable right, title or interest or become for any liability whatsoever, for refusing or referred to in some book of the company but the company, though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the shall so think fit.

DEMATERIALISATION OF SECURITIES

Definitions

18 (a) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act 1996.

"Depositories Act" shall mean the Depositories Act 1996 or any statutory modification(s) or re-enactment thereof;

"SEBI" means the Securities Exchange of India

"Depository" means a company formed and registered under the Companies Act 1956, and which has been granted a certificate of registration to act as a depository under the SEBI Act, 1992.

"Security" means such security as Board may be specified by SEBI from time to time.



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| Dematerialization of securities | (b) | Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act 1996. |
| Option for investors | (c) | <p>Every person subscribing to /acquiring securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository</p> <p>Such a person who is the beneficial owner of the securities can at any time opt out of the depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.</p> <p>If a person opts to hold his securities with a depository, the company shall intimate such depository the details of allotment of the security.</p> |
| Securities in Depositories to be in fungible form | (d) | All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 153 and 372 A of the Companies Act 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner. |
| Right of Depositories and Beneficial owners | (e) | <p>(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.</p> <p>(ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which were held by a depository.</p> |
| Service of document | (f) | Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership Board may be served by such depository on the company by means of electronic mode or by delivery of floppies or discs etc. |



Transfer of securities

- (g) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and the transferee both of whom are entered as beneficial owners in the records of the depository.

Allotment of securities dealt with by a depository

- (h) Notwithstanding anything to the contrary contained in the Act or these Articles, where a depository deals with securities, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

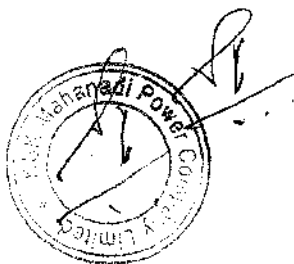
Distinctive numbers of securities held in a depository
Register and index of beneficial owners

- (i) Nothing contained in the Act or these Articles regarding necessity of having distinctive numbers of securities issued by the company shall apply to securities held in a depository.
- (j) The register and index of beneficial owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the register and index of members and security holders for the purpose of these Articles.

BORROWING POWERS

Powers to borrow

19. a) The Board may, from time to time, and at its discretion, subject to the provisions of Sections 58A, 292, 293 and 370 of the Act and these Articles, accept deposits from Shareholders either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and/or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) and remaining outstanding and undischarged at that time exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by an ordinary resolution. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any security of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Shareholders in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.



Condition on
which monies
may be
borrowed

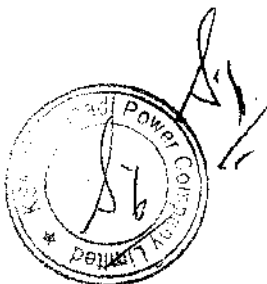
b) Subject to the provisions of the Act and these regulations, the Board may raise and secure the payment or repayment of such sum or sums, in such manner and upon such terms and conditions, in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures, debenture stock, or any mortgage or charge or other security on the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

Indemnity may
be given

c) Subject to the provisions of the Act and these regulations, if the Directors or any other person shall incur or be about to incur any liability as surety for the payment of any sum primarily due from the company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company, by way of an indemnity to secure the Directors or the person so becoming liable as aforesaid from and against any loss in respect of such liability.

Mortgage of
uncalled capital

d) If any uncalled capital of the company is included in or charged by any mortgage or other security, the Board shall subject to the provisions of the Act, and of these regulations, make calls on the members in respect of the uncalled capital in trust for the person in whose favour such mortgage or security is executed.



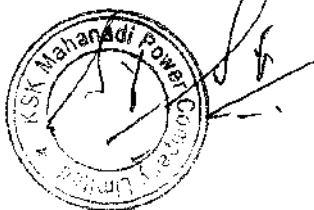
DEBENTURES

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| Power to issue debentures | 20. The Company shall have power to issue debentures in accordance with the provisions of the Act. |
| Debentures | Debentures, Debenture stock, Bonds or other securities conferring the right to allotment of or conversion into shares or the option of right to call or allotment of shares shall not be given except with the sanction of the company in General Meeting. |

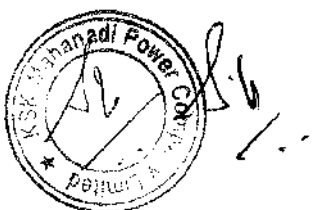
GENERAL MEETING

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| Annual General Meeting | 21. a) Subject to the provisions of the Act, the company shall in each year hold, in addition to any other meetings, a General Meeting as the Annual General Meeting. The provisions of Sec. 166 read with Sec.210 of the Act shall apply to such an Annual General Meeting. |
| Annual General Meeting when to be held | b) Every Annual General Meeting shall be called for a time during business hours and on such day (not being a public holiday) as the Directors, Board may from time to time determine and it shall be held either at the Registered Office of the company, or at any other place within the city, town or village in which the Registered office of the company, for the time being situated. |
| Extraordinary General Meeting | c) (i) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

(ii) The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting. |
| Notice of meeting | 22. a) Subject to Sections 190 and 219 of the Act, any General Meeting may be called by giving to the Shareholders not less than twenty one (21) days notice or a shorter notice than twenty one (21) days if consent thereto is given by the Shareholders in accordance with the provisions of Section 171 of the Act. |
| Notice by company to be signed | b) Any notice to be given by the Company shall be signed by such Director or Secretary or Officer as the Board may appoint. The signature on any notice to be given by the company Board may be written or printed or lithographed or be affixed by any other mechanical means. |
| Authentication of documents and proceedings | c) Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or Secretary, or any authorized officer of the Company and need not be under its seal. |
| How notice and documents to be served on | d) A document (which expression for this purpose, shall be deemed to include and shall include any summon, notice, requisition, process order, Judgment or any other document in |



members		relation to or in the winding up of the company), may be served by the company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India, to the address, if any, within India supplied by him to the company for giving of notices to him, as prescribed under Section 53 of the Act.
Service by post	e)	Where a document is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents, provided that where a member has intimated the company in advance that the document should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the company, a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner so intimated by the member and such service shall be deemed to have been effected in the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
Person becoming entitled to shares bound by documents served to previous persons.	f)	Every person who by operation of law, transfer or by other means whatsoever, shall become entitled to any shares shall be bound by every document in respect of such shares which previous to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to shares.
Non – receipt of notice	g)	The accidental or inadvertent omission to give notice to or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceeding at the meeting.
Contents and service of the notice	h)	Notice of every meeting shall be given to the members and to such other person or persons as required by and in accordance with section 172 and 173 of the Act and it shall be served in the manner authorised by sec.53 of the Act
Chairman of the meeting	23. a)	The chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting and if there be no such chairman or if at any meeting he is not present within fifteen minutes after time appointed for holding such meeting or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands, choose one of their own number (being a member entitled to vote) to be the chairman of the meeting.



Quorum

- b) At least five members entitled to vote and personally present, shall be the quorum for the General Meeting. No business shall be transacted at any General Meeting unless the requisite quorum to be present at the commencement of business. Provided that of the aforementioned two members, at least one member shall be the representative of Sponsor

If quorum not present meetings when to be dissolved and when to be adjourned

- c) If within half an hour from the time appointed for holding a meeting, the quorum is not present, the meeting if convened upon the requisition of members shall stand dissolved. In any other case, it shall stand adjourned to the same day in the next week (not being a public holiday) at the same time and place or, to such other day and at such other time and place as the Board may determine.

Business to be transacted at adjourned meeting and fresh notice required if adjournment is for 30 days and more

- d) If at any adjourned meeting also, the quorum is not present members who are present at such adjourned meeting, shall be the quorum and Board may transact the business for which the meeting was called, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place (and which might have been transacted at that meeting), it shall not be necessary to give any notice of any adjournments and of the business to be transacted at an adjourned meeting. However, when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

The date on which the resolution is to have been passed

- e) Where a resolution is passed at an adjourned meeting of the company, the resolution shall for all purposes, be treated as having been passed on the date on which it was passed and shall not be deemed to have been passed on any earlier date.

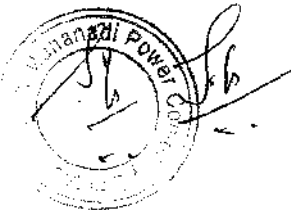
Special business

24. a) In the case of an Annual General Meeting the business to be transacted at the meeting shall be deemed special, with the exception of business relating to:

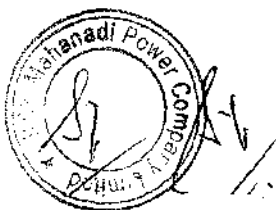
- i) The consideration of the accounts, balance sheet, profit and loss account and the reports of the of Directors and Auditors;
- ii) The declaration of dividend;
- iii) The appointment of Directors in the place of those retiring; and
- iv) The appointment of and the fixing of the remuneration of the auditors.

In the case of any other meeting, all business shall be deemed special.

- b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of that meeting, a statement setting out all

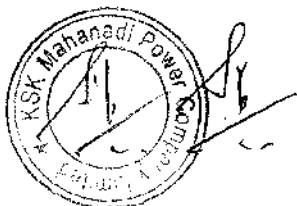


- material facts regarding each such item of business including in particular, the nature and extent of the interest, if any therein of every Director of the Company.
- Provided that where any item of special business as aforesaid to be transacted at meeting of the company relates to, or affects any other company, the extent of shareholding interest in that other company of every Director of the company shall also be set out in the explanatory statement, if the extent of such share holding interest is not less than twenty percent of the paid-up share capital of that other company.
- Reports, statements and register to be laid on the table
- Matters in which special resolution are required
- How question to be decided at meetings
- What is to be evidence of the passing of a resolution
- Voting rights
- c) Where any item of business to be transacted at any general meeting of the company consists of according of approval to any document, the time and place where the document can be inspected shall be specified in the statement aforesaid.
 - d) At every Annual General Meeting of the company, there shall be laid on the table, the Director's Report and audited statement of accounts, Auditors' Report, the Proxy register with the proxies and the Register of Director's Shareholdings mentioned under Sec.307 of the Act. The Auditor's Report shall be read before the members in such General Meeting and shall be open to inspection by any member of the Company.
 - e) In giving notice of an intention to propose a resolution as a special resolution, the company shall have regard to the provisions of section 17, 21, 25(2), 31, 99, 199, 146, 208, 224A, 237, 309, 314, 323 and 484 of the Act or any statutory modifications thereof.
25. a) Except where otherwise provided by the Companies Act, 1956, or by these presents every question to be decided by a poll.
- b) A declaration of the Chairman, that a resolution has been carried by a particular majority and an entry to that effect in the minutes or the proceedings of the meetings, shall be sufficient evidence of the fact so declared, without proof of the number or the proportion of votes given for or against the resolution.
- c) Subject to the provisions of the Act, (and in particular of Sections 87 and 92(2) thereof) and these Articles:
- (i) Upon a show of hands every member holding equity shares and entitled to vote and present in person (including a attorney or a representative of a body corporate as mentioned in the succeeding Article contained herein these Regulations) shall have one vote;
 - (ii) Upon a poll the voting right of every member holding equity shares and entitled to vote and present in person (including a body corporate present as aforesaid) or by proxy shall be in proportion to his share in the paid-up equity capital of the company.



(iii) The voting right of every member holding preference shares, if any, shall upon show of hands or upon a poll, be subject to the provisions, limitations and restrictions laid down in Sec.87 of the Act.

Member in arrears not to vote	d)	No member shall be entitled to be present or to vote at any General Meeting, either personally, or by proxy, while any call or other sum is due and presently payable to the company or in regard to which the company has exercised any right of lien.
Time for objection to vote	e)	(i) Subject to the provisions of the Act, and these Regulations, no objection shall be made to the validity of a vote except at the meeting or poll, at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll, shall be deemed valid for all purposes of meeting or poll, whatsoever. (ii) any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
Votes may be given by proxy	f)	Subject to Section 176 of the Companies Act, 1956 and these regulations, votes may be given either personally or by proxy, or in the case of a body corporate by representative duly authorised under Section 187 of the Act.
Proxy need not be a member	g)	Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
Instrument appointing a proxy to be deposited at the office	h)	The instrument appointing a proxy, and every power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of authority, shall be deposited at the registered office of the company, not less than forty eight hours before the time for holding the meeting, at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as validity.
Form of proxy	i)	An instrument appointing a proxy shall be in either of the forms in schedule IX of the Act or a Form as near thereto, as circumstances admit.
No voting by proxy upon show of hands	j)	i) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by attorney or by a representative so duly authorised under Sec.187 of the Act, in which case attorney or the representative Board may vote on a show of hands as if he



were an individual member of the company.

ii) Any person entitled under in-transmission clause hereinbefore detailed in these regulations, to transfer any shares, may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as be the case, at which he proposes to vote, he shall have to satisfy the Board of his right to transfer such shares unless the shall have previously admitted his right to vote at such meeting in respect thereof.

Time of taking
poll

- k) i) A poll demanded on a question of adjournment shall be taken forthwith.
- ii) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for separately in these Articles) shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

iii) the demand for a poll Board may be withdrawn.

Other business
may proceed not
withstanding
demand of poll
Right of member
to use his votes
differently

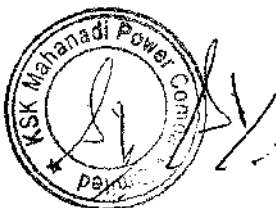
- l) The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.
- m) On a poll taken at a meeting of the company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes in the same manner.

Scrutinizers at
poll

- n) i) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.
- ii) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill the vacancies in the office of the scrutinizers arising from such removal or for any other cause.
- iii) Of the two scrutinizers, one shall always be a member (not being an officer or employee of the company) present at the meeting.

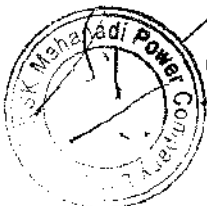
How members
non-
composementis
or minors may
vote

- o) If any share holder be a lunatic, idiot or non-composmentis, the vote in respect of his shares shall be cast by his committee or other legal guardian and if any shares are registered in the name of a minor through his guardian, the vote in respect of such shares shall be cast by that guardian



or any one of the guardians, if there be more than one.

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| Joint holder | p) | In case of joint holders, the vote of the senior who tenders vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. |
| Validity of the votes given by proxy notwithstanding death, etc., of the member | q) | A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous insanity or lunacy or death of the principal or revocation of the proxy, as the case may be or any power of attorney, under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the insanity, lunacy, death, revocation or transfer shall have been received at the office before the meeting. |
| Chairman of the meeting to be the judge of the validity of any vote | r) | Subject to the provisions of the Act and these regulations, Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. Subject as aforesaid the chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. |
| Notice on 26. company | | All notices to be given on the part of members be left at or sent by registered post or under certificate of posting to the registered office of the company. |
| Minutes | 27. a) | The Board shall cause minutes of all proceedings of every general meeting and of every meeting of the of Directors, or every committee of the Board to be kept in accordance with Sec. 193 of the Act, by making within thirty days of the conclusion of every such meeting the concerned entries there of in books kept for that purpose with their pages consecutively numbered. |
| | b) | Each page of such book shall be dated and signed by:
i) In the case of minutes of all proceedings of a meeting of the or of a committee there of by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
ii) In the case of minutes of proceedings of a general meeting by the Chairman of the same meeting within aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the specific purpose. |
| Inspection of minutes books of General | c) | The books containing the minutes of the proceedings of General Meeting of the company shall be kept at the registered office of the company and be open for the |



Meetings	inspection of members as prescribed under Sec.196 of the Act.
Signing of Minutes	d) All minutes shall be signed by the Chairman of the meeting at which the same are recorded or by the person who shall preside as Chairman at the ensuing meeting and all minutes purporting to be signed shall for all purpose whatever be prima-facie evidence of the actual passing of the resolution recorded and actual and regular transactions or occurrence of the proceedings to be so recorded, and of the regularity of the meeting at which the same shall appear to have taken place.

MANAGEMENT OF THE COMPANY AND DIRECTORS

Company Management by Board	28. The business of the company shall be managed by the of Directors of the Company who shall exercise all the power of management except those that are, by the statute, by the Memorandum of Association or by these regulations required to be exercised by the Company in General Meetings
Number of directors	a) Minimum no. of Directors should be 3 and maximum 12. b) Unless otherwise determined by the Company in General Meeting, the number of directors elected by the shareholders shall be five - One person nominated by User Members and four persons nominated by Non-User Members. The User Member and the Non-User Members shall nominate directors on the Board in the ratio of 1:4

However, nomination of any person as director by any lenders on the basis of their agreement or any independent directors in accordance with applicable law shall be over and above the above five directors envisaged.

At all times, The Chairmanship of the Board shall be with any one of the director nominated by Non-User Member.

At all times, there shall not be more than 12 Directors on the Board, inclusive of the ex-officio directors, nominee directors, whole-time directors, technical directors, special directors, debenture directors, alternate directors, additional directors, corporation directors, co-opted directors and finance director, if any.

Reserved Matters	c) The majority of the Board of Directors shall consist of the members nominated by KSK and the Managing Director / Whole time Director/ Executive Director shall be nominated by KSK. All decisions concerning the management and operations of the Company shall be approved by the majority of the Directors.
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Decisions of the company on the following matters shall be with the prior approval of KSK.



- i) Further issue, modification or reduction of Capital.
- ii) Alteration of Memorandum & Articles of Association of the Company.
- iii) Business restructuring, re-organization or diversification (including new business initiatives), mergers or consolidation, including change of scope of projects and partnership or joint venture with any entity.
- iv) Creation of charge over the assets of the Company in favour of any person except pursuant to the financing agreements.
- v) Change of name of the Company.
- vi) Change in capital structure of the Company.
- vii) Any change in constitution or nature of the business, suspension of business and commencement of new business or any other object of the Company.
- viii) Formation or setting up of subsidiary of the company
- ix) Change in composition of the Board of Directors.
- x) Any form of borrowing of funds or issuance of security, creation of mortgage, pledge or other encumbrance for any borrowing by the Company other than those required for the project as contemplated under the financing agreements
- xi) Inter Corporate investments in the equity, preference and debt instruments.
- xii) The winding up or dissolution of the Company or its subsidiaries or the disposal of substantial part of the undertaking assets, or the business of the Company.

Right to increase
or reduce the
number of
Directors
First Directors

- d) Subject to the provisions of Section 252 and 258 of the Act, the Company may in general Meeting increase or reduce the number of Directors fixed by regulation 30(a)

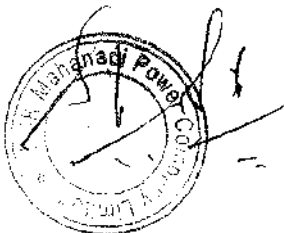
- e) At the date of adoption of these Articles, the following persons are the Directors of the Company, namely,

1. K.A. SASTRY
2. S.KISHORE
3. V.HARI KIRAN

- f) Not less than two-thirds of the total number of Directors shall be liable to retire by rotation. One-third of the Directors shall automatically retire every year at the annual general meeting and shall be eligible for re-appointment. The Directors to retire by rotation shall be decided based on those who have been longest in office, and as between persons appointed on the same day, the same shall be decided by mutual agreement or by draw of lots. The Managing Director shall not be liable to retire by rotation so long as he holds the office of the Managing Director.

Right to
formulate and

- g) Given the wide variation of power requirements, Off take guarantees and credit profiles of the User members, the



approve multiple
Tariff Plans

Directors shall, from time to time, formulate and make available various Tariff Plans for multiple classes of Consumers, and any variations thereof within Tariff Plans for each class of consumers.

Further the Directors shall have a right to approve all such amendments to Tariff Plans from time to time,

Additional
Directors to be
appointed by the
Board

- h) The Board of Directors shall have power to appoint additional Directors provided such additional directors shall hold office only upto the date of the next Annual General Meeting of the Company and provided further that the number of directors and additional directors together shall not exceed maximum strength fixed for the Board by the Articles.

Filling up of 29
casual Vacancy
among Directors

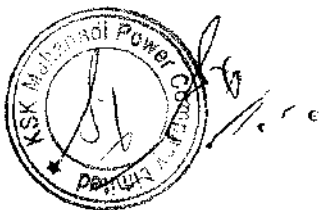
The Board of Directors shall have power to fill up casual vacancies.

Alternate 30
Directors to be
appointed by
Board

Subject to the provisions of Section 313 of the Act or any statutory modifications thereof, the Board of Directors shall have power to appoint a person as Alternate Director during the absence of any Director for a period of not less than three months in the State in which meetings of the Board are ordinarily held.

Appointment of 31 a)
Nominee
Directors

- a) Notwithstanding anything contained to the contrary in these Articles, so long as monies remain owing by the Company to any Finance Corporation or Credit Corporation or to any other Financing Company or body out of any loans granted by them to the Company or so long as any Financing Company or Body or any other Financing Corporation or Credit Corporation or any other Financing Company or body is hereinafter in this article referred to as "the participating institutions", continued to hold debentures in the Company by direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the said participating institutions on behalf of the company remains outstanding, the participating institutions shall have a right to appoint from time to time, any person or persons as a Director or Directors whether whole time or non whole time (which Director or Director is / are referred to as "Nominee Director/s" on the Board of the Company) and to remove from such office any person or persons so appointed and to appoint any person(s) in his or their place (s). The maximum number of Nominee Directors shall be two.
- b) The Company shall have no power to remove from office the Nominee Directors. At the option of the participating financial institutions, such nominee director(s) shall not be required to hold any share qualification in the Company. Also at the option of the participating financial institution such nominee directors shall not be liable to retirement by rotation of Directors.
- c) Subject as aforesaid, the nominee director(s) shall be entitled

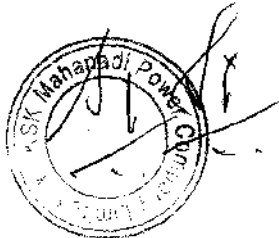


to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

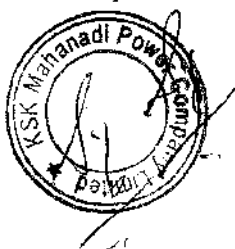
- d) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the company to the participating institutions or so long as the participating institutions hold debentures in the company as a result of direct subscription or private placement or so long as the participating institutions hold shares in the company as a result of underwriting or direct subscription or the liability of the company arising out of any guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso-facto vacate such office immediately the moneys owing by the company to the participating institutions is paid off or on the participating institutions ceasing to hold debentures/shares in the Company or arising out of any guarantee furnished by the participating institutions.
- e) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all the General Meetings, Board Meetings and the Meetings of the Committee of which the Nominee Director(s) is / are member(s) as also the minutes of such meetings. The participating institutions shall also be entitled to receive all such notices and minutes.
- f) The company shall pay to the Nominee Director(s) sitting fees and expenses which the other Directors of the company are entitled but if any other fee, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the participating institutions and the same shall accordingly be paid by the company directly to the participating institutions or such Nominee Director(s) in connection with their appointment to Directorship shall also be paid or reimbursed by the company to the participating institutions or as the case Board may be, to such Nominee Director(s).

Provided that if any Nominee Director(s) is an officer of the participating institutions, the sitting fee in relation to such Nominee Director(s) shall also accrue to the participating institutions, and they shall accordingly be paid by the company directly to the participating institutions.

Provided also that in the event of Nominee Director(s) being appointed as whole-time director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the lenders and have such rights or as are usually exercised or available to a whole-time Director(s), in the management of the affairs of the company. Such Nominee Director(s) shall be entitled to receive such remuneration, fees, commission and moneys as Board may approved by the lenders and also by the Central Government under Section 314 of the Act.



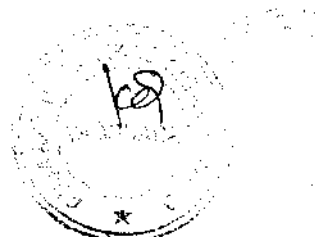
Share qualification of Directors	32.	No Director shall be required to hold any share qualification.
Disqualification of Directors	33.	The office of a Director shall be vacated in the circumstances stated in Section 274 of the Act.
Contracts with director and disclosure by interested Director	34.	The Company shall comply with the provisions of Section 297 and 299 of the Act, in entering into contracts with a Director.
Validity of acts of Directors	35.	Acts done by a person as a director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions in the Act or in the Articles, provided that nothing in the Act shall be deemed to give validity to acts done, by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
Rights of Directors	36.	Every Director shall have such rights and powers as are provided for in Sections 209, 284, 286, 289 and 320 of the Act.
Duties of Directors	37.	Every Director shall discharge such duties as are provided for in Sections 209, 284, 286, 289 and 320 of the Act.
Liability of Directors	38.	Directors shall be subject to such civil liabilities provided for in Sections 275, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.
Disabilities of Directors	39.	Directors shall be subject to the disabilities provided for in sections 275, 312, 314, 318, 319 and 320 of the Act or any statutory modifications thereof.
Vacation of Office of Director	40.	The office of a Director shall be vacated: <ul style="list-style-type: none"> i) On the happening of any of the conditions provided for in Section 283 of the Act or any statutory modifications thereof. ii) On the contravention of the provisions of Section 314 of the Act or any statutory modification thereof iii) If a person is a Director of more than fifteen companies at a time. iv) If he is disqualified under section 274 of the Act or any statutory modifications thereof. v) In the case of alternate directors, on return of the original director, to the state, under the provisions of Section 313 of the Act or any statutory modifications thereof. vi) On resignation of his office by notice in writing.
Directors as manager or secretary	41.	Subject to the provision of the Act, a Director may be appointed as Manager or Secretary of the Company.



- Power to appoint 42. a) Subject to the provisions of the Act, the Board may from time to time appoint one or more of their body of Non user Member Directors, to be the Chairman, (in which expression shall be included an Executive or Senior Vice-Chairman, Vice-Chairman, Joint Vice Chairman, Deputy Vice-Chairman and an Assistant Vice-Chairman). A Chairman-cum-Managing Director or Managing Director (in which expression shall include a Joint Managing Director, Deputy Managing Director and an Assistant Managing Director) or a whole time Director or whole time Directors (in which expression shall be included senior Executive Director or Executive Director, Associate Executive Director, Director (Finance), Director (Marketing), Director(Personnel), Director(Overseas Operations), Director (Operations), Director (Technical) of the company for such term not exceeding five years at a time as they think fit and the Board may from time to time remove and appoint another or others in his or their places.
- Chairman, Managing or Wholetime Directors
- Provisions governing the Chairman, Managing or Whole time Directors b) Subject to the provisions of the Act and these Articles, a Chairman, a Managing Director or a whole time director shall not while he continues to hold that office, be subject to the same provision as to the resignation and removal as the other Directors of the company and, he shall ipso-facto and immediately cease to be a Managing Director or whole time Director if he ceases to hold the office of Director for any cause.
- Remuneration of the Chairman, Managing or Whole time Directors c) Subject to the provisions of the Act and to the approval of the company in General Meeting, the remuneration of a Managing Director, or whole time Director shall, from time to time be fixed by Directors, and may be by way of fixed salary or commission on profits of the company or by participation in any such profits or by any or all of these modes.

PROCEEDINGS OF THE BOARD

- when to meet 43. a) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit; provided however the Board shall meet once in every three months in accordance with Section 285 of the Act or any statutory modifications thereof.
- Who can summon meeting b) The Chairman or the Managing Director(s) may at any time and shall, on the requisition of two Directors, summons a meeting of the Board.
- Notice of meeting to be sent to every Director c) The Board shall cause notice to be circulated to every Director of the Company who is for the time being in India in accordance with Section 286 of the Act or any statutory modifications thereof.
- Quorum for the meeting of the Board d) The quorum for meeting of the Board shall be two Directors or one third of its total strength which ever is greater as provided for, in Section 287 of the Act.



Procedure to be adopted if there is no Quorum	e) The continuing Director may act notwithstanding any vacancy in its body but if and so long as their number is reduced below the quorum fixed by Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.
Questions at meeting how decided	f) The questions arising at any meeting shall be decided by majority of votes.
Validity of resolution passed by circulation	g) Save as other expressly provided by the Act, a resolution in writing signed by all the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the or Committee, shall be as valid and effective as if it had been passed at a meeting of the committee duly convened and held.
Act valid notwithstanding defective appointment	h) All acts done at any meeting of the Board of Directors or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of Director or person acting as aforesaid or that they or he or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
Minutes	i) The Board shall cause to be kept minutes of all proceedings at meetings of its Board of Directors or of Committee of the Board. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings. The Minutes shall also contain. <ul style="list-style-type: none"> (i) the names of the Directors present at the meeting; and (ii) in the copy of each resolution passed at the meeting, the names of Directors, if any dissenting there from or not concurring in the resolution.
Register of Directors and Director's shareholding	j) The Board shall cause to be kept a Register of Directors in accordance with the provisions of Section 303 of the Act. The Register aforesaid shall be open to inspection by any member of the public at any time during office hours on payment of the prescribed fee. The Company shall also keep a Register of Director's shareholdings particulars required by Section 307 of the Act, and otherwise conforming to the provision of the section.
Chairman of the Board of Directors	k) (i) the Board of Directors may elect a Director as a Chairman of the and the Chairman of the Board shall be entitled to take the chair and preside over every meeting.



- (ii) If no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting the Directors present may choose one of their number to be Chairman of Meeting.

GENERAL POWERS OF THE BOARD OF DIRECTORS

- General Powers and limitation there on 44 a) The Board of Directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and to do.

Provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of the Company or by these Articles, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the Provisions contained in that behalf in the Act or any other provision of law or the Memorandum of Association of the company or these Articles or in any regulation not inconsistent therewith and duly made thereunder including regulation made by the company in general meeting.

Provision against invalidation of prior acts of the Board

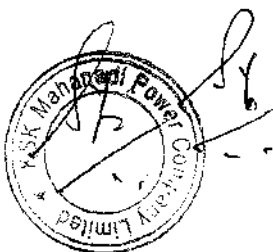
- b) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

SPECIFIC POWERS OF THE BOARD

- To carry out the objects and exercise such powers as given in the clauses of Memorandum 45. Without prejudice to the general powers, the Board shall have the following specific powers :

To have superintendence, control and direction over Managing Director, etc.

- a) To carry out the objects and exercise the powers contained in clause III of the Memorandum of Association of the company.
- b) To have the superintendence, control and direction over Managing Director(s), Managers, Whole-time Directors and all other officers of the Company.



To delegate the powers

- c) To delegate, subject to the provisions of the Act, any or all of the powers hereby conferred upon them, to the Managing Director(s) or such person or persons as the Board may from time to time think fit and the Managing Director(s) or such person or persons shall have power to sub-delegate such powers at their discretion.
- i) Power to borrow money otherwise than on debentures.
ii) The power to invest the funds of the Company.
iii) The power to make loans.

Provided however that every resolution delegating the power referred to in clause shall specify the total amount upto which moneys may be borrowed by the delegate; every resolution delegating the power referred to in clause (iii) shall specify the total amount upto which loans may be made, and the maximum amount of loans which may be made for each such purpose in individual cases;

To provide for local Management

- d) To provide for the management of the affairs of the company in any specified locality in or outside India and to delegate to persons in-charge of the local management such powers (not exceeding those which are delegatable by the directors under these regulations).

To appoint power of attorney

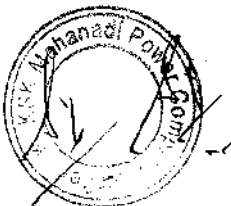
- e) To appoint at any time and from time to time, by a power of attorney under the common seal, any person to be the attorney of the Company for such purposes and with such powers and discretions (not exceeding those which are delegated by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit, with powers for such attorneys, to sub-delegate all or any of the powers, authorities and discretions (not exceeding those which are delegable by the Directors under these presents) and for such period and subject to such conditions as the Board may from time to time think fit.

To acquire and dispose of property rights, restrictions thereof

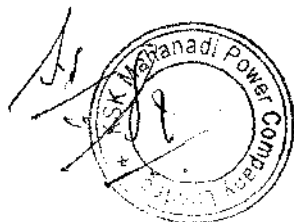
- f) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the Company is authorized to acquire, at any such price generally on such terms and conditions as the Board may think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally, any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as they think fit, subject, however, to the restrictions imposed on the by the Act or any statutory modification thereof.

To open accounts, make contracts,

- g) To open any account or accounts with such Bank or Banks as the Board may elect or appoint, to operate on such



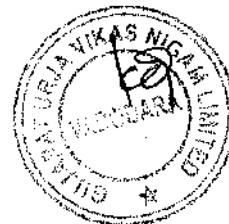
execute cheques, hundies, bills, promissory notes, etc.		accounts, to make, sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other negotiable instruments, to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company to make contracts and to execute deeds.
To appoint officers	h)	To appoint officer(s), clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks and servants.
To reimburse officers in respect of expenses	i)	To sanction, pay and reimburse to the officers of the company, in respect of any expenses incurred by them on behalf of the company.
To invest or make loans	j)	To invest and deal with any of the monies of the company, to vary or release such investments, subject to the provisions of sections 42, 49, 77, 292, read with section 372A and 373 of the Act or any statutory modifications thereof.
To refer to arbitration	k)	To refer claims or demands by or against the company to arbitration and observe and perform any awards made thereon.
To act in matters of legal proceedings	l)	To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debt due and of claims or demands by or against the company and to appoint solicitors, advocates, counsel, and other legal advisors for such purposes or for any other purposes and settle and pay their remuneration.
To act in matters of insolvency	m)	To act on behalf of the company in all matters of insolvency in which the company is interested.
To pay gratuity, pension, etc.	n)	To pay and give gratuities, pensions and allowances to any person including any director, to his widow, children or dependants, that may appear to the directors just or proper whether any person, widow, children or other dependants have or not a legal claim upon the Company and whether such person is still in the service of the Company or has retired from its service, or to make contributions to any funds and pay premium for the purchase of or make provisions for any such gratuity, pension or allowance.
To support or	o)	To establish, maintain support and subscribe to any



- subscribe for charitable objects, etc.
- charitable or public object or any society, institution, or club which may be for the benefit of the Company or its employees.
- To set aside profits to form a fund
- p) To set aside portions of the profits of the Company to form a fund or funds before recommending any dividends for the objects mentioned above.
- To make and alter rules
- q) To make and alter rules and regulations concerning the manner of payment of the contributions of the employees and the Company respectively to any such fund and employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.
- To provide for seal for use abroad
- r) To exercise the powers conferred by Section 50 of the Act with regard to having an official seal for use abroad.
- To keep foreign registers
- s) To exercise the power conferred on the Company by Sections 157 and 158 of the Act with regard to the keeping of foreign registers.
- To authorize any person to sell or purchase any goods
- t) To authorize any person to sell any goods or articles manufactured or produced by the Company or purchase, obtain or acquire machinery, stores, goods or materials for the purpose of the Company, or to sell the same when no longer required for those purposes.
- To exercise powers referred to in other regulations
- u) To exercise other powers referred to under these regulations not specifically mentioned in this regulation but referred to in other regulations in these Articles.
- To determine by resolution the name of person to do acts on behalf of the company
- v) To delegate any or all of the powers hereby conferred upon them to such person or persons as the Board may from time to time think fit.
- w) To reopen the accounts in consultation with the company's Auditors for correcting apparent to interpretation mistakes by calling for an Extraordinary General Meeting.
- x) To recommend for distribution of realized surplus arising out of revaluation of Fixed Assets.
- y) To apply for Telephone, Telex and Grams for the Company.
- Questions to be decided by majority of votes
46. Subject to the provisions of Sections 316 and 386 of the Act which require unanimous resolution of the Board of directors other questions arising at any meeting of the Board shall be decided by a majority of votes.



Signature



Resolution by
circulation

47. Save in those cases where a resolution is required by Sections, 292, 297, of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case be, duly called and constituted, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case be, then in India (not being less in number than the quorum fixed, for a meeting of the Board or Committee, as the case may be) and to all other Directors or the members of the Committee at their usual addresses, and, had been approved by such of them, as are then in India or by a majority of such of them as are entitled to vote, on the resolution.

RESTRICTIONS ON THE POWERS OF BOARD

Restrictions on
powers of in the
appointment of
selling agents

- 48 a) In the appointment of sole selling agents for the Company for any area, the Board shall conform to the provisions of Sections 294 and 294A of the Act or any statutory modifications thereof, and the Companies (Appointment of sole selling Agents) rule, 1975.

MANAGEMENT

Powers of
management
vested in the
Managing
Director/ Whole
time Director

49. The Managing Director(s)/ Whole time Director(s) shall be responsible for carrying on and conducting the business of the Company subject to the supervision, direction and control of the Board of Directors. In the conduct and management of the said business, the Managing Director(s)/ Whole time Director(s) may exercise such power, authorities and discretions, as may from time to time, be vested in them under an agreement or delegated to them by the Board of Directors.

Secretary

50. The Company shall, subject to the provisions of the Act, appoint a Secretary.

Sitting fee for
Board Meetings

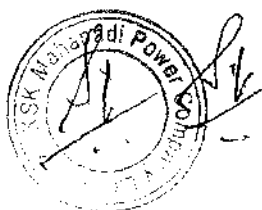
51. The Directors shall from time to time decide their own remuneration for the attendance of the Board Meeting, subject to the provisions of the Act and /or the Rules made thereunder in this regard.

Sitting fee for
Sub-Committee
meeting

52. The Directors may fix a fee to be paid to any Directors for attending a meeting of the Sub-Committee

Traveling and
daily allowance of
Directors

53. The Directors may be paid all traveling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company, or (b) in connection with the Company's business.



- Remuneration of Directors for extra services
54. If any Director being willing, shall be called upon to perform extra services or to make any special exertions or in negotiating or carrying into effect any contract or arrangements by the Company, otherwise for any purpose of the Company or act as trustee for the Company or its debenture-holders, and shall do so the Company may remunerate such Directors either by fixed sum and/or percentage of profits or otherwise, as may be permissible under the Act.

AUDIT

- Appointment of auditors and regulation of their duties
55. The Auditor(s) shall be appointed and their duties regulated in accordance with Sections 224 to 231 of the Act, both inclusive of any statutory modifications thereof.

SEAL

- Common Seal of the Company
56. The Directors shall provide a Common Seal for the purposes of the Company and shall have power from time to time destroy the same and substitute a new seal in lieu thereof.
- Custody and affixation of common seal
57. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Directors, and in the presence of any one Director and the Secretary or any other person authorized by Board/Committee shall sign every instrument to which the seal of the Company is affixed.

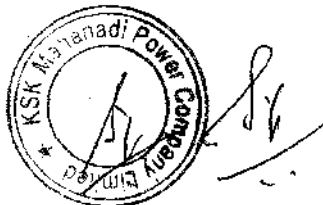
DIVIDENDS AND RESERVES

- Declaration of Dividends
58. The Company in General Meeting may declare dividend but dividend shall not exceed the amount recommended by the Board.
- Payment of interim dividends
59. The Board may, from time to time, pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- Reserve
60. a) The Company shall transfer to a reserve such percentage of profits for the year as prescribed under Companies (Transfer of Profits to Reserve) Rules, 1975 as amended from time to time.
- Power to carry forward profits
- b) The Board may also carry forward any profits, which it may think it prudent not to divide.
- Dividends only from profits
- c) Subject to the rights of the persons, if any, entitled to share with special rights, as to dividends, all dividends shall be declared and paid according to the amounts paid or credited



as paid on the shares in respect whereof the dividends is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of shares.

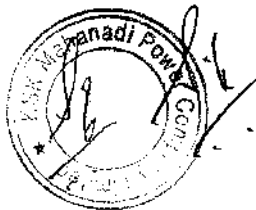
Amount paid in advance of calls	d)	No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on the shares.
Distribution of dividends	e)	All dividends shall be apportioned and paid proportionately of the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
Deduction from dividends	61.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
Mode of payment of dividend or bonus	62. a)	Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus and Board shall give effect to the resolution of the meeting subject to the provisions of the Act.
Power of the Board to distribute dividend	b)	Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.
Payment by warrant	c)	Any dividend, interest or other moneys payable in cash may be paid by cheques or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address of one of the joint-holders who is first named on the register of members, or to such person and to such address as the holder or joint-holders may in writing requests.
Warrant payable to whom	d)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
Receipts for dividends, etc., in case of joint holders	e)	Any one of the two or more joint-holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.
Notice of dividends	f)	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein, in the manner mentioned in the Act.
No interest on dividends	g)	No dividend shall bear interest against the Company.



- Dividend and call together set-off allowed 63. Any Annual General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend, if so arranged between the Company and the member, be setoff against the call. The making of a call under this clause shall be deemed ordinary business of an Annual General Meeting, which declares a dividend.
- Dividend to be paid to members only 64. No dividend should be paid in respect of any share except to the members registered in respect of such share or to his order. A Transfer of share shall not pass the right to any dividend declared thereon before the registration of transfer by the Company.
- Unpaid unclaimed dividends or 65. The Board shall transfer the unpaid dividends in accordance with the provisions of the Act and the Rules made thereunder from time to time.

CAPITALISATION OF PROFITS

66. a) The Company in General Meeting may upon the recommendation of the Board resolve :
- i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
 - ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- Mode of payment b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (c) either in or towards:
- i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - ii) Paying up in full, unissued shares of the Company to be allotted and distributed, credited as, fully paid up, to and amongst such members in the proportions aforesaid, or
 - iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- Application of share premium accounts and capital c) A share premium account and a capital redemption reserve account may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.



redemption
reserve fund

Board to give
effect to the
resolutions

- d) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Appropriation and
application of
undivided profits

67. a) Whenever such a resolution as aforesaid shall have been passed the Board shall:

- i) make all appropriation and applications of the undivided profits resolved to be capitalized thereby, and make allotments and issue fully paid shares, if any and generally do all such acts and things required to give effect to such a resolution.

Board's power in
cases of
fractions,
distribution of
shares or
debentures

- b) The Board shall have full power:

- i) to make such provision by the issue of fractional Certificates or by payment in cash or otherwise as it thinks fit, in the cases of shares becoming distributable in fractions; and

- ii) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.

Effect of
agreement

- c) Any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Keeping of
accounts and
preparation of
Balance Sheet
Inspection by
members

68. The Company shall comply with the provisions of Sections 209 to 221 of the Act with regard to the keeping of accounts, preparation of Balance Sheet and Profit and Loss Accounts.

69. a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors.

- b) No member (not being a Director) shall have any right of



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inspecting any account or book or document of the Company except as conferred by the regulation or authorized by the Board or by the Company in General Meeting.

- Accounts when conclusive 70. Subject to Article 49 (w), the accounts prepared by the Directors, when audited and approved by an Annual General Meeting, shall be conclusive.

WINDING UP

- Distribution of assets 71. If the Company shall be wound up, and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up, at the commencement of winding up on the shares held by them respectively. And if in winding up the assets available for distribution among the members, shall be more than sufficient the whole of the liabilities and to repay the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought but this clause is to be have been paid up on the shares held by them respectively. Without prejudice to the right of the holders issued upon special terms and conditions.

In case the winding up of the Company, the Cumulative Preference Shares shall be redeemed and the amount of capital paid up on such shares on a preferential basis.

- Distribution of assets in specie 72. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction, shall think fit, but that no members shall be compelled to accept any shares or other securities whereon there is any liability.

SECRECY

- Declaration to observe secrecy 73. Every Director, Secretary, Manager, Auditor, Trustee, members of Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with consumers and the state of accounts with individuals is and in all matters, relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may have come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any meeting of the shareholders by a court of Law by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles.



- Right to decline to answer questions concerning business
74. Any Directors or officer of the Company shall be entitled, if he thinks fit, to decline to answer any question concerning the business of the Company which may be put to him on any occasion including any meeting of the Company on the ground that the answer to such question would disclose or lend to disclose the trade secret of the Company.
- Dismissal without notice in case secrets disclosed
75. Any officer or employee of the Company proved to the satisfaction of the Board of Directors to have been guilty of disclosing the secrets of the company shall be liable to instant dismissal without notice and payment of damages.

INDEMNITY

- 76 a) Every director of the Company, Manager, Secretary and other officer or employees of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out of funds of the Company costs, losses and expenses (including traveling expenses) which any such Director, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by such Director, Officer or employees in any way in the discharge of his duties.
- b) Subject to as aforesaid every Director, Manager, Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 of this act in which relief is given to him by the Court.
77. No Director, Auditor or other officer of the Company shall be liable for the Acts, receipts or defaults of any other Director or officer, for joining in any receipts or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency, or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the sufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any moneys, securities, or effects shall be deposited, or, or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office in relation thereto unless the same happens through his own dishonesty.



We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association:

Sl. No	Name, Address, Description and occupation of each Subscriber	Signature of the subscriber	Name, Address, Description and Occupation of the witness
1.	K.A.Sastry S/o. Dr. K.V.Rao 84, Siddharthanagar P.O.Vengal Rao Nagar Hyderabad – 500 038. Occupation: Business	Sd/-	
2.	S. Kishore S/o. N. Sethuraman B-3, Subhagya Apartments Gagan Mahal Colony Domalguda Hyderabad – 500 029 Occupation: Business	Sd/-	Sd/- C.Srinivas S/o.Late C.B.Raju Plot No.59 R.K.Puram Secunderabad – 500 056. Occupation: Employment
3.	Hari Kiran Vadlamani S/o.Uma Maheswara Rao 501, Pooja Pride Srinagar Colony Hyderabad – 500 034. Occupation: Business	Sd/-	

Place : Hyderabad
Date : 25.10.2005

