

DATED 28th APRIL, 2017

DRAFT POWER PURCHASE AGREEMENT

**FOR GAS OR LIQUID FUEL BASED POWER PROJECT OF
361.92 MW AT KONDAPALLI, KRISHNA DISTT, ANDHRA PRADESH**

AMONGST

**LANCO KONDAPALLI POWER LIMITED
as the Company**

AND

Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)

AND

Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)

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This power purchase agreement ("Agreement") is being entered into on this 28th day of April 2017 at Hyderabad.

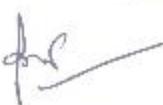
BETWEEN:

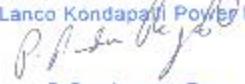
Lanco Kondapalli Power Limited (which was originally incorporated as Lanco Power Limited) a company incorporated under the Indian Companies Act, 1956 and an existing company under the Indian Companies Act, 2013 having CIN U46101TG1995PLC021429 and having its registered office at Plot No.4, Software Units Layout, Hitec City, Madhapur, Hyderabad - 500081 (hereinafter referred to as the "Company", which expression shall include its successors and assignees);

AND

1. **Southern Power Distribution Company of Andhra Pradesh Limited** a company incorporated under the Indian Companies Act, 1956 and an existing company under the Indian Companies Act, 2013 having CIN: U40109AP2000SCC034118 and having its registered office at #19-13-65/A, Raghavendra Nagar, KeshavayanaPuram, Tirumalai Road, Tirupati - 517501 (hereinafter referred to as the "APSPDCL", which expression shall include its successors and assignees); and
2. **Eastern Power Distribution Company of Andhra Pradesh Limited** a company incorporated under the Indian Companies Act, 1956 and an existing company under the Indian Companies Act, 2013 having CIN: U40109AP2000SCC034117 and having its registered office at P&T Colony, Seethammadhara, Vishakapatnam - 530013 (hereinafter referred to as the "APEPDCL", which expression shall include its successors and assignees);

APSPDCL and APEPDCL shall collectively be referred to as 'APDISCOMs'. APDISCOMs and the Company shall be collectively referred to as the 'Parties' and each as a 'Party'.


CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

 
For Lanco Kondapalli Power Limited
P. Panduranga Rao
CHIEF GENERAL MANAGER
Planning, FP, BA
A.P.E.P.D.C.Ltd.
VISAKHAPATNAM - 10

WHEREAS:

- A. The Government of Andhra Pradesh had invited bids for solar generation power projects and the Company had submitted a bid which was accepted by the GOAP for the Project;
- B. Pursuant to the same the Company and the then Andhra Pradesh State Electricity Board had entered into a power purchase agreement dated March 31, 1997 ("Original PPA") in relation to supply of power from the Project for a period of fifteen (15) years. The APDISCOMs as successor entities stepped into the rights of the Andhra Pradesh State Electricity Board under the Original PPA;
- C. The Original PPA expired on 01.01.2016 and the Parties have agreed to enter into this Agreement for supply and purchase of power for a term of ten (10) years from January 2, 2016 on terms and conditions contained herein;
- D. The Parties have agreed that APDISCOMs shall approach the appropriate Commission for approval of this PPA.
- E. Pending entry into this Agreement the Parties had agreed to supply and purchase power from January 2, 2016 till the date of passing of the order on the petition filed by the APDISCOMs for the approval of this Agreement by the appropriate Commission on the terms and conditions contained in the Original PPA with the understanding that the price paid for power supplied during the interim period would be trued-up based on the terms and conditions set out herein;

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







ARTICLE I
DEFINITIONS

1.1 Definitions

For the purposes of this Agreement,

- (a) **Act:** means the Electricity Act, 2003 as amended, modified, supplemented, and replaced from time to time.
- (b) **APDISCOMs Default:** has the meaning ascribed to it in Article 9.1.
- (c) **APTRANSCO:** means Transmission Corporation of Andhra Pradesh Limited engaged in the business of transmission of electricity in the State of Andhra Pradesh.
- (d) **Auxiliary Consumption:** Auxiliary Consumption shall be 3% (Three percent) for operations.
- (e) **Availability Declaration:** has the meaning ascribed to it in Schedule B.
- (f) **Billing Date:** means the fifth day after the last day of each Billing Month.
- (g) **Billing Month:** means each of the period commencing on the eleventh day of the calendar month and ending on (and including) the tenth day of the next calendar month.
- (h) **Calorific Value (Gross) or GCV of Fuel:** means, for the purpose of calculating the Energy Charge for each Billing Month, the weighted average gross calorific content of one designated unit of Fuel, consumed, as recorded, determined in each case for the relevant period on the basis of such sampling methods, frequency and tests as are internationally accepted and may be mutually agreed upon between the Parties on or before the Effective Date.
- (i) **Capacity Charge:** shall have the meaning ascribed to it in Article 3.2 hereof.
- (j) **Capital Cost:** means the total expenses required for developing, financing, designing, manufacturing, delivering, and erecting the Project together with refurbishment cost whichever is applicable. However, the refurbishment cost shall be Rs.200 Crore or actuals, whichever is less.
- (k) **Cause:** in relation to the failure to issue, or renew or the revocation or amendment of any Permit means any fact or circumstance, which legally entitles the issuing Government Agency, or the APDISCOMs, as the case may be, to withhold issuance of, revoke or amend such Permit due to any failure of the Company or any of the lenders, investors or Contractors (in whose name the Permit has been or is to be issued) to make timely application for, or to abide by any terms and conditions of any Permits that were in effect on the date of this Agreement or such later date of issuance of such Permit.

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- (l) **Company Default:** has the meaning ascribed to it in Article 9.2;
- (m) **Contractor:** means (i) in the case of the Company, the operator under the operation and maintenance agreement, and other contractors and suppliers to the Company specifically excluding suppliers of Fuel and transporters of Fuel, and (ii) in the case of the APDISCOMs, any contractors and suppliers to the APDISCOMs;
- (n) **Cumulative Available Energy:** has the meaning ascribed thereto in Schedule B;
- (o) **Declared Capacity:** has the meaning ascribed to it in Schedule B;
- (p) **Due Date of Payment:** means, with respect to any monthly tariff bill, the date on which the amount of such monthly tariff bill becomes due for payment, which date (A) in the case of any monthly tariff bill for any Billing Month, shall be the later of thirty (30) days from the Metering Date or twenty five (25) days from the date of its presentation to the designated officer of the APDISCOMs; and (B) in the case of any Supplementary Bill, shall, subject to Article 5.4, be thirty (30) days from the date of its presentation to the designated officer of the APDISCOMs;
- (q) **Effective Date:** means the date of execution of this Agreement;
- (r) **Emergency:** means a condition of or affecting the APDISCOMs' electrical system which threatens the safe and reliable operation of such system or which is likely to result in disruption of safe, adequate and continuous electric service by the APDISCOMs or to endanger life or property, which condition is materially adversely affected by the continued delivery of energy from the Project;
- (s) **Energy Charge:** shall have the meaning ascribed to it in Article 3.2 hereof;
- (t) **Energy Unit:** means one Kilowatt Hour (KWH) of electrical energy;
- (u) **Financing Documents:** means the loan agreements, notes, indentures, security agreements, letters of credit, and other documents relating to the funding requirement(s) of the Project;
- (v) **Force Majeure:** has the meaning ascribed to it in Article 10.1;
- (w) **Fuel Supply Agreement(s):** means the agreement(s) entered into between the Company and supplier(s) and/or transporter(s) of Fuel in order to supply and/or deliver Fuel for the Project;
- (x) **Fuel:** means natural gas for which price is regulated by GOI or instrumentalities, naphtha and/or LPG (only for start up purpose) that are intended to be used as fuel, by one or more units of the Project to generate power from the Project;
- (y) **Generating Unit or Unit:** means one gas or steam turbine generator and the equipment and facilities ancillary thereto;
- (z) **GOAP:** means the Government of Andhra Pradesh and its successors.

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- (aa) **GOI:** means the Government of India and its successors.
- (bb) **Government Agency:** means any local, state government in India or the Government of India or any department, instrumentality or agency thereof or any corporation (to the extent acting in a legislative, regulatory, judicial or administrative capacity and not as a contracting party with the Company) or commission under the direct or indirect control of such local or state government or the Government of India or any political subdivision thereof or any court, tribunal or judicial body within India.
- (cc) **Grid System:** means the interconnected electrical transmission and distribution system of the state of Andhra Pradesh including the Inter Connection Facility and all other transmission lines and other equipment in the state of Andhra Pradesh on the APDISCOMs' side of the Inter Connection Point.
- (dd) **Installed Capacity:** for the purposes of this Agreement, only, shall mean 361.92 MW at Site Reference Conditions as provided in Schedule D (Test Procedures).
- (ee) **Inter Connection Facility:** Means all the facilities installed by or for the APTRANSCO/APDISCOMs on the APDISCOMs side of the inter connection point to enable the APDISCOMs to receive and utilize power from the project in accordance with this Agreement.
- (ff) **Inter Connection Point:** means the point or points where the Project connects to the 220 kv transmission line of the Grid System of the APTRANSCO/APDISCOMs in the Project switch yard.
- (gg) **Law:** has the meaning ascribed to it in Article 11.
- (hh) **Metering Date:** means the midday of the tenth day of each calendar month.
- (ii) **Misdeclaration of Availability:** has the meaning ascribed to it in Schedule B.
- (jj) **Net Electrical Energy:** means the Energy Units actually delivered by the Project as metered at the Inter Connection Point, which point shall be the only point at which such Net Electrical Energy shall be metered under this Agreement.
- (kk) **Non-Political Force Majeure Event:** means any event of Force Majeure specified in Article 10.1 other than a Political Force Majeure Event and Non-Political Force Majeure shall be construed accordingly.
- (ll) **Permits:** means all formal and informal permits, licences, visas, clearances, rights and any other authorisations and approvals from the APDISCOMs or any Government Agencies which are required to develop, design, finance, construct, insure, own and operate the Project in accordance with this Agreement, including without limitation to those listed in Schedule C.

- (mm) **Plant Load Factor or PLF:** means the ratio, expressed as a percentage, of the number of KWH of Cumulative Available Energy in any Tariff Year, as computed at the generator terminals in accordance with Schedule B, to the maximum KWH of energy that could theoretically be generated by the Project during that Tariff Year based on 8760 hours multiplied by the Installed Capacity, computed at the generator terminals.
- (nn) **Plant Load Factor (Incentive) or PLF(I):** means the ratio, expressed as a percentage of the number of KWH of generation as computed at the generator terminals in any Tariff Year, by adding the Auxiliary Consumption to the Net Electrical Energy as metered at the Interconnection Point, to the maximum of KWH energy that could theoretically be generated by the Project during that Tariff Year based on 8760 hours multiplied by the installed Capacity, computed at the generator terminals.

$$\text{PLF (I)} = \frac{\text{NEE} \times (1 + \frac{A}{100})}{8760 \times IC \times 1000}$$

Where:

NEE : Net Electrical Energy (kwhr)
 A : Auxiliary Consumption (%)
 IC : Installed Capacity (MWs)

- (oo) **Political Force Majeure Event:** means any event of Force Majeure described in Article 10.1 (a) and Political Force Majeure shall be construed accordingly.
- (pp) **Project:** means the combined cycle power station in operation at Kuralapalli, Krishna Dist., in Andhra Pradesh, India, consisting of 2 (two) Generating Units, which are designed for poly-fuel-firing and 1 (one) steam Generating Unit, having a nominal installed capacity of 361.92 MW adjusted to Site Reference Conditions, pursuant to clause no. 1.1 (dd).
- (qq) **Prudent Utility Practices:** means those practices, methods, techniques and standards, as changed from time to time, that are generally accepted internationally for use in electric utility industries taking into account conditions in India, and commonly used by the international electric utility industry to operate and maintain power stations and associated equipment of the size, service and type of the Project; adjusted as necessary to take into account (A) site reference conditions (B) conditions affecting the Grid System, (C) requirements of Law and (D) operation and maintenance guidelines of the manufacturers of the plant and equipment incorporated in the Project.
- (rr) **Ramp-down Rate:** means the rate at which each Unit can be asked to decrease its generation as specified by the Company in Schedule A.
- (ss) **Ramp-up Rate:** means the rate at which each Unit can be asked to increase its generation as specified by the Company in Schedule A.

- (ii) **Scheduled Bank:** means any Bank, at Hyderabad/Vijaywada indicated by the APDISCOMs and reasonably acceptable to the Company and the parties providing financing for the Project.
- (uu) **Scheduled Outage:** has the meaning ascribed to it in Schedule B.
- (vv) **Site Reference Conditions:** shall have the meaning ascribed in Schedule D.
- (ww) **Station Heat Rate:** shall be 1995 kilo calories per KWH.
Explanation: Station Heat Rate means the quantum, in Kilo Calories, of input heat energy required by the Project to generate one Energy Unit.
- (xx) **Tariff Year:** means, a period of one year from 2nd day of January to 1st day of January of succeeding calendar year. The first tariff year shall be deemed to have commenced from January 2, 2016 and shall end on January 1, 2017.
- (yy) **Technical Limits:** means the limits and constraints described in Schedule A hereto relating to the operation and maintenance of the Project.
- (zz) **Working Capital Rate:** means the interest rate (or the weighted average of the interest rates) at which the APDISCOMs or the Company, as the case may be, raises its working capital requirements in rupees or, if none, the rate which is offered from time to time by the State Bank of India (or its successors) for working capital facilities to most creditworthy State Electricity Distribution Companies / independent power companies in India as the case may be.

1.2 Interpretation

- (a) All other words and expressions, used herein and not defined herein but defined in the Act have the meanings, respectively, assigned to them.
- (b) Unless otherwise stated, all other references made in this Agreement to "Articles" and "Sections", and "Schedules" shall refer, respectively, to Articles of, Sections of, and Schedules to, this Agreement. The Schedules to this Agreement form part of this Agreement and will be of full force and effect as though they were expressly set out in the body of this Agreement. Headings are for ease of reference only.
- (c) In this Agreement, unless the context otherwise requires (A) the singular shall include plural and vice versa; (B) words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organisations or other legal entities; (C) a reference to any party includes that party's successors and permitted transferees and assigns; (D) a reference to this Agreement or any other agreement or document shall be construed as a reference thereto as from time to time amended, novated or replaced; (E) a reference to any Law shall be construed as a reference to such Law as from time to time amended or re-enacted and (F) references to times of day are references to Indian Standard Time.

ARTICLE 2
SALE AND PURCHASE OF CAPACITY AND ENERGY

2.1 Sale and Purchase of Capacity

Subject to the provision of this agreement, from and after January 2, 2016, the Company shall sell, and the APDISCOMs shall purchase, for the consideration of the Capacity Charge, all the available capacity of the Project.

2.2 Sale and Purchase of Energy

Subject to the provision of this agreement, from and after January 2, 2016, the Company shall sell, and the APDISCOMs shall purchase, for the consideration of the Energy Charge, the Net Electrical Energy of the Project.

2.3 Sale and Purchase of Power prior to approval of the Agreement

The Company shall sell, and the APDISCOMs shall purchase entire available capacity and all Energy Units generated by any Generating Unit during the period from January 2, 2016 till the date of passing of the order on the petition filed by the APDISCOMs for the approval of this Agreement by the appropriate Commissior for the consideration of both the Capacity Charges and Energy Charges.

2.4 Despatch Rights of the APDISCOMs

The APDISCOMs shall have the right to despatch the Project at any capacity within the Availability Declaration of the Company and the Company shall comply therewith subject to as provided in Schedule B. Any request by the APDISCOMs for increase or decrease in the generation by the Company shall not violate the declared Ramp-up and Ramp-down Rates. The despatch procedures shall be as specified in Schedule B.

2.5 Shutdown

Except when the equipment of the Project is under forced shutdown, such equipment or any ancillaries, auxiliaries or works in relation thereto shall not be taken out for maintenance, testing or overhaul resulting in outages or reduced generation except as required by Prudent Utility Practices or in accordance with such schedules of changes as are established in accordance with Schedule B. The Company shall take all reasonable steps to bring back the equipment of the Project that is under forced shutdown to normal operations as early as may be reasonably practicable.

2.6 Scheduling and Co-ordination

The detailed schedule of operation and maintenance of the Project and the procedures for co-ordination between the Company and the APDISCOMs are specified in Schedule B.

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2.7 Power Supplies by the APDISCOMs

- a) The APDISCOMs shall provide power as and when required, for start-up and maintenance of the Project. The APDISCOMs shall bill the Company for any such power at the rate as the Energy Charge computed under Article 3.3 and such billed amounts shall be set off from the next monthly bill.
- b) In case Company could not set off such power for a continuous period of two consecutive billing months, then APSPDCL shall bill the company for such energy at the applicable tariff of H1-1 Category of consumers. APSPDCL shall provide such power without any need for entering into any agreement and there will not be Contracted Minimum Demand Charges. However the Demand Charges shall be billed for the demand reached for that particular billing month multiplied by the applicable tariff of the H1-1 category.
- c) However in case, backing down instructions are issued by APDISCOMs, then clause (a) above applies.

Three handwritten signatures are present: a stylized 'R' on the left, a signature that appears to be 'K' in the middle, and a signature that appears to be 'G. J. G.' on the right.

ARTICLE 3 CAPACITY AND ENERGY PAYMENTS

3.1 Capacity Charges

The APDISCOMs shall pay for the capacity of the Project in respect of any Tariff Year a Capacity Charge calculated in the manner described in Article 3.2 in respect of the Cumulative Available Energy provided by the Project, up to (but not exceeding) an amount of Cumulative Available Energy which is equivalent to a PLF of 80%.

3.2 Computation of Capacity Charges

(a) The capacity charges will be Rs. 0.71 per unit of Cumulative Available energy ("Capacity Charge") which shall be fixed for the term of this Agreement and estimated in accordance with Article 5.2(b) for purposes of monthly billing and adjusted pursuant to Article 5.2(c) for each Tariff Year, and subject in either case to the limitation that the total of such amounts shall not exceed an amount corresponding to a PLF of 80%.

(b) The parameters considered and assumptions made in arriving at the capacity charges of Rs.0.71 per unit is given in Schedule G.

3.3 Energy Charges

(a) Computation of Energy Charges:

The energy charge will be computed based on the following formula ("Energy Charge"):

$$U = EU * (hC)/(g(1-A/100))$$

where :

U is the Energy Charges in Rs. in respect of a Billing Month; EU is the total number of Energy Units delivered at the Inter Connection Point in respect of such Billing Month measured on the Metering Date for such Billing Month; h is the Station Heat Rate in Kcal/KWH as per Article 1.1 (www); C is the cost of Fuel in Rs. per unit of Fuel as delivered at the Fuel metering point at the site; g is the GCV of Fuel in Kcal/unit of Fuel; A is a number equal to the Auxiliary Consumption expressed as a percentage of gross generation as per Article 1.1(d).

Provided that the cost of Fuel "C" shall be calculated in Rupees (with any amount denominated in any other currency being converted into rupees at the current rate of exchange (actual)) and shall equal the sum of:

- (i) Basic weighted average cost of Fuel in case of indigenous fuel and in case of imported fuel, the weighted average CIF value.

- (iii) Taxes, duties, cesses and other Government Agency levies; and
- (iv) Handling, storage, transportation and importation charges.

Provided that the APDISCOMs has the right to review and approve the Fuel Supply Agreement. However, no such review and approval is required in the event of renewal of existing fuel supply agreement(s).

(b) Minimum Fuel Off-take Charges

The APDISCOMs shall reimburse the Company for charges paid in respect of its failure to take delivery of minimum levels of Fuel, but only if and to the extent that the Company's failure to take such Fuel is due to the APDISCOMs' issuance of Despatch Instructions requiring that the Project be operated at a level less than the level of Declared Capacity set forth in any then-applicable Availability Declaration, or the APDISCOMs' failure or inability to accept delivery of Net Electrical Energy from the Project (whether due to Force Majeure events or otherwise);

Provided that the APDISCOMs shall reimburse such minimum Fuel off-take charges to the company only to the extent that:

- (i) Such minimum fuel off-take charges were incurred in accordance with the Fuel Supply Agreement;
- (ii) the Company exercised any right to elect, under the terms of the Fuel Supply Agreement, to "carry forward" the Fuel in question (i.e. to receive such Fuel at a later date) or to store such Fuel at any Fuel storage facilities of the Company or of the Fuel supplier, which are available under the Fuel Supply Agreement; and
- (iii) the Company took all reasonable steps available to it and such steps identified by the APDISCOMs (such as on-sale of Fuel to the APDISCOMs or other able purchasers identified by the APDISCOMs) to reduce the amount of liability, any added costs of which the APDISCOMs shall upon prior notice by the Company have agreed in writing to pay to the Company.

3.4 Monthly Fuel Price Adjustment

The Energy Charges, as per the above formula, will be modified monthly on account of variations in H., C and g.

3.5 Disincentives

In case the Project is unable to achieve P1-P of 68.5% for any Tariff Year, then the Company will pay to the APDISCOMs a penalty as a percentage of the Capacity Charges paid to the Company in such Tariff Year as given below:



PLF (%)	Penalty (%)
68.5	Nil
Below 68.5 to 60.5	2% of 30% of the Capacity Charge for every 1% shortfall in PLF (i.e for a PLF of 60.5% the penalty will be 16% of 30% of the Capacity Charge)
Below 60.5 to 50.5	3% of 30% of the Capacity Charge for every 1% shortfall in PLF (i.e for a PLF of 50.5%, the penalty will be $16\% + 30\% = 46\%$ of 30% of the Capacity Charge)
Below 50.5	Same as for 50.5% i.e 46% of 30% the Capacity Charge

Illustration for calculation of Disincentive

Particulars	Disincentive amount Rs. In Crs.
PLF achieved in a Tariff Year is 68.50%	Nil
PLF achieved in a Tariff Year is 60.50%	$16\% \times \text{Rs.} 180,00,00,000 \times 20\% = \text{Rs.} 8,64,00,000$
PLF achieved in a Tariff Year is 50.50%	$46\% \times \text{Rs.} 180,00,00,000 \times 30\% = \text{Rs.} 24,84,00,000$

3.6 Incentives

In case the Project achieves a PLF (I) greater than 80% for a Tariff Year, then the APDISCOMs shall pay a flat rate of Rs.0.25 per unit (as per the existing guidelines of APERC) to the Company as incentive for the additional units of generation, in excess of a PLF (I) of 80% in such Tariff Year.

3.7 Claims for Taxes on Income

Any advance income tax including Minimum Alternate Tax payable for the Project in any month supported by a certificate of a chartered accountant approved by the APDISCOMs (such approval not to be unreasonably withheld or delayed) shall be reimbursed by the APDISCOMs. After the tax assessment is completed for any year, and the liability thereon is determined by the taxation authorities in India, the excess or shortfall in the tax liability so determined will be adjusted in the Supplementary Bill (as defined in Article 5.4) for the succeeding month or on the due date of payment thereof, whichever is later, subject to Article 3.8. Tax to be reimbursed will be calculated on the income from the Project only (excluding incentive if any paid under Article 3.6), and

H

R. P. & B. 12

calculated on the assumption that the Company is engaged solely in the ownership, design, financing, construction, operation and maintenance of the Project and will not include tax reimbursements of the previous year. Provided however, in the event of accrual of any tax credit upon payment of Minimum Alternate Tax and the said credit is availed for set off or adjustment against the payment of income tax by the Company subsequent to the termination or expiry of this Agreement, the amount equivalent to such set off shall be paid by the Company to the APDISCOMs. This proviso shall survive the termination or expiry of this Agreement.

3.8 Minimization of Liability due to Taxes on Income

The Company shall take all reasonable steps to ensure that its liability due to taxes on income in respect of its income from the Project is minimised, by obtaining or by suitable arrangements, all permissible benefits, rebates, concessions and the like, in accordance with law. The Company, however, is not required, under this Article 3.8, to pass on to the APDISCOMs any benefits, rebates, concessions and the like in taxation obtained by it as a result of any tax planning or otherwise, not connected with the income, expenditure and operations of this Project.

3.9 Claims for Taxes and Duties Levied on Generation and/or Sale of Electricity

Any taxes or duties or impost or cesses or levies on the generation and/or sale of electricity by any Government Agency levied on the Project will be reimbursed by the APDISCOMs to the Company in the succeeding month after the payment of such taxes or duties by the Company to such Government Agency, based on a supplemental bill, duly supported by proof of payment of such taxes to be furnished by the Company to the APDISCOMs. In case, such Government Agency refunds any excess tax or duty paid by the Company, such excess will be adjusted in the Supplementary Bill for the succeeding month after the receipt of such refund by the Company.



ARTICLE 4 METERING

4.1 Installation

Main and Check energy meters of 0.2S class accuracy shall be installed at the 220 KV points of supply by the Company. The main and check energy meters shall be the property of the Company and the Company shall be responsible for the cost of inspection, maintenance, calibration, and replacement thereof. Further, the Company shall also install Standby Meter(s) as may be required in accordance with the Central Electricity Authority Guidelines, 2006 as amended from time to time.

4.2 Inspection; Sealing; No Interference

All the meters shall be jointly inspected and sealed on behalf of both Parties and shall not be interfered with except in the presence of the duly authorised representatives of both Parties. If one Party does not attend any inspection, check, calibration or test on the main or check meters required pursuant hereto after receiving such notice from the other Party as may be reasonable in the circumstances, then, notwithstanding anything to the contrary expressed herein, the other Party shall be entitled to proceed on its own and the results obtained shall be used for the purposes hereof.

4.3 Checks

All meters shall be checked for accuracy on a half-yearly basis by both Parties and shall be treated as working satisfactorily so long as the errors are within the limits prescribed for meters of the class. Meter readings of the main meters will form the basis of billing, so long as the half-yearly checks thereon are within the prescribed limit as per IS specifications. If the check meters are found to be defective during the half-yearly checks they will be immediately calibrated and/or replaced if found necessary.

4.4 Errors in Main Meters

Where the half-yearly check indicates errors in the main meters beyond the prescribed limit as specified in IS specifications but no such error is noticed in the check meters, billing for the month will be done on the basis of the check meters and the main meters will be calibrated immediately or replaced if necessary.

4.5 Errors in Main Meters and Check Meters

If during the half-yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error as per the IS specifications, both the meters shall be immediately replaced/calibrated and the energy arrived from the Standby meter(s) shall be taken for billing purposes for the period of the month up to the time of such test check. Billing for the period thereafter until the next monthly meter reading shall be as per the replaced/calibrated main meter.

4.6 Calibration

All the main, check meters and standby meters shall be calibrated upon installation and once in every twelve months thereafter jointly by both Parties at NABL accredited standard laboratories, irrespective of the calibrations which might have been done where necessary, during the half-yearly checks. All calibrations shall be undertaken at the loads and power factor specified in and otherwise in accordance with IS specifications. Both Parties shall endeavour that recalibration is done as often as possible and the errors are adjusted as close to zero as possible. However, if the meters show errors consistently, the main meters, check meters, standby meters or as the case may be replaced.

4.7 Errors Found During Calibration

If the errors found at the time of annual calibration are beyond permissible limits as per IS specifications, the same procedures applicable to the half-yearly test checks shall be followed for the main meters/ check meters/standby meters or as the case may be replaced.

4.8 Defects

- If both the main and check meters fail to record or if any of the potential transformer fuses are blown out, then the energy will be computed based on the readings of the standby meters for that period of defect. The main meters and the check meters shall be replaced if found defective.
- If the main, check and standby meters fail to record or if any of the potential transformer fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect. The main, check and standby meters shall be replaced if found defective.

4.9 Conduct of Tests

All the tests on the main, check and standby meters shall be jointly conducted by the authorized staff of both Parties. The result and correction so arrived at mutually will be applicable and binding on both Parties.

4.10 Monthly Reading

Monthly meter readings shall be taken (and an acknowledgement thereof signed) by the duly authorized representatives of both Parties on each Metering Date and, if the readings indicate a level of inaccuracy greater than the prescribed limits, all meters shall be immediately tested in accordance with this Article. If either Party fails to take such reading at the required time, despite of reasonable notice giving reasonable time, then the reading taken by the other Party shall be used for the purposes hereof.



ARTICLE 5 BILLING AND PAYMENT

5.1 Payments for Power Generated prior to the date of passing of the order by the appropriate Commission

- (a) The APDISCOMs had agreed to purchase the entire available capacity of the Project from January 2, 2016 on an adhoc basis on the same terms and conditions as provided in the Original PPA till the date of passing of the order on the petition filed by the APDISCOMs for the approval of this Agreement by the appropriate Commissioner.
- (b) The difference between the tariff paid as per the Original PPA pursuant to clause (a) above and the tariff payable under this Agreement will be true up accordingly. The Company shall, upon passing of the order on the petition filed by the APDISCOMs for the approval of this Agreement by the appropriate Commission submit a Supplementary Bill for such difference of amount.
- (c) In the event of APDISCOMs is required to pay any amount under such Supplementary Bill, the same shall be paid within three (3) days from the date of submission of such Supplementary Bill. In the event that the Company is required to pay the APDISCOMs any amount on account of such true up, the Company shall adjust the same as a credit in the succeeding Monthly Tariff Bills.

5.2 Monthly Tariff Bills

- (a) On or before each Billing Date, the Company shall furnish a monthly tariff bill to the APDISCOMs, in the form specified in Schedule E, for the Billing Month, which bill will include monthly Capacity Charges and Energy Charges (including fuel price adjustment charges, duly supported by supporting data) and shall show where applicable any adjustments as specified in relevant clauses of this Agreement. Each bill for a Billing Month shall be payable by the APDISCOMs on the Due Date of Payment.
- (b) The Company shall calculate the monthly Capacity Charge for each Billing Month as follows:

Monthly Capacity Charges = Capacity Charge * (Installed Capacity / 0.8 * Monthly Settlement Periods * 1000)

Where:

Installed Capacity shall mean 361.92 MW. However this is subject to outcome of the cases pending before APERC (OPSR 10 of 2004) and High Court (WP No.7838 of 2004).

Monthly Settlement Periods shall mean the total number of Settlement Periods in the Billing Month (i.e., 24 hours * no. of days), reduced however by the Settlement Periods (if any) during which an event of Political Force Majeure affecting either Party or a Non-Political Force majeure event affecting the APDISCOMs or a Force Majeure event affecting the Fuel Supplier under



Article 10.5(c) has been declared (in respect of which the payment due shall be calculated in the manner set forth in Article 10.5 and paid as a Supplementary Bill).

- (c) At the end of each Tariff Year, in case the PLF is less than 80% (eighty percent) for that Tariff Year, the Company shall refund to the APDISCOMs as a credit against the amounts due in the next monthly tariff bill(s), an amount which shall be the sum equivalent to Disincentive calculated in accordance with Article 3.5.

5.3 Payment of incentives and disincentives

Incentives and disincentives shall be calculated as per Article 3.6 and 3.5 respectively and shall be payable annually. In case the APDISCOVs are required to pay incentives to the Company, the Company shall raise a Supplementary Bill for the same at the end of the Tariff Year. At the end of the Tariff Year, in case the Company is required to pay the APDISCOMs on account of disincentives, the Company shall adjust the same as a credit in the next month's monthly tariff bill.

5.4 Supplementary Bills

For payments due to the Company for reimbursement of taxes on income, incentives or taxes and duties levied on generation and/or sale of electricity, payments for periods of Political Force Majeure affecting either Party or Non-Political Force Majeure affecting the APDISCOMs or any other adjustments or payments due to the Company hereunder, the Company shall present a supplementary bill duly supported by supporting data, in such form as may be mutually agreed upon by the APDISCOMs and the Company ("Supplementary Bill"). Each Supplementary Bill shall be payable by the APDISCOMs on the Due Date of Payment, except in case of Supplementary Bill for taxes on income. At least thirty (30) days prior to the date when Income Tax is required to be paid by the Company, the Company shall submit to the APDISCOMs a Supplementary Bill for the same. This bill shall be payable by the APDISCOMs within twenty-five (25) days of its presentation to the APDISCOMs by the Company or at least five (5) days before the date on which the tax is required to be paid by the Company, whichever is later.

5.5 Amounts Due to the APDISCOMs

Any amounts which may be due to the APDISCOMs from the Company pursuant to Article 3.5 will be computed by the Company in the month following the close of each Tariff Year and shown as a credit in the bill for such month. Any amounts which may be due to the APDISCOMs from the Company pursuant to Articles 3.7 and 3.9 will be shown as a credit in the Supplementary Bill for such month. A net credit in any Supplementary Bill will be deducted by the APDISCOMs from the payments due to the Company under any monthly bill.

5.6 Billing Disputes

Notwithstanding any dispute as to all or any portion of any bill submitted by the Company to the APDISCOMs, the APDISCOMs shall pay the full amount of the bill provided that the amount of the bill is based on (a) a meter reading that has either been

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signed by both Parties or certified by the Company with respect to the APDISCOMs' refusal to sign within three (3) days of the meter reading date and (5) the provisions of this Agreement. The APDISCOMs shall notify the Company of any disputed amount, and the Company shall rectify the defect or otherwise notify its rejection of the disputed amount, with reasons, within five (5) days of the reference by the APDISCOMs, failing agreement on which the provisions of Article 14 shall apply with respect thereto; if the resolution of any dispute requires the Company to reimburse the APDISCOMs, the amount to be reimbursed shall bear interest at the Working Capital Rate applicable to the APDISCOMs from the date of payment by the APDISCOMs to the date of reimbursement. The APDISCOMs may not dispute any amount after sixty (60) days following the Due Date of Payment therefor.

5.7 Direct Payment

The APDISCOMs has the right subject to two (2) Days notice to the Company, to make direct payment of any bill by cheque or draft at the same bank at which the Letter of Credit shall be opened on or prior to the Due Date of Payment and when such direct payment is made in full, the Company shall not present the same bill to the Scheduled Bank against the Letter of Credit or Escrow Account as the case may be.

5.8 Letter of Credit

From the date of this Agreement and at all times thereafter, the APDISCOMs shall cause to be in effect an irrevocable revolving letter of credit issued in favour of the Company by a Scheduled Bank (the "Letter of Credit"). Each Letter of Credit shall:

- (a) On the date it is issued, have a term equal to the longest period obtainable by the APDISCOMs on a commercially reasonable basis from any Scheduled Bank but not less than one year;
- (b) Be transferable to any lender under the Financing Documents;
- (c) Be payable upon the execution and presentation by an officer of the Company of a sight draft on the Due Date of Payment or such earlier date as is specifically authorised by the APDISCOMs to the issuer of such Letter of Credit supported by a certified copy of the bill for which payment is sought and a statement that such bill remains unpaid on the date of presentation and in the case of a monthly tariff bill rendered pursuant to Article 5.2, a meter reading statement accepted and signed by both parties or a certification from the Company that the APDISCOMs failed to sign the meter reading statement within three days of the meter reading date;
- (d) On the date it is issued, have an aggregate revolving stated amount equal to the sum of one month's Capacity Charge based on PLF of 100% and one month's Energy Charge based on a generation equal to a PLF of 100% (the "LC Amount");
- (e) Be immediately reinstated to the LC Amount following a valid drawing by the Company without limit to the amount of valid drawings thereunder; and

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- (f) Otherwise be in form and substance reasonably acceptable to the Company and the Lenders.

Not less than thirty (30) days prior to the expiration of any Letter of Credit, the APDISCOMs shall provide a new or replacement Letter of Credit. Every bill shall be presented at the said Scheduled Bank for payment under the Letter of Credit and shall become payable on the Due Date of Payment applicable thereto.

5.9 Escrow Account

- (a) To provide additional security to the Company for the APDISCOMs' obligation hereunder, the APDISCOMs shall also open an escrow account with any of the APDISCOMs' Scheduled Banks, which account shall be maintained by such bank as agent for the Company, and which shall be pledged as security to the Company and its Lenders for payment of all sums due to the Company by the APDISCOMs under this Agreement as further set forth herein.
- (b) Such account shall be opened on or before the date of signing of this Agreement. Such account shall be funded with revenues from payments due to the APDISCOMs from customers comprising one or more circles/areas used by the APDISCOMs for its administrative convenience. The APDISCOMs shall cause all payments due to the APDISCOMs from such customers to be deposited in such escrow account aggregating an amount equal to not less than 120% of the LC Amount as specified in Article 5.8.
- (c) Such instruction shall be irrevocable during the term of this Agreement, subject to the right of the APDISCOMs to substitute other circles/areas with the concurrence of the Company and its Lenders.
- (d) The APDISCOMs shall not act in any manner as may negatively affect the inflow of the revenues into this account and shall take such steps as may be necessary to assure the flow of the specified level of revenues in such account (including adding or substituting customers and undertaking collection efforts) during the term of this Agreement.

Provided that the APDISCOMs is in compliance with its obligations under this Agreement with respect to payment of all sums when due to the Company, through the Letter of Credit or otherwise, the APDISCOMs shall be entitled to withdraw funds from the Escrow Account each month to be used for such purposes as the APDISCOMs may designate.

- (e) In the event of the APDISCOMs' failure to pay any sums due to the Company on the Due Date of Payment through the Letter of Credit or otherwise when any sum is due to the Company, or in case of non-renewal of the Letter of Credit as required under Article 5.8, the Company, by notice in writing to the bank holding the Escrow Account, may require such bank not to honor any of the cheques, buncles and requisitions presented to it by the APDISCOMs or any other drawals on the account until after the claim of the Company is first discharged out of the revenues accumulated in the Escrow Account.

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- (f) An agreement among the APDISCOMs, the Company and the Bank (the "Escrow Account Agreement") shall be executed in order to give effect to this Article 5.9, the details of which shall be in the form and substance reasonably acceptable to the Company and its Lenders.
- (g) The provisions of Article 5.9 is not effective at present. In case APDISCOMs agree to open an Escrow account for any other power supplier whose PPAs are being renewed during the term of this Agreement, then this Article 5.9 shall become effective.

5.10 Rebates; Late Charges

For payment of Tariff bills [excluding Supplementary Bills] a rebate of 2% (two percent) shall be allowed if payment is made, whether by cheque, electronic transfer or by specific authorisation to draw on the Letter of Credit, within three (3) days after the date of presentation of bill. Where such payments are made on or before the Due Date of Payment but after the above three day period, a rebate of 1 % (one percent) shall be allowed.

Any payment made beyond the Due Date of Payment shall include a late charge in an amount equal to the greater of (a) the product of (i) the amount of such bill and (ii) the Working Capital Rate applicable to the Company then in effect, calculated on the basis of the number of days the payment was overdue, and (b) the amount of any liability incurred by the Company for penal interest on Debt arising out of the APDISCOMs' failure to make such payment on the Due Date of Payment, provided that the Company shall furnish documentary evidence to the APDISCOMs demonstrating such liability.

5.11 Order of Precedence

The Company shall present its monthly tariff bills and any Supplementary Bills to the APDISCOMs for direct payment by the APDISCOMs as per this Article. In case of non-payment, or partial payment of the bill by the APDISCOMs, the Company shall take recourse to the Letter of Credit under Article 5.8 after the Due Date of Payment or upon specific authorization by the APDISCOMs to draw on the Letter of Credit prior to such date.

In case of the claim of the Company not yet being fully satisfied, the Company shall take recourse to the Escrow Account as per the Escrow Account Agreement for the un-paid amount plus interest accrued for delayed payment as per Article 5.9.

5.12 Submission of Bills

All bills including Monthly Tariff Bills and Supplementary Bills under this Agreement shall be submitted by the Company to the Deputy Chief Controller of Accounts, Andhra Pradesh Power Coordination Committee and such submission shall be treated as valid presentation of the bills on APDISCOMs.

Handwritten signatures of the parties involved in the agreement, including initials and a full name.

ARTICLE 6
DURATION OF AGREEMENT

6.1 Term of the Agreement

This Agreement shall be effective from January 2, 2016 for a period until January 2, 2026 ("Term") unless earlier terminated as provided herein. The Agreement may be renewed for such further period and on such terms and conditions as may be mutually agreed upon between the Parties not later than one hundred and eighty (180) days prior to the expiry of the Term of this Agreement.

6.2 Survival

This Article shall survive any Termination of this Agreement. If the Parties do not mutually agree to renew this Agreement or otherwise upon the expiry of the Term of this Agreement, the APDISCOMs shall have the first option to purchase the Project at the Terminal Value plus any Transfer Costs and Transfer Taxes (as defined in Schedule F) and as determined by the Independent Appraiser defined in Schedule F. Such option shall be exercisable during the sixty (60) day period immediately preceding the expiration of the initial term of this Agreement and the Company shall notify the APDISCOMs of its acceptance or rejection of the option within such sixty (60) day period or fifteen (15) days after the date of APDISCOMs's offer whichever is later. If the APDISCOMs's offer is not accepted by the Company within such period, the Company may solicit offers of purchase from third parties or sell power from the Project to third parties as per applicable Law; provided that the APDISCOMs shall have the first right of refusal with respect to any bona fide offer received by the Company which the Company wishes to accept, exercisable within thirty (30) days of receipt by the Company of such offer (which shall within five days of such receipt be provided to the APDISCOMs by the Company) upon mutually satisfactory terms of payment. If the APDISCOMs do not exercise such right or the Parties cannot agree to the terms of payment, then the Company may offer to sell power to APDISCOMs at the tariff as may be determined by the appropriate Commission under the Act for further period as may be mutually agreed by the Parties. If the APDISCOMs decline to purchase the Project or renew the term of this Agreement, then the Company shall have no further liabilities and obligations to the APDISCOMs upon the expiration of this Agreement except in relation to any undischarged liabilities then in existence.



ARTICLE 7 UNDERTAKINGS

7.1 Covenants of the Company

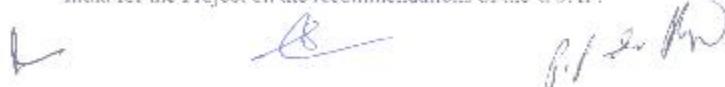
The Company hereby covenants and agrees with the APDISCOMs to:

- (a) use all reasonable efforts to operate the Project in accordance with Prudent Utility Practices;
- (b) work without liability with, and co-operate in good faith with, the APDISCOMs with respect to all of the APDISCOMs' obligations and rights hereunder;
- (c) use all reasonable efforts to obtain all Permits;
- (d) adhere to the Technical Limits as set out in Schedule A.

7.2 Covenants of the APDISCOMs

The APDISCOMs hereby covenants and agrees with the Company to:

- (a) work, without liability, with, and co-operate in good faith with the Company with respect to all of the Company's obligations and rights hereunder;
- (b) make all reasonable good faith efforts to assist the Company in obtaining clearances for sourcing of water, and such other clearances as may be required at the State level from time to time in relation to operation of the Project;
- (c) provide electricity in accordance with Article 2.7 for start-up;
- (d) use its reasonable efforts to operate and maintain the Inter Connection Facilities in accordance with specifications to be determined by mutual agreement of the Parties as per Article 15.5;
- (e) make all reasonable efforts to assist the Company to obtain Fuel Linkage as priority customer from Ministry of petroleum and Natural gas, Government of India for the Project on the recommendations of the GOAP.



ARTICLE 8 REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of the Company

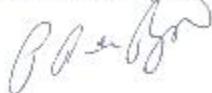
The Company represents and warrants that:

- (a) The Company is a company duly organised and validly existing under the laws of India and has all requisite legal power and authority to execute this Agreement and carry out the terms, conditions and provisions hereof;
- (b) This Agreement constitutes the valid, legal and binding obligation of the Company, enforceable in accordance with the terms hereof except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar law affecting creditors' rights generally and except to the extent that the remedies of specific performance, injunctive relief and other forms of equitable relief are subject to equitable defenses, the discretion of the court before which any proceeding may be brought, and the principles of equity in general;
- (c) The Company has duly paid all rents, royalties and all public demands including provident fund dues, gratuity dues, employees state insurance dues, income tax, sales tax, corporation tax and all other taxes and revenues payable to any Government Agency and that at present there are no arrears of such dues, rents, royalties, taxes and revenues due and outstanding and that no attachments or warrants have been served on the Company in respect of sales tax, income tax, Government revenues and other taxes;
- (d) There are no actions, suits or proceedings pending or, to the Company's knowledge, threatened, against or affecting the Company before any court or administrative body or arbitral tribunal that might materially adversely affect the ability of the Company to meet and carry out its obligations under this Agreement; and
- (e) The execution and delivery by the Company of this Agreement has been duly authorized by all requisite corporate action, and will not contravene any provisions of, or constitute a default under, any other agreement or instrument to which it is a party or by which it or its property may be bound.

8.2 Representations and Warranties of the APDISCOMs

The APDISCOMs represents and warrants that:

- (a) The APDISCOMs are statutory corporations duly organised and validly existing under the laws of India and has all requisite legal power and authority to execute this Agreement and to carry out the terms, conditions and provisions hereof:



- (b) This Agreement constitutes a valid, legal and binding obligation of the APDISCOMs, enforceable in accordance with the terms hereof except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganisation, moratorium or other similar laws affecting creditors' rights generally and except to the extent that the remedies of specific performance, injunctive relief and other forms of equitable relief are subject to equitable defenses, the discretion of the court before which any proceeding may be brought, and the principles of equity in general;
- (c) There are no actions, suits, or proceedings pending or, to the APDISCOMs' knowledge, threatened, against or affecting the APDISCOMs before any court or administrative body or arbitral tribunal which might materially adversely affect the ability of the APDISCOMs to meet and carry out its obligations under this Agreement; and
- (d) The execution and delivery of this Agreement by the APDISCOMs has been duly authorized by all requisite corporate action, and will not contravene any provision of, or constitute a default under, any other agreement or instrument in which it is party or by which it or its property may be bound.

8.3 Mutual Covenants

Each Party will (except to the extent the subject of a bona fide dispute) duly pay all rents, taxes, cesses, fees, revenues, assessments, dues, other outgoings and other amounts owing by it and will observe all the rules and regulations pertaining to the same and will not do or omit to do or (to the extent within its control) suffer to be done anything the purpose of which is to adversely affect or prejudice the interest and rights of the other Party hereunder in any manner whatsoever.

ARTICLE 9
DEFAULT AND TERMINATION

9.1 APDISCOMs Default

The occurrence and continuation of any of the following events shall constitute a default by the APDISCOMs ("APDISCOMs Default"), unless any such event occurs as a result of a Company Default as defined in Article 9.2 or any breach by the Company of its obligations hereunder:

- (a) Any failure of the APDISCOMs to make any payment(s) required to be made to the Company under this Agreement, which continues for a period of sixty (60) days or more from the Due Date of Payment; or any failure of the APDISCOMs to make any payment(s) in excess of Rs. 50 Crores required to be made to the Company under this Agreement, which continues for a period of thirty (30) days or more from the Due Date of Payment; provided in either case that:
 - (i) the Company has furnished a bill in accordance with the terms of this agreement, to the APDISCOMs for such payment as provided in Article 5;
 - (ii) to the extent the Letter of Credit is outstanding or as the case may be the Escrow Account is in operation, the Company shall have presented such bill for payment under the Letter of Credit or Escrow Account as provided under Article 5 of this Agreement;
- (b) The APDISCOMs repudiates this Agreement or evidences in any manner its intention not to perform its obligations under, or to be bound by, this Agreement;
- (c) The transfer, pursuant to law, of either the APDISCOMs' rights and obligations under this Agreement or all or a substantial portion of the assets or undertakings of the APDISCOMs, or the dissolution of the APDISCOMs, pursuant to law, including by way of merger, consolidation, liquidation, reconstitution or reorganisation unless the transferee or successor:
 - (i) expressly assumes the obligations of the APDISCOMs under this Agreement;
 - (ii) is either the owner/operator of a substantial part of the transmission system of Andhra Pradesh and/or is the purchaser/seller of a substantial part of the bulk supplies of electricity in Andhra Pradesh, has a credit rating (as determined by an independent credit rating agency) at least equivalent to that of the APDISCOMs and is otherwise capable of performing the obligations of the APDISCOMs under this Agreement; and
 - (iii) the transferee or successor shall have provided to the Company security for its payment obligations hereunder which in the reasonable business

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judgement of the Company and the sole and absolute judgement of the Company's lenders if, any, is at least equivalent to the security constituted by the Letter of Credit and the Escrow Account Agreement as defined in Article 5.8 and 5.9 respectively.

- (d) The failure of the APDISCOMs to observe, or perform any obligation expressed to be assumed by it in Article 5.8 or the Escrow Account Agreement, which failure is not remedied within thirty (30) days of notice thereof from the Company or, in the case of any default in making of any payment from the Escrow Account, referred to therein, such longer period as is represented by the number of days until the Due Date of Payment, plus the cure periods referred to in Article 9.1 (a); and
- (e) The serious breach by the APDISCOMs of any material term of this Agreement (other than with respect to Articles 9.1 (a) through (d) above), where the APDISCOMs shall fail to cure such breach within ninety (90) days of notice thereof by the Company.

9.2 Company Default

The occurrence and continuation of any of the following events shall constitute a company default ("Company Default"), unless any such event occurs as a result of an APDISCOMs Default as defined in Article 9.1 or any breach by the APDISCOMs of its obligations hereunder:

- (a) Any failure of the Company to make any payment(s) required to be made to the APDISCOMs under this Agreement, which continues for a period of sixty (60) days or more; or any failure of the Company to make any payment(s) in excess of Rs. 50 Crores required to be made to the APDISCOMs under this Agreement, which continues for a period of thirty (30) days or more, either directly or through a credit to the APDISCOMs in the bills, as per Article 5.
- (b) The Company repudiates the Agreement or evidences in any manner its intention not to perform its obligations under, or to be bound by this Agreement;
- (c) The transfer, pursuant to law, of either the Company's rights and/or obligations under this Agreement or all or a substantial portion of the Company's assets or undertakings, or the dissolution of the Company, pursuant to law, including by way of merger, consolidation, liquidation, reconstitution or reorganisation, unless:
 - (i) the transferee or the successor expressly assumes the obligations of the Company under this Agreement;
 - (ii) such transfer or dissolution does not affect adversely the ability of the resulting entity to perform its obligations under this Agreement, in the sole and reasonable opinion of the APDISCOMs,

or such transfer or dissolution constitutes or is the direct result of a Change in Law or event of Political Force Majeure.

- (d) The Company abandons the operation of the Project, other than as a result of Force Majeure, for a period of forty-five (45) consecutive days or more;
- (e) The Project fails to issue an Availability Declaration providing for Declared Capacity which is in excess of 50% of the Installed Capacity for a continuous period of one hundred and twenty (120) days (excluding any period of major overhaul undertaken in accordance with the manufacturer's recommendations, any period of Force Majeure; any act or omission of the APDISCOMs or any Emergency directly causing or contributing to the shortfall in the Declared Capacity);
- (f) The failure of the Company either:
 - (i) to demonstrate in tests conducted in accordance with Schedule D (including any permitted retests) that the Project has an Installed Capacity of at least 90% of the Installed Capacity;
 - (ii) to maintain thereafter during the term of this Agreement, reliable capacity equal to 98.5% of the Installed Capacity as such reliable capacity shall be determined by testing pursuant to paragraph 7 of Schedule B and the Company is not able to demonstrate such reliable capacity in any subsequent retest during the next succeeding twelve (12) months;
- (g) The serious breach by the Company of any material term of this Agreement (other than with respect to Articles 9.2 (a) through (f) above), where the Company shall fail to cure such breach within ninety (90) days of notice thereof by the APDISCOMs.

9.3 Remedies of the Company

Upon the occurrence and continuance, of a APDISCOMs Default set forth in Article 9.1 above and the failure of the APDISCOMs to cure such default within the applicable cure periods, if any, specified in Article 9.1, the Company shall, at its option, have the right to:

- (a) elect to terminate this Agreement by issuing a termination notice in accordance with procedures set forth in Article 9.5, or
- (b) receive damages or have recourse to such other remedies as are available under Law.

9.4 Remedies of the APDISCOMs

Upon the occurrence and continuance of a Company Default set forth in Article 9.2 above and if the Company fails to cure such default within the applicable cure periods, if any, specified in Article 9.2, the APDISCOMs shall, at its option, have the right to:

- (a) elect to terminate this Agreement by issuing a termination notice in accordance with procedures set forth in Article 9.5; or
- (b) receive damages or have recourse to such other remedies as are available under Law.

9.5 Termination Procedures

- (a) In the event that the APDISCOMs gives a termination notice to the Company in accordance with Article 9.4, the following procedures and cure periods shall be observed and shall have expired, respectively, prior to this Agreement actually being terminated and of no further effect (the date of such termination being the Termination Date):
 - (i) A termination notice issued in respect of a Company Default under Article 9.2 (e) shall result in the Termination Date occurring on the twentieth (20th) day from the date of receipt by the Company of such termination notice without any further requirement for further action by the APDISCOMs or any opportunity to cure by the Company. In case of a termination notice received in respect of any other Company Default under Article 9.2, the Company may within ninety (90) days from the date it receives the termination notice attempt to either:
 - (A) cure the Company Default which gave rise to the termination notice; or
 - (B) transfer, sell and/or assign the Project to the APDISCOMs, the lenders or any third-party purchaser, in which case, if such sale is effected (which shall only be with the prior consent of the APDISCOMs which consent will not be unreasonably withheld), then such new owner of the Project shall have a full additional ninety (90) day period to cure the Company Default.

The APDISCOMs shall not be deemed to have unreasonably withheld its approval if in the sole and reasonable opinion of the APDISCOMs, the new owner does not possess equivalent financial standing and technical capability to that of the Company. If such new owner fails to so cure the Company event of default within such ninety (90) day period, or if the APDISCOMs fails to provide its consent to such new owner, then the subparagraph (ii) below shall apply:

- (ii) for a period of ninety (90) days from the date on which the lenders are able to fully exercise their right to possess the Project or effectively gain control over operation of the Project in accordance with the Financing Documents (subject to the APDISCOMs' right under sub-section (v) and Article 9.6), the lenders shall be entitled to attempt to cure any Company Default (including, without limitation, by selling or transferring the Project to a third party, which shall only be with the prior consent of the APDISCOMs, which consent will not be unreasonably withheld, who shall have ninety (90) days from the date of

transfer to attempt to cure the Company Default if such sale by itself does not affect such cure). If the lenders or such third party are unable to cure such Company Default by the end of the applicable periods specified above, then the Termination Date shall occur at the expiration of such period;

- (iii) If a cure is effected in accordance with the procedures described in (i) and (ii) above, on notification to the APDISCOMs by the Company and reasonable verification by the APDISCOMs, the termination notice shall be and will be deemed to be withdrawn on the date of such cure;
 - (iv) Notwithstanding anything contained in Article 9.5(a)(i) and (ii) above to the contrary, at all times during the continuance of a Company Default and during which the Company maintains actual possession and control over the Project, the Company shall use its reasonable efforts to operate and maintain the Project as generally required hereunder;
 - (v) If the Project is sold to any third party in accordance with the provisions of this Article 9.5, then such third party shall become a party hereto in place of the Company and the APDISCOMs shall execute such documents as may reasonably be required by the Company, the lenders or such third party to give effect to the substitution of such third party as a party hereto in place of the Company;
 - (vi) The APDISCOMs shall, if so requested by the Company, give an undertaking to the lenders or any agent or trustee acting on their behalf in such form as they may reasonably require to perform the obligations set out in this paragraph (a).
- (b) In the event that the Company gives a termination notice to the APDISCOMs in accordance with Article 9.3, the APDISCOMs may within ninety (90) days from the date it receives the termination notice attempt to cure the APDISCOMs Default which gave rise to the termination notice. However, such cure period of ninety (90) days shall be reduced to thirty (30) days in case of a termination notice due to a APDISCOMs Default under Article 9.1 (x). If such cure is effected, on notification to the Company by the APDISCOMs and on reasonable verification by the Company, the termination notice shall be and will be deemed withdrawn, or otherwise the Termination Date shall occur at the expiry of such period.
- (c) Any Party which has been served with a notice of termination under Article 9.5 shall use all reasonable endeavours to cure the Company Default or the APDISCOMs Default as the case may be, as soon as practicable. Both Parties shall, save as otherwise provided herein, continue to perform their respective obligations under this Agreement and shall not, whether by act or omission impede or otherwise interfere with any Party's endeavours to cure the Company Default or the APDISCOMs Default, as the case may be, during such cure.

9.6 Right to Operate the Project

Notwithstanding anything in Article 9.5 (a) (i) and (ii) or otherwise in this Agreement to the contrary, if the APDISCOMs gives a termination notice under Article 9.4 with respect to a Company Default, during the applicable cure period in Article 9.5(a), neither the Company nor the Lenders under the Financing Documents nor any third party to which the Project has been sold or transferred in accordance with Article 9.5(a) are using all reasonable endeavours in the assessment of the APDISCOMs to cure such Company Default as soon as reasonably practicable, the APDISCOMs shall have the right, but not the obligation, if for reasons of the security or integrity of the APDISCOMs' system or security of supply, the APDISCOMs considers it necessary, upon seventy-two (72) hours notice to the Company (a "Step-in Notice"), subject to the lender's consent, to require the operator to operate the Project or, where the operator is unwilling or unable to do so, to operate the Project itself in accordance with Prudent Utility Practice for such period(s) up to the date of any transfer of the Project pursuant to a Buyout or otherwise, as the APDISCOMs deems necessary, at the expense of the Company. During such period of step-in, the APDISCOMs' payment obligations to the Company shall be restricted to the payment of 65 % of Capacity Charges computed in the manner described in Article 5.2(b) except that such charges shall be based (rather than on the installed Capacity) on the capacity "which could reasonably be made available, by the APDISCOMs' having regard to the condition of the Project, but the APDISCOMs shall be responsible for all costs of fuel. The rights of the APDISCOMs under this Article 9.6 shall cease upon the earliest of the cure of such Company Default, the transfer of the Project to a third party pursuant to Article 9.5 (c); and the occurrence of the Termination Date.

9.7 Approval of State Commission

In the event that the State Commission (being the Andhra Pradesh Electricity Regulatory Commission) does not approve this Agreement on the terms set out herein, or approves it conditionally, the Parties may mutually agree as directed by the commission and seek approval of the State Commission for such alternative terms. If the Parties are unable to mutually agree upon such alternative terms within a period of fifteen (15) days from the date of the order/direction of the State Commission, or such extended time period as the Parties may mutually agree, this Agreement shall stand automatically terminated on the date of the order/judgement/nilification by the State Commission ("Date of Termination").

Notwithstanding the above, the Parties agree and undertake that the APDISCOMs shall within 15 (fifteen) days from the Date of such Termination as above pay to the Company all amounts due and payable as approved by the State Commission including without limitation amounts due under Articles 3 and 5 of this Agreement for the period from 02.01.2016 until the Date of Termination.

ARTICLE 10 FORCE MAJEURE

10.1 Force Majeure Events

For the purposes of this Agreement, "Force Majeure" means any act, event or circumstance, or combination of acts, events or circumstances, which materially and adversely affects the affected Party's performance of its obligations pursuant to the terms of this Agreement, but only if and to the extent that such acts, events or circumstances are not within the affected Party's reasonable control, were not reasonably foreseeable and could not have been prevented or overcome by the affected Party through the exercise of reasonable skill or care. Any act, event or circumstance or combination thereof meeting the description of Force Majeure that has the same effect upon the performance of any Contractor, which directly, materially and adversely affects the performance by the Company or the APDISCOMs respectively of their obligations in whole or in part under this Agreement shall constitute Force Majeure with respect to the Company or the APDISCOMs respectively. Where such performance is affected in part, after applying any damages or compensation from the parties involved or insurance to remedy the effect of such event, the affected Party shall not be relieved of the performance of that part which is not so materially and adversely affected.

Force Majeure shall comprise the following acts, events and circumstances to the extent that they or their consequences satisfy the above requirements:

- (a) "Political Force Majeure Events", which shall comprise the following acts, events and circumstances:
 - (i) Act of war (whether declared or undeclared), invasion, armed conflict, or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, act of terrorism or sabotage, in each case occurring inside or directly involving India;
 - (ii) Any act, failure to act, restraint or regulation, of any Government Agency (excluding actions that constitute remedies or sanctions lawfully exercised as a result of breach by the Company of any Law which is neither expropriatory nor discriminatory in nature), comprising:
 - (A) any act, omission, regulation or restraint constituting a Change in Law (as defined in Article 11.2);
 - (B) any Change in Permits (as defined in Article 11.3); or
 - (C) the expropriation by any Government Agency or compulsory acquisition of any shares in, or assets or rights of, the Company or its Contractors.
 - (iii) Strikes, lockouts or other labour difficulties, which are politically motivated (rather than motivated primarily by a desire to improve

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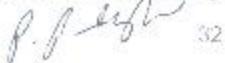
compensation or working conditions of those involved) or are caused in whole or part by another event of Political Force Majeure or are part of a nationwide or regional strike, or other generalised labour action occurring within India; (excluding such events which are site specific and attributable to the Company);

- (iv) Radioactive contamination or ionising radiation or chemical contamination originating from a source in India or resulting from another Political Force Majeure Event;
 - (v) Any act, event or circumstance of a nature analogous to the foregoing;
- (b) "Non-Political Force Majeure" events comprising the following acts, events and circumstances:
- (i) Flood, cyclone, lightning, earthquake, drought, storm or any other extreme effect of the natural elements;
 - (ii) Epidemic, or plague;
 - (iii) Fire or explosion;
 - (iv) Strikes, lockouts or other labour difficulties not included in Article 10.1(a)(iii), (excluding such events which are site specific and attributable to the Company);
 - (v) Catastrophic failure of major components or equipment excluding however, normal wear and tear or inherent defects or flaws in materials or equipment;
 - (vi) Air crash, shipwreck or trainwreck or loss of or damage to any major component of the Project arising in the course of marine transit other than due to the transporting party;
 - (vii) Any act, event or circumstance of a nature analogous to the foregoing.

Provided, however, that for the avoidance of doubt, lack of funds shall not be construed as an event of Force Majeure.

10.2 Notification Obligations, etc.

- (a) Any Party claiming a Force Majeure event shall formally notify in writing in the manner specified in (b) below and seek to satisfy the other Party of the existence of such a Force Majeure event and shall use its reasonable endeavour to resume performing its normal obligations as soon as possible after the cessation of such a Force Majeure event.
- (b) The Party claiming Force Majeure shall give notice to the other Party of any event of Force Majeure as soon as reasonably practical after becoming aware of its existence, but not later than five (5) days after the date on which such Party

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knew or should reasonably have known of the commencement of the event of Force Majeure. Notwithstanding the above, if the event of Force Majeure results in a breakdown of communications rendering it not reasonably practicable 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 the reinstatement of communications, but not later than seven (7) days after such reinstatement.

- (c) The Party claiming Force Majeure shall give notice to the other Party of:
 - (i) The cessation of the relevant Force Majeure act, event or circumstance; and
 - (ii) The cessation of the effects of such Force Majeure events on the enjoyment by such Party of its rights or the performance by it of its obligations under this Agreement.

as soon as practicable after becoming aware thereof.

10.3 Mitigation; Co-operation; No obligation to settle Strikes

Any Party claiming Force Majeure shall use its reasonable efforts to mitigate and overcome the effects of any act, event or circumstance of Force Majeure as soon as practicable after the occurrence of a Force Majeure event, including through the expenditure of reasonable sums of money, and to co-operate with the other Party to develop and implement a plan of remedial and reasonable alternative measures to remove the event of Force Majeure; provided, however, that no Party shall be required under this provision, to settle any strike or other labour dispute on terms it reasonably considers to be unfavorable to it. The Party claiming Force Majeure shall furnish weekly written reports to the other Party with respect to its progress in overcoming the effects of the act, event or circumstance of Force Majeure together with such supporting documentation and information as the other Party reasonably requires regarding the claim of Force Majeure.

10.4 General Consequences of Force Majeure

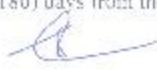
Subject to the other provisions of this Agreement, no Party shall be in breach of its obligations under this Agreement due to its failure or delay in performing its obligations hereunder to the extent that such failure or delay has been caused by one or more acts, events or circumstances of Force Majeure, for so long as such act, event or circumstance or its effects are continuing and any dates specified herein for such performance shall be extended to the extent necessary to compensate for the delay which shall be on a day-for-day basis (unless the circumstances justify a longer or shorter period); provided that if the Party claiming Force Majeure fails to give notice thereof to the other Party within the period and in the manner specified in Article 10.2(h), such Party shall only be entitled to relief on account thereof from the date it gives such notice.

10.5 Financial Consequences of Force Majeure

- (a) The Company shall not be entitled to claim any adjustments for increased costs incurred as a result of an event of Force Majeure except to the extent provided in Article 11;
- (b) Except as provided in this Article 10.5, an act, event or circumstance of Force Majeure shall not excuse the payment obligations of either Party which shall be determined in accordance of the terms of this Agreement.
- (c) Payments to the Company by the APDISCOMs in respect of periods of Political Force Majeure shall be limited as follows:
 - (i) In case of any event of Political Force Majeure affecting either Party as per Article 10.1 (a) (ii) the APDISCOMs shall pay, for each Settlement Period for which such Force Majeure is in effect, Capacity Charges, until the earlier of the (x) the date the effects of such Political Force Majeure event cease to exist and (y) 180 days from the date of commencement of such event. The Capacity Charges shall be computed in the manner described in Article 5.2(b) except such charges shall be calculated for the period only described above and shall be based (rather than on the Installed Capacity) on the average Availability Declaration of the past 180 (one hundred eighty) days (excluding from such 180 (one hundred eighty) day period any period of Force Majeure or Scheduled Outages) or such lesser period in case the relevant data is not available for a period of 180 (one hundred eighty) days,
 - (ii) On the occurrence of any other Political Force Majeure event affecting either Party other than as per Article 10.1 (a)(ii), the APDISCOMs shall pay, for each Settlement Period for which such Force Majeure is in effect, 75 % of Capacity Charges, until the earlier of the (x) the date the effects of such Political Force Majeure event cease to exist and (y) one hundred and eighty (180) days from the date of commencement of such event. The Capacity Charges shall be computed in the manner described in Article 5.2(b) except such charges shall be calculated for the period only described above and shall be based (rather than on the Installed Capacity) on the average Availability Declaration of the past 180 (one hundred eighty) days (excluding from such 180 (one hundred eighty) day period any period of Force Majeure or Scheduled Outages) or such lesser period in case the relevant data is not available for a period of 180 (one hundred eighty) days.
- (d) Non-Political Force Majeure affecting the APDISCOMs

In case of any Non-Political Force Majeure event affecting the APDISCOMs as per Article 10.1(b), the APDISCOMs shall pay, for each Settlement Period for which such Force Majeure is in effect, 65% of the Capacity Charges, until the earlier of the (x) date the effects of such Non-Political Force Majeure event cease to exist and (y) one hundred and eighty (180) days from the date of commencement of such

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event. The Capacity Charges shall be computed in the manner described in Article 5.2(b) except such charges shall be calculated for the period only described above and shall be based (rather than on the Installed Capacity) on the average Availability Declaration of the past 180 (one hundred eighty) days (excluding from such 180 (one hundred eighty) day period any period of Force Majeure or Scheduled Outages) or such lesser period in case the relevant data is not available for a period of 180 (one hundred eighty) days.

- (e) In case of Political Force Majeure Events described under Article 10.1(b) affecting the Fuel supplier or transporter, which prevents delivery of Fuel to the Project and for which the Fuel supplier or transporter is excused under Fuel Supply Agreement(s), the APDISCOMs shall pay for each settlement period (or which such Force Majeure is in effect 65% of the Capacity Charges, commencing, however, on the date 30 days after the date on which a notice of commencement of such event is delivered by the Fuel supplier or transporter to the Company under the Fuel Supply Agreement(s) as communicated to the APDISCOMs and the APDISCOMs having satisfied itself that the Company made best efforts to provide alternate fuel supplies during this 30-day period, until the earlier of the (X) date the effects of such Force Majeure event cease to exist and (Y) one hundred and eighty (180) days from 31st day of commencement of such event. The Capacity Charges shall be computed in the manner described in Article 5.2(b) except such charges shall be calculated for the period only described above and shall be based (rather than on the Installed Capacity) on the average Availability Declaration of the past 180 (one hundred eighty) days (excluding from such 180 (one hundred eighty) day period any period of Force Majeure or Scheduled Outages) or such lesser period in case the relevant data is not available for a period of 180 (one hundred eighty) days.

10.6 Termination for Force Majeure

- (a) Either Party may issue a notice of termination of this Agreement if (i) an event of Political Force Majeure as described in Article 10.1 (a) has continued for more than one hundred and eighty (180) days or (ii) the Company following damage to the Project resulting from, such event fails or is unable to or elects (subject to Article 10.7) not to restore the Project. Such notice shall become effective twenty (20) days from the date of issuance thereof (the "Termination Date").
- (b) The APDISCOMs may issue a notice of termination of this Agreement if the effects of a Non-Political Force Majeure Event as described in Article 10.1 (b) affecting the APDISCOMs or Force Majeure affecting Fuel supplier or transporter as described in Article 10.5(e) have continued for more than one hundred and eighty (180) days and the Company may issue a notice of termination of this Agreement of the effects of a Non-Political Force Majeure Event as described in Article 10.1(b) affecting the APDISCOMs or Force Majeure affecting Fuel supplier or transporter as described in Article 10.5 (e) have continued for more than two hundred and seventy (270) days. Such notice shall become effective twenty (20) days from the date of issuance thereof (the "Termination Date").



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- (e) Either Party may issue a notice of termination of this Agreement if (i) the effects of a Non-Political Force Majeure Event as described in Article 10.1 (b) affecting the Company has continued for more than one hundred and eighty (180) days or (ii) the Company following damage to the Project resulting from such event fails or is unable to or elects (subject to Article 10.7) not to restore the Project. Such notice shall become effective twenty (20) days from the date of issuance thereof (the "Termination Date").

Provided that in case of a Non-Political Force Majeure event affecting the Company, Article 12 shall not apply to such termination and the Agreement shall terminate at the end of the cure period specified in Article 10.6(e) without any liability to either Party.

10.7 Obligation to Restore Project

The Company shall not be entitled to relief under this Article 10 unless, following the occurrence of any damage or destruction of the Project arising from any event of Force Majeure, the Company shall have used all reasonable efforts to commence the restoration of such Project as soon as reasonably practicable taking into account the circumstances of the Force Majeure and thereafter has diligently pursued such restoration, unless (i) the damage or destruction to the Project constitutes a total or constructive loss or (ii) the Project would be incapable following such repair of resuming operation at the levels required under the Agreement; or (iii) such loss is not insured against in whole or in part and the Company is unable despite its best efforts to raise the necessary financing (taking into account any payments received by the Company under this Agreement).

Three handwritten signatures are present: a stylized 'R' on the left, a signature that appears to be 'A' in the middle, and a signature that appears to be 'P. A. B.' on the right.

ARTICLE 11 Change in Law

11.1 Definition of Law

For the purposes of this Agreement, "Law" means the constitution of India and any act, rule, regulation, directive, notification, order or instruction having the force of law enacted or issued by any competent legislature, or Government Agency.

11.2 Definition of Change in Law

For the purposes of this agreement, "Change in Law" means:

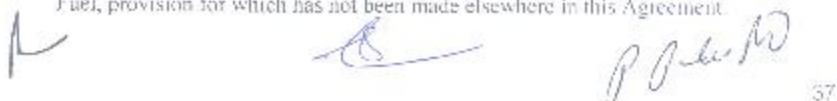
- (i) any enactment or issue of any new Law;
- (ii) any amendment, alteration, modification or repeal of any existing Law or any new or modified directive or order thereunder;
- (iii) any change in the application or interpretation of any Law by a competent legislature or Government Agency in India which is contrary to the existing accepted application or interpretation thereof, in each case coming into effect after the date of this Agreement, provision for which has not been made elsewhere in this Agreement.

11.3 Definition of Change in Permits

For the purpose of this Agreement, "Change in Permits" means:

- (i) any failure or refusal to grant or renew any Permit (other than for Cause); or
- (ii) the imposition (other than for Cause) of any material requirement in connection with the issuance of any Permit or the renewal, extension or modification of any Permit after such Permit was issued, in either case subsequent to the date of this Agreement;
- (iii) the imposition (other than for Cause) of a requirement for a Permit which did not exist as of the date of this Agreement; or
- (iv) the revocation or cancellation (other than for Cause) of any Permit.

Provided that any such change establishes requirements that are materially more restrictive than the most restrictive requirements (A) in effect as of the date of this Agreement, (B) specified in any applications for any Permit filed by the Company or other documents filed in connection with such applications by the Company on or before the date of this Agreement; or (C) agreed to by the Company in any Financing Document or in any agreement with any Contractor, supplier of Fuel or transporter of Fuel, provision for which has not been made elsewhere in this Agreement.



11.4 Additional / Reduced Expenditures or Other Increased / Reduced Costs due to a Change in Law or Change in Permits

- (a) Within sixty (60) days after the end of any Tariff Year, the Company shall determine after accounting for the net economic effects on the Company during such Tariff Year of any Changes in Law or Changes in Permits, based on an accounting conducted by an independent chartered accountant reasonably acceptable to the APDISCOMs. If as a result of such accounting, the Company suffers an increase in costs or a reduction in after-tax cash flow or any other net economic burden which it would not have experienced but for such Changes in Law or Changes in Permits (taking into account the reasonable costs of financing of any capital improvement in the period prior to such Tariff Year) the aggregate economic effect of which exceeds the equivalent of Rupees one (1) Crore per 100 MW or pro-rata for any part thereof, during any Tariff Year (excluding cost adjustments in respect of Changes in Law or Changes in Permits from any prior period), the Company may notify the APDISCOMs of any proposed amendments to this Agreement required to put the Company in the same economic position it would have occupied in the absence of such cost increase, reduction in the net after-tax cash flow or any other economic burden. Such notice shall be accompanied by a certificate of the Company's independent chartered accountant and a reasonably detailed explanation or certification of an officer of the Company respecting the basis for such net economic burden increase. The amount of any net economic burden claimed by the Company shall be net of any insurance proceeds received in respect thereof.
- (b) Within sixty (60) days after the end of any Tariff Year, if after accounting as provided in subsection (a) above for the net economic effects on the Company during such Tariff Year of any Changes in Law or Changes in Permits, the Company experiences a reduction in costs or an increase in after-tax cash flow or any other net economic benefit which it would not have experienced but for such Changes in Law or Changes in Permits, the aggregate economic effect of which exceeds Rupees one (1) Crore per 100 MW or pro-rata for any part thereof, during any tariff Year, the Company shall provide to the APDISCOMs results of such accounting together with a certificate of the independent chartered accountant and the APDISCOMs, in response thereto, may notify the Company of any proposed amendments to this Agreement required in its good faith judgement to; put the Company in the same economic position it would have occupied in the absence of such cost reduction, increase in the net after-tax cash flow or any other economic benefit. Such notice shall be accompanied by a reasonably detailed explanation or a certification of an officer of the Company respecting the basis for such decrease.
- (c) Only increased costs which are necessarily and unavoidably incurred in complying with or as a direct result of the Changes in Law or Changes in Permits taking into account, all reasonable steps which may be taken by the Company to minimise such increased costs, shall be considered as increased costs for the purposes of this Article.
- (d) As soon as practicable during any Tariff Year after the Company becomes aware of any Change in Law or Change in Permits which could reasonably be

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expected to give rise to an increase/reduction in costs or reduction/increase in after-tax cash flow pursuant to paragraph (a) and (b), the Company shall provide an interim notice thereof to the APDISCOMs describing, to the extent possible, the expected effect on the costs and the cash flow of the Company. The Company shall consult with the APDISCOMs regarding such increased expenditures and the Company shall use all reasonable efforts to implement the APDISCOMs's recommendations, if any, to minimize such increased expenditures consistent with Prudent Utility Practices and the Company's obligations under this Agreement, if prior to the end of any Tariff year the Company demonstrates on the basis of a certification of its chartered accountant that any Change in Law or Change in Permits would result in the Company's being unable to meet its payment obligations to its lenders under the Financing Documents on a current basis, then in addition to the Company's rights under sub-section (a) but notwithstanding the time period for exercising such rights specified therein, the Company shall be entitled to propose amendments to this Agreement as provided in subsection (a) and the Parties shall consider such proposal as provided in subsection (e) below, provided that any benefits which the Company is eligible to receive under subsection (a) shall be reduced by any benefits received by the Company prior to the end of the relevant period under this subsection.

- (e) Within thirty (30) days after receiving any proposal pursuant to paragraph (a), (b) or (d), the Parties shall meet and agree on either amendments to this Agreement or alternative arrangements to implement the foregoing. If no such agreement has been reached within ninety (90) days after any meeting pursuant to Article 11.4 (a), (b) or (d), as the case may be, the proposals of the Parties shall be submitted to the independent chartered accountant referred to in paragraphs (a), (b) and (d), as the case may be.

f) Notwithstanding the above, refurbishment cost shall not exceed Rs.200 Crs. in pursuant to clause no. 1.1 (j).

ARTICLE 12

BUYOUT

12.1 Buyout Events:

For the purpose of this Agreement, each of the following shall be a Buyout Event:

- (a) The occurrence of a Termination Date as a result of a termination notice issued by the AP DISCOMs pursuant to a Company Default which becomes effective in accordance with Article 9.5(a);
- (b) The occurrence of a Termination Date as a result of a termination notice issued by the Company pursuant to a APDISCOMs Default which becomes effective in accordance with Article 9.5(b);
- (c) The occurrence of a Termination Date as a result of any event of Political Force Majeure pursuant to Articles 10.6 (a);
- (d) The occurrence of a Termination Date as a result of an event of Force Majeure pursuant to Article 10.6 (b).

12.2 Remedies to the Company

If a Buyout Event under Article 12.1(b),(c) or (d) occurs, the Company may require the AP DISCOMs to purchase the Project upon giving the APDISCOMs a notice of the same (the "Buyout Notice") at the "Buyout Price" as defined in Schedule F.

12.3. Remedies of the AP DISCOMs

In case of a Buyout Event described in Article 12.1(a), (c) or (d) (and in case of a Buyout Event described in Article 12.1(a), subject to the lenders cure rights as set forth in Article 9.5), the APDISCOMs shall have the right to purchase the Project upon giving the Company notice of the same (the "Buyout Notice") at a "Buyout Price" as defined in Schedule F.

12.4. Buyout Price

The Buyout Price shall be as determined in Schedule F.

12.5 Independent Appraiser

The Buyout Price shall be determined in accordance with Schedule F by an internationally recognised accounting firm listed in Schedule E hereto (the "Independent Appraiser") appointed in accordance with paragraph 4 (a) of Schedule F. All fees and expenses of any technical or other consultants whom the Independent Appraiser reasonably believes are necessary to retain, shall be paid by the Party other than the Party validly claiming the Buyout Event.



ARTICLE 13 NOTICES

13.1 Delivery

Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by registered or certified mail or tele fax, addressed as follows:

If to the Company:

Lanco Kondapalli Power Ltd.
Plot No.4, Software Units Layout, Hitec City
Madhapur, Hyderabad - 500081
Attn: Mr.P.Panduranga Rao, Chief Executive Officer
Ph: 040-23118111
Fax: 040-23118444/23118559
Email: lkpl@lancogroup.com

If to the APDISCOMs:

1. Southern Power Distribution Company of Andhra Pradesh Limited
#19-13-65/A, Reghavendra Nagar
Keshavayyanaugunta, Tiruchanur Road
Tirupati - 517501
E mail : cgm_ipu@southernpowerapl.co.in
2. Eastern Power Distribution Company of Andhra Pradesh Limited
P&T Colony, Seethammadhara
Vishakapatnam - 530013
Email: cgm_ppu@apeasternpower.com

All notices or communications given by telefax shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered or certified mail. All notices shall be deemed delivered upon receipt.

13.2 Address Changes

Any Party may by notice change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

ARTICLE 14
DISPUTE RESOLUTION

14.1 Informal Dispute Resolution

- (a) Each Party shall designate in writing to the other Party a representative who shall be authorized to resolve any dispute arising under this Agreement in an equitable manner.
- (b) If the designated representatives are unable to resolve a dispute under this Agreement within fifteen (15) days, such dispute shall be referred by such representatives to a senior officer designated by the Company and a senior officer designated by the APDISCOMs, respectively, who shall attempt to resolve the dispute within a further period of fifteen (15) days.
- (c) The Parties hereto agree to use their best efforts to attempt to resolve all disputes arising hereunder promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute.

14.2 Applicable Law

In the event that any dispute is not resolved between the Parties pursuant to Article 14.1, then the Parties may invoke the process of adjudication by APERC in accordance with the Law.



The image shows three handwritten signatures in black ink, likely belonging to the parties involved in the agreement. They are positioned above a large amount of faint, illegible text that appears to be a standard boilerplate or a long list of conditions. The signatures are fluid and personal, suggesting they are original documents.

ARTICLE 15 SPECIAL PROVISIONS

15.1 Variations, Waivers and Modifications

No variation, waiver or modification of any of the terms of this Agreement shall be valid unless communicated in writing and signed by or on behalf of the Parties.

15.2 Severability

The invalidity or unenforceability, for any reason, of any part of this agreement shall not prejudice or affect the validity or enforceability of the remainder.

15.3 Assignment

Neither Party shall assign or part with any of its rights or obligations under this Agreement to any third party, except as expressly contemplated in Article 9 or this Article 15.(3), without the prior approval in writing of the other Party. For the purpose of obtaining financing for the Project, the Company may assign or create security over its rights and interests under or pursuant to this Agreement. The APDISCOMs shall execute all such consents to assignment and/or acknowledgments of any security created in accordance with this Article 15.(3), and shall deliver such opinions of counsel regarding the same, as are reasonably requested by the Company to give effect to the foregoing.

15.4 No Waiver

The failure of any Party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.

15.5 Mutual Agreement

Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the Parties, shall be concluded by a written agreement between the Parties not later than the date specified in the concerned clause of this Agreement and where no such date has been specified, not later than (30) thirty days after the date upon which either Party first requests such matter be agreed and subject to approval of APERC.

15.6 Governing Law

This agreement shall be governed by, and construed in accordance with, the laws of India as in effect from time to time.



15.7 Waiver of Immunity

The APDISCOMs and the Company are subject to civil and commercial law with respect to their obligations, under this Agreement. The execution, delivery and performance hereof by the Parties constitutes (for the purpose of the applicable Indian Law and otherwise) private and commercial acts rather than governmental or public acts. To the extent that the APDISCOMs or the Company may claim in any jurisdiction for itself, or any; of its assets or revenues, immunity from a suit, execution, attachment (whether in aid of execution, before judgement or otherwise); or other legal process or to the extent that in any jurisdiction there may be attributed to the APDISCOMs or its assets or reserves any such immunity (whether claimed or not) the APDISCOMs and the Company hereby agree not to claim and irrevocably waive such immunity.

15.8 Limitation of Liability

Subject to any express liability provided for in this Agreement, but notwithstanding any other provisions hereof; neither party shall be liable in any circumstances whatsoever to the other Party, whether under this Agreement, or at law, for any special, indirect, incidental or consequential loss or damage of any nature arising at any time, including without limitation loss of profit or revenue, loss of use (whether full or partial) of any equipment, facility or property, loss of production, loss of contracts, loss of goodwill, loss of productivity and/or loss of anticipated savings. Notwithstanding any other provision of this Agreement, the remedies of the APDISCOMs under Article 3.5 shall be in place of and to the exclusion of any other remedy which Party may have in relation to any damage, loss or liability it may suffer or incur under such Article.

15.9 General Indemnity

Each Party shall indemnify and hold harmless the other Party from any and all claims, proceedings, demands, judgements, losses, damages, costs, charges, expenses and liabilities of whatever kind and nature for personal injury, death to persons and damage to property arising out of any negligent or intentional act or omission of the indemnifying Party in connection with this Agreement.

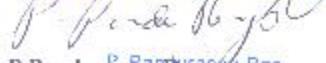
15.10 Relationship to Other Agreements

Except as expressly set forth herein and save to the extent otherwise expressly agreed in writing by the Parties, this Agreement contains the entire agreement of the Parties respecting the subject matter hereof and supersedes any prior conflicting or inconsistent written or oral agreements or understandings of the Parties with respect thereto, including without limitation in any submittals, representations, statements and documents submitted or created by the APDISCOMs or the Company with respect thereto.

IN WITNESS WHEREOF the Parties have signed this Agreement on this 28th day of April, 2017 at Hyderabad

For LANCO KONDAPALLI POWER LIMITED

For Lanco Kondapalli Power Limited



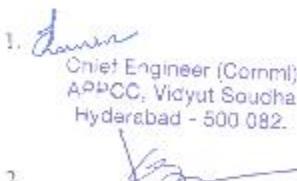
P.Panduranga Rao
Chief Executive Officer
Chief Executive Officer

For SOUTHERN POWER DISTRIBUTION COMPANY
OF ANDHRA PRADESH LIMITED


Authorised Signatory
CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI

For EASTERN POWER DISTRIBUTION COMPANY
OF ANDHRA PRADESH LIMITED


Authorised Signatory
CHIEF GENERAL MANAGER
Planning, PPA & RA
A.P.E.P.D.C.Ltd.
WITNESSES:
VISAKHAPATNAM - 13

1. 
Chief Engineer (Comml)
APPCC, Vidyut Saucha
Hyderabad - 500 082.
2. 
C.K. SATYANARAYANA
LANCO

Schedule A
Technical Limits

[Details under the headings listed in paragraph 1 and 2 below will be provided by the APDISCOMs]

1. APTRANSCO/APDISCOMs System Parameters

- (i) Frequency and voltage fluctuations
 - (a) permitted short term frequency excursions
 - (b) permitted short term voltage variation
 - (c) permitted combined short-term simultaneous frequency excursions and voltage variations
- (ii) Subsynchronous reactance/resonance
- (iii) Short circuit current
- (iv) Basic insulation levels (BIL)

2. APTRANSCO/APDISCOMs Grid Requirements

- (i) Maximum levels of harmonics that the Project may impose on the Grid System
- (ii) Phase voltage unbalance
- (iii) Negative phase sequences
- (iv) Unsystematical faults (C.I. 2)
- (v) Fault clearance time
- (vi) Breaker back-up protection
- (vii) Protection dependability
- (viii) 220kV line breakers
- (ix) Protective equipment and settings
- (x) Short circuit ratio
- (xi) Automatic voltage regulation system and load frequency control

3. Dynamic Parameters of the Project

The Dynamic Parameters are the essential operating characteristics which will define the limits within which a Unit or the Project is required to operate during normal operation.

The Dynamic Parameters shall comprise:

- i) Nominal capacity
- ii) Starting conditions
- iii) Minimum load
- iv) Reactive power capability
- v) Minimum notice to synchronization
- vi) Minimum block load on synchronization
- vii) Maximum runup rates and loading rates
- viii) Normal maximum unloading rates
- ix) Turbine governor over speed trip
- x) Voltage control range and
- xi) Generator protection settings.

The details of the above parameters has been mutually agreed and separately furnished to the parties.

Schedule B
Scheduling, Co-Ordination and Despatch Procedures

1. Upon signing of this Agreement, each Party shall nominate one executive for co-ordination regarding the operation of the Project. The role of these executives would be to jointly:
 - (a) Determine the annual plan for Scheduled Outages in accordance with Sections 3 to 5 below;
 - (b) Undertake dispute resolution as per Article 14.1(a);
 - (c) Receipt of bills and verification of the same in accordance with Article 5 of this Agreement;
 - (d) Nominate the representatives of each Party to deal with the issues relating to metering in accordance with Article 4 of this Agreement;
 - (e) Undertake any other general co-ordination required.
2. The Company shall by March 31 of each calendar year, submit to the APDISCOMs its proposed schedule of Scheduled Outages for the twelve (12) month period commencing on July 1 through June 30 of the following year; provided that the Company will use its reasonable endeavour not to schedule any Scheduled Outages during the months of November to July, unless otherwise agreed by the APDISCOMs or unless required to comply with the Technical Limits, Prudent Utility Practices, or other requirements of any construction contract for the project or any manufacturer of major components of the Project for maintaining in effect any guarantees with respect to the Project or for achieving the level of Project performance required under this Agreement.
3. On or prior to May 1 of each calendar year, the APDISCOMs shall agree to the final schedule of Scheduled Outages submitted by the Company provided that if the APDISCOMs fails, within the foregoing period to object to any Scheduled Outage of which it receives notice or fails within such period to advise the Company of a substitute time, the Company, may adhere to its schedule of Scheduled Outages. In case the APDISCOMs propose any amendments to the Company's schedule of Scheduled Outages, the Company and the APDISCOMs shall then endeavour to agree upon a revised schedule of Scheduled Outages within fifteen (15) days.
4. If the APDISCOMs does not accept any one or more of the proposed Scheduled Outages proposed by the Company, the APDISCOMs shall, by the date referred to in Section 3 above advise the Company of a time when the APDISCOMs determines any such unacceptable Scheduled Outage can be rescheduled and the Company shall reschedule such outage unless (subject to the proviso of Section 2 above) (a) such rescheduled outage would begin or end in a different Tariff Year; (b) such rescheduled outage is not in accordance with the Technical Limits, Prudent Utility Practices, or the requirements of any construction contractors for the Project and/or any manufacturer of major components of the Project for maintaining in effect any manufacturer's

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guarantees with respect to the Project or for achieving the levels of Project performance, operating procedures and parameters required under this Agreement or (c) the APDISCOMs otherwise agrees.

5. The APDISCOMs may, upon sixty (60) days' notice prior to any Scheduled Outage, request that such Scheduled Outage be rescheduled giving the reasons for such request and the Company shall, unless it has reasonable grounds for objection, comply with such requests consistent with the proviso under Section 4 above.

6. **Availability, Testing and Monitoring**

- (a) The APDISCOMs may from time to time after the Effective Date (but not more frequently than once every twelve (12) months) require the Company to demonstrate the Project's reliable capacity in accordance with the procedures for such testing as per Schedule D. Such test shall be conducted upon nor less than seven (7) days' notice and not during any period when any Unit(s) is due to undergo Scheduled Outage or during any period of Force Majeure. The APDISCOMs shall be entitled to be present, and to receive and verify the results of such test. If such test fails to demonstrate that the Company is capable of reliably achieving the Installed Capacity, the Company shall not be entitled to issue an Availability Declaration in excess of the demonstrated level unless and until it has conducted a re-test which demonstrates the reliable capacity and the Installed Capacity shall be reduced until a subsequent re-test conducted in accordance with this paragraph demonstrates a higher Installed Capacity.
- (b) The APDISCOMs may from time to time but not more frequently than once in a month, issue a notice to the Company upon one (1) hours' notice requiring it to demonstrate over a limited period (not exceeding ten (10) hours) the Project's capability to achieve a specified level of capacity which is equal to the Declared Capacity in the Company's then existing Availability Declaration. In response to such a notice, the Company shall either generate energy equivalent to the level of capacity specified in the APDISCOMs' notice or promptly redeclare its Declared Capacity in a further availability notice which is less than the specified level of capacity. If the Company fails to so generate electricity or redeclare its Declared Capacity, the Company shall be deemed not to have complied with the APDISCOMs' request and shall, save as otherwise provided herein, be treated as a Misdeclaration of Availability thereby incurring the penalties associated with the same.
- (c) If the Project fails repeatedly over a sustained period of six (6) or more months to meet the Prescribed Parameters on the basis of tripping of protective devices on the APTRANSCO/APDISCOMs side of the Inter Connection Point directly caused by material non-performance of the Project, or to deliver Availability Declarations accounting for any Misdeclaration of Availability equivalent to at least 90% of the Installed Capacity claimed by the Project during any month (other than for reasons of Scheduled Outages, identified causes of power reductions, Force Majeure, or an act or omission of the APDISCOMs), the APDISCOMs may request that the Company conduct reasonable performance tests to identify the cause of such reported failures. The APDISCOMs may

request that such test be conducted (at the Company's expense) no more frequently than once per year.

7. Despatch Procedures and Availability Declarations

- (a) Despatch of the Project will be controlled by the appropriate Load Despatch Centre of the APTRANSCO/APDISCOMs. The APDISCOMs will identify and notify the Company regarding the appropriate body and the names of the designated officers for the despatch of the Project at least one month from the date of signing of this Agreement. Within one week of receipt of such notification, the Company shall notify the names of its designated officers to receive the despatch.
- (b) The nominated executives will despatch the Project duly considering the outages in accordance with Section 3 above, this schedule and the merit order operation of the grid. A Despatch Instruction can either be conveyed orally or in writing (by fax or otherwise) provided that each oral Despatch Instruction will have to be confirmed in writing within eight (8) hours. The receipt of any Despatch Instruction will be acknowledged by the designated officers of the Company within one hour of receipt of the same.
- (c) **Definitions.** For the purpose of this Schedule:
 - (i) "Availability Declaration" means the declaration made by the Company regarding the Project's capacity that is available for generating power, provided that in no case shall the Declared Capacity in any Availability Declaration exceed the Installed Capacity or such lesser amount of capacity as shall be demonstrated by the Company as per Section 6.
 - (ii) "Availability Failure Period" has the meaning given in the definition of "Misdeclaration of Availability" in Section 3(c)(vi).
 - (iii) "Cumulative Available Energy" means the sum, over a Tariff Year, of (A) for all Settlement Periods during which no Force Majeure event has been declared by either Party, the sum of the Declared Capacities for each such Settlement Periods, expressed in kWh, plus (B) for all settlement periods during which a Force Majeure event (other than a non-political Event affecting the Company) has been declared by the affected party, the sum of the average Declared Capacity determined for each period in accordance with Article 10.5(e) or (d), whichever is applicable plus (C) for non-delivery of fuel to the Project arising from an event of Force Majeure under Article 10.1(a)(ii) affecting the fuel supplier or transporter for which the fuel supplier or transporter is excused under the fuel supply agreement(s), the sum of the average Declared Capacity determined for each period in accordance with Article 10.5(e) less any penalties for Mis-declaration of Availability.
 - (iv) "Day" shall mean the twenty-four (24) hour period beginning at 00:00 hours (Indian Standard Time) by reference to which the APDISCOMs schedules generating plants;

- (vi) "Declared Capacity" for any Settlement Period shall mean the maximum output the Project is capable of generating in that Settlement Period at the generator terminals in MW at Site Reference Conditions and a Grid System frequency of 50 Hz.
- (vii) "Misdeclaration of Availability" means an event in which the APDISCOMs has given the Company a Despatch Instruction to increase generation over the amount then being generated by the Company, which amount of excess generation is within the then-effective Availability Declaration of the Company and conforms to the Ramp-up Rate, and the Company fails to deliver during the next Settlement Period the energy corresponding to the despatched capacity (subject to a tolerance of 2.5 % of the Declared Capacity) as requested in such Despatch Instruction, except where such failure is caused by a APDISCOMs Default, Emergency, the condition of the Grid System or any event of Force Majeure (in which case the Company shall be deemed to have complied with such Despatch instruction). Provided that, if at any time the Company becomes aware that it is or would be unable to comply with (or it would not be in accordance with Prudent Utility Practices to comply with) any Despatch Instructions as a result of any requirement for unscheduled maintenance or repair of any equipment, then the Company shall forthwith amend the then effective Availability Declaration by telephone (to be confirmed in writing within one hour) and, so long as such Availability Declaration has been issued in good faith, no Misdeclaration of Availability shall be treated as having occurred as a result of such an amendment and such Availability Declaration (as so amended) shall thereafter apply for all purposes hereof.

In the event of a Misdeclaration of Availability by the Company:

- A. The Declared Capacity shall be reduced to the capacity corresponding to the actual level of Net Electrical Energy supplied during the first settlement period adjusted to take into account Auxiliary Consumption following the Company's receipt of the Despatch Instruction in which the Company fails to comply with such Despatch Instruction, which reduction shall continue until the first Settlement Period in which the Company delivers capacity corresponding to the Net Electrical Energy adjusted to take into account Auxiliary Consumption incurred by the Company in such Settlement Period which is equal to or greater than the level of despatched capacity specified in (i) the APDISCOMs's then applicable Despatch Instruction or (ii) any revised Availability Declaration issued by the Company (the "Availability Failure Period") in accordance with Schedule B, and
- B. A penalty shall be calculated, expressed in kWh (the Mis-declaration penalty) as follows:

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- C. The number of Settlement Periods from the commencement of the Availability Failure Period until (x) the last preceding Settlement Period during which the Project delivered Net Electrical Energy adjusted to take into account Auxiliary Consumption corresponding to capacity which is equal to or greater than, the level specified in the Despatch Instruction or (y) 720 hours, whichever is less shall be multiplied by an amount (in kW) equal to 200% of the difference between the Declared Capacity specified in the applicable Availability Declaration and the level of capacity actually supplied in the first Settlement Period of the Availability Failure Period as per (a) above;
- (vii) "Prescribed Time" shall mean the latest time prescribed by regulation of the delivery of Availability Declarations or, if no time is prescribed, 10.00 AM on the day prior to the relevant Day or such other time as the Parties may agree;
- (viii) "Scheduled Outage" means a planned interruption of the generating capability of the Project that has been scheduled and allowed by the APDISCOMs in accordance with this Schedule B and is for inspection, testing, preventive maintenance, corrective maintenance, repairs, replacement or improvement;
- (ix) "Settlement Period" shall mean a sixty minute period beginning at the hour.

8 Despatch Rights

- (a) In despatching the Project, the Company shall follow the directives of the APDISCOMs to back down generation and to resume generation of Net Electrical Energy in each case consistent with the Project's Technical Limits, Prudent Utility Practices, the recommendations of the manufacturers of major equipment, this Agreement and other arrangements between the Company and the APDISCOMs regarding communication and co-ordination of operations (each such directive being called a "Despatch Instruction"). (The APDISCOMs shall not be required to reimburse the Company for any incremental costs or damages in respect of Despatch Instructions issued in compliance with the foregoing and with the following provisions.)
- (b) No Despatch instruction shall require the Company to:
- (i) Operate the Project at a gross generating capacity below 60% of the Project's Installed Capacity or such lower Declared Capacity for any period of time except in an Emergency;
- (ii) The aggregate duration of back down of generation pursuant to Despatch Instructions (including ramping time) shall not exceed twelve hundred (1200) hours in any Tariff Year.

(5)

- (iii) The number of Despatch Instructions shall not exceed one (1) per day. However if the Company re-declares its Declared Capacity, the APDISCOMs is entitled to one more Despatch Instruction;
- (iv) Any Despatch Instruction issued by the APDISCOMs in violation of the Technical Limits specified in Schedule A shall not constitute a Despatch Instruction for the purpose of this Agreement;
- (v) The number of starts of the Project for the reasons due to APDISCOMs convenience shall not exceed more than five (5) in a month but not exceeding fifty (50) in any Tariff Year.

9. Availability Declarations

- (a) Generally: As soon as practicable, but not later than the Prescribed Time each day, the Company shall deliver to the APDISCOMs an Availability Declaration containing the following information:
 - (i) Time date and time limit such Availability Declaration is issued;
 - (ii) The period in which such Availability Declaration relates; and
 - (iii) The Declared Capacity of the Project at Site Reference Conditions for each of the Settlement Periods throughout the relevant period (and where such Declared Capacity changes, the time at which any change is expected to take effect)
- (b) Changes: The Company shall take reasonable care in preparing Availability Declarations with a view towards declaring accurately the Company's expectations regarding the performance of the Project in accordance with this Agreement. If the Company becomes aware of any circumstance (other than a change in Site Reference Conditions) that would change the Declared Capacity for any Settlement Period, the Company shall promptly issue a revised Availability Declaration. The Company shall have the right to change any Availability Declaration at least twenty-four (24) hours prior to the time when such change is to become effective and at any other time expressly permitted under this Agreement. Misdeclaration of Availability shall result in a change in the Availability Declaration in the manner, and for the purpose, specified in the definition of "Misdeclaration of Availability".
- (c) Declared Capacity of Zero: A declaration in an Availability Declaration increasing the Declared Capacity of a Unit from zero will mean that such Unit is capable of being synchronized to the APITRANSO/APDISCOMs transmission system at the time that the increase is stated to be effective (or if no such time is stated, then immediately) assuming that Despatch Instructions are issued in sufficient time to allow Synchronisation at such time in accordance with the Technical Limits. Any increase in the Declared Capacity of a Unit above zero must reflect the Ramp-up Rate of such Unit.

- (d) APDISCOMs Directed Shutdowns: During any period of APDISCOMs directed shutdown or backing down (other than those requested by the Company) or any reduction in generating capacity resulting from a condition of the Grid System, the Company shall state its Declared Capacity as the amount of available capacity at the generator terminals, measured in MW, that the Company expects could be delivered to the APDISCOMs if the Project were fully loaded.
- (e) Force Majeure Periods: In the event of any Force Majeure event which prevents the Project in whole or in part from generating electrical energy in accordance with Article 10 of this Agreement, the Company shall promptly issue revised Availability Declaration which shall state the Declared Capacity as the amount of electrical capacity measured at the generator terminals, if any, that the Company expects can be delivered, the precise nature of the Force Majeure (including whether it is a Political Force Majeure Event or other Force Majeure) and the expected duration of the effects of such Force Majeure on Declared Capacity; provided that the APDISCOMs shall have such rights to require verification of the event and its contribution to the revised available capacity at the generator terminals, measured in MW, as are provided generally with respect to Force Majeure Events under Article 10 of this Agreement.

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Schedule C
Permits

List of Permits required for Operation & Maintenance of the Project:

1. Permission for operation of Boilers from Boiler Inspectorate
2. Permission for Air & Water Consent from AP Pollution Control Board
3. Permission for operation of Electrical Installations from the Chief Electrical Inspectorate
4. Permission from Factories Department
5. Permission to store & consumption of Naphtha (Petroleum Class 'A & B') from Chief Controller of Explosives.

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Schedule D
Test Procedure

1. **1. Capacity Test for Combined Cycle Project:** shall be the basis for demonstrating gross generation capacity of the Project in combined cycle mode for at least 90% of the gross generation capacity.

1.1 **Test Procedure:** The tests shall be conducted in accordance with standard international test codes and practices and include applicable sections of various codes.

1.2 **Site Reference Conditions :** The gross generation capacity is related to the following conditions:

Fuel	:	Gas: Naphtha
Ambient Temperature (Dry bulb)	:	29°C
Relative Air Humidity	:	70%
Absolute Atmospheric Pressure	:	1013 mbar
Frequency	:	50 Hz
Load Factor	:	Base Load
Degradation	:	As per EPC
Water Injection	:	As per EPC

Note: Correction curves for the above shall be as per the OEM/EPC.

2. **Electrical System Characteristic Tests:** shall demonstrate the Project's ability to operate within the limits of the electrical system characteristics as described in Schedule A. Electrical System Characteristics shall be deemed to be achieved in case of:

(a) Voltage, provided the Project operates within the voltage levels described in Schedule A for the duration of the acceptance test. If during the test, voltage tests cannot be performed due to the APDISCOMS constraints, data supplied from tests of the generators and the generator step-up transformers supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.

(b) Grid Frequency, provided the Project operates within the frequency level described in Schedule A for the duration of the Capacity Test

(c) Power Factor, provided the Project operates within the power factor range described in Schedule A for the duration of the Capacity Test. If during the Capacity Test, power factor tests cannot be performed due to the APDISCOMS constraints, data supplied from tests of the generators and the generator step-up transformers supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.

3. **Emission Level :** Emission levels shall comply with applicable Law and Permits.

- 4. **Sound Pressure Level :** Emission levels shall comply with applicable Law and Permits.

5. **Liquid Effluent :** The liquid effluents shall be treated in accordance with applicable Law and Permits.

6. Test Results :

- 6.1 Within five (5) days after the conclusion of any test, the Company shall submit a written report to the APDISCOMs which shall contain sufficient data to demonstrate the level of performance during such test;
- 6.2 If the APDISCOMs disputes any or all the results contained in the report provided by the Company pursuant to paragraph 6.1 above, then the matter shall be referred to the Independent Engineer.

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Schedule E
Format for Monthly Bills

Format for Monthly Bills shall be mutually agreed by the Parties keeping in view the existing practice.

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SCHEDULE - F

INDEPENDENT APPRAISER, BUYOUT PROCEDURE AND CALCULATION

INDEPENDENT APPRAISER:

The Independent Appraiser shall be selected from the following list :

- Ernst & Young
- KPMG
- Price Waterhouse Coopers
- Grant Thornton

If any or all of the above firms cease to exist at any point of time, other firms may be added by Mutual Agreement.

If any of the above firms is in any capacity providing services to the Parties and their associate/subsidiary companies (for example, such as consultancy, audit, tax advice, etc.), such firm will not be considered eligible to act as Independent Appraiser.

If the Independent Appraiser is required to be appointed for any reason other than that specified in Schedule F, it shall be appointed by the Parties within fifteen (15) days following the application of either Party and otherwise using the procedure and on the same terms as set out in Schedule F.

BUYOUT PROCEDURE AND CALCULATION

1. Introduction

The Schedule outlines:

- (i) the procedures to be adopted in the event that a Buy-out Notice is issued by either of the Parties as described in Article 12 pursuant to this Agreement; and
- (ii) the methodology to be followed for calculating the purchase price payable.

The provisions of this Schedule F shall survive expiry or termination of this Agreement.

2. Definitions

For the purposes of this Schedule F, the following terms shall have the following meanings:

"Buy-out" means a purchase by the APPDISCOMs of the Project pursuant to exercising its option under Article 12.



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"Buy-out Notice" means notice issued for exercising Buy-out option.

"Completion" means the receipt by the Company of the Buy-out Price in immediately available funds and the transfer of the Project to the APDISCOMs.

"Debt" : means any loan, debenture or other facility contemplated by the Financing Documents which has been raised or received by the Company, but only to the extent that the proceeds of such capital contribution are exclusively utilised (or expected to be utilised) on the Project."

"Equity" : means the amount contributed towards the paid-up share capital of the Company but only to the extent that the proceeds of such capital contribution are exclusively utilised (or expected to be utilised) on the Project.

"Statement of Practice" means the Statement of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

"Terminal Value" or "TV" shall equal 50% of the depreciated replacement cost ("Depreciated Replacement Cost" or "DRC") which shall assume that the useful life of the Project remaining at the time TV falls to be calculated is as determined by the Independent Appraiser having regard to the condition and relative obsolescence of the Project and which shall be the sum of:

- (i) the value of the Project's right, title and interest in land, buildings and fixtures calculated on the Depreciated Replacement Cost basis, as detailed in the Statement of Practice; and
- (ii) the value of all plant, machinery and equipment owned by the Project calculated by reference to the net current replacement cost thereof, as detailed in the Valuation of Plant and Machinery Assets practices set out in the Statement of Practice.

"Transfer Date" means the date of Completion fixed pursuant to paragraph 4(d) below.

3. Scope of the Sale

- (a) The APDISCOMs shall purchase all the assets of the Company required to operate the Project including land, buildings, plant and equipment, fuel stockpiles, spare parts, records, drawings, operating manuals and instructions and all other consumables, and the Company shall use its reasonable endeavours to deliver them in good operating condition, subject only to reasonable wear and tear.
- (b) The APDISCOMs shall not purchase any cash in hand and/or in bank accounts, trade and book debts nor receivables according to the Company prior to the Transfer Date unless due consideration for these can be mutually agreed between the Parties.
- (c) All other assets existing at the Transfer Date that are not included in clauses (a) and (b) above shall be for the benefit of the Company including the proceeds of

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any insurance or warranty claims made prior to the Transfer Date, but, excluding the proceeds of any insurance or warranty Claims relating to the Buyout Event which insurance or warranty claims shall be to the account of the APDISCOMs.

- (d) The Company shall fully discharge and shall indemnify the APDISCOMs against all liabilities and obligations of the Company that have accrued prior to the Transfer Date but excluding any such liabilities arising as a result of any Political Force Majeure Event.
- (e) No warranties as to the condition of the property and assets of the Project shall be given except that the Company agrees to assign to the APDISCOMs the benefit of any warranties from third parties existing at the Transfer Date.
- (f) No Debt or other liability relating to the Project and incurred before the Transfer Date will be assumed by the APDISCOMs unless it chooses to and can reach agreement of the same with the Company and, if necessary, the Lenders or other creditors (where such agreement is necessary in order to give legal effect to the assumption thereof by the APDISCOMs), subject to clause (g) below. The Buy-out Price shall be paid net of any such liabilities assumed by the APDISCOMs.
- (g) The company shall, if so required by the APDISCOMs, procure the novation or assignment to the APDISCOMs of any relevant fuel and other contracts relating to the Project on such terms as the APDISCOMs may reasonable require and shall ensure that such contracts shall contain terms that expressly permit such novation or assignment.
- (h) The Company shall transfer the assets defined in paragraphs 2(a) and 3(b) of this Schedule F free and clear of all mortgages, charges, liens and encumbrances (together "Encumbrances") whatsoever. Any payments by the APDISCOMs under this Schedule shall only be made against the release of all Encumbrances.

4. Procedure for Determination of the Buy-out Price

- (a) Within fifteen (15) days following issue of a Buy-out Notice, an Independent Appraiser shall be mutually appointed in good faith by the Company and the APDISCOMs and shall begin work in order to carry out a determination of the Buy-out Price (the "Valuator"). Such Independent Appraiser shall be provided with all necessary data and information by each Party in order to carry out the Valuation. Failing agreement of a mutually acceptable Independent Appraiser within ten (10) days of the issue of the Buy-out Notice, an Independent Appraiser shall be nominated by the President of the Institute of Chartered Accountants of India.
- (b) The Independent Appraiser shall prepare the Valuation in accordance with the methodology described in paragraphs 5 and 6 of this Schedule F. Throughout the process, the Independent Appraiser shall consult with both Parties, update them of progress and analyse any commentary they may have on the Valuation.
- (c) The Independent Appraiser shall complete the Valuation within forty-five (45) days of the issue of the Buy-out Notice and deliver a copy to both Parties.

- (d) The Transfer Date shall occur within fifteen (15) days after receipt of the Valuation by both Parties at a time and place that is mutually agreeable to both Parties (or failing agreement, selected by the Party serving the Buy-out Notice, acting reasonably). The APDISCOMs shall pay the Buy-out Price to the Company in immediately available funds, and simultaneously therewith, the Company shall transfer and assign to the APDISCOMs all of its right, title and interest in the Project except to the extent excluded pursuant to paragraph 3 of this Schedule F. All payments shall be made in Indian Rupees.
- (e) Following Completion, the APDISCOMs and the Company may each submit a "Post Closing Adjustment" to the other Party in line with normal industry practice for asset acquisitions to reflect differences between the assumptions used in the Valuation and the actual asset position on the Transfer Date, for example, a difference in inventory levels. Any dispute over the Post Closing Adjustment will be referred to the Independent Appraiser, whose sole judgement will be final and binding and shall not be open to dispute or arbitration.
- (f) The contract of the Independent Appraiser shall require him to act impartially between the parties.

5. Calculation of the Components of the Buy-out Price

- (a) The general guidelines for determining the Buy-out Price shall be as follows:
- (i) The Buy-out Price will be stated in the Valuation in Rupees and shall be paid in Rupees. The Independent Appraiser shall ascertain the portion of the Buy-out Price which needs to be converted into foreign currency to repay any outstanding Foreign Debt and/or any Equity ("Foreign Equity") originally subscribed in any currency other than Indian Rupees and such portion will be calculated in such foreign currency and converted into Rupees at the Current Rate of Exchange (Aenor) prevailing on the date of payment to the Company. The APDISCOMs shall assist the Company in receiving any clearance required from any Government Agency for converting and remitting this amount. Any late payment shall bear interest at a rate equal to the weighted average rate of interest applicable to the Debt of the Company.
- (ii) The Valuation will be conducted on the following assumptions:
- (a) this Agreement will continue in full force and effect until the end of its full ten year term,
- (b) all other contracts in connection with the Project will continue in full force and effect until their natural expiry (which assumption the Independent Appraiser can depart from for good reason, especially if any contract is not novated or assigned to the APDISCOMs),
- (c) the APDISCOMs meet their future payment obligations under this Agreement and that there is an end to any events of Force

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Majeure that led directly to the issue of the Buy-out Notice.

- (d) the Project performs in all respects as it did historically, adjusting for expected deterioration of the technical performance of the Project over the term of this Agreement. If the Independent Appraiser deviates from the assumption that future performance will mirror past performance, an explanation of all such deviations shall be provided to the Parties.

Provided that no account will be taken of any loss or damage suffered by the Project remaining unrepaid as at the date of the Buy-Out Notice, insofar as such loss or damage is directly attributable to a Political Force Majeure Event or APDISCOMs Default.

- (ii) Any reduction to the value of the assets of the Project due to a Political Force Majeure Event, a material breach by the APDISCOMs of its obligations hereunder or a APDISCOMs Default shall not be for the account of the Company and shall not reduce the Buy-out Price from that which would have pertained if such Political Force Majeure Event, material breach or APDISCOMs Default had not occurred.
- (b) The discounted cash flow valuation ("DCFV") shall be an estimate of the net present value of the expected cash flows accruing to the Company (after all debt service and all other Project costs and expenses) as a result of operating the Project over the remainder of the term of this Agreement (as if it were not terminated until its expiry at the end of ten years). The DCFV shall be carried out in line with normal industry practice, following the guidelines below:

- (i) Annual cash flow ("ACF") projections in Rupees shall be prepared on an after-tax basis according to the following formula:

$$ACF(i) = Rev(i) - Opex(i) - Capex(i) - Debt(i) - dNWC(i)$$

Where, for the calendar year i:

$Rev(i)$ = All revenues determined under this Agreement as per the Capacity Charge payments based on Declared Capacity on a historical basis as determined by the Independent Appraiser.

$Opex(i)$ = Operating and Maintenance Expenses of the Project including all interest and fees on borrowings except that any expenses required as a result of Political Force Majeure Events, material breaches by the APDISCOMs of its

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obligations hereunder shall not be included in OpeX;

Capex(i) = Any capital expenditure not already included in OpeX, including the estimated cost of repairing any defect or physical loss or damage to the Project, except that any capital expenditure required as a result of Political Force Majeure Events, material breaches by the APDISCOMs of its obligations hereunder shall not be included in Capex.

Debt (i) = All principal and interest repayments pursuant to the Capital Cost of the Project, and any reduction or increase in any loans taken for the purpose of working capital, increases in such being treated as a negative number.

dNWC(i) = Any increase or decrease in net working capital required each year. Reductions in net working capital shall be treated as negative. The net working capital shall be the sum of inventories and trade receivables minus payables.

- (i) ACF(i)s should be considered to occur on average at the middle of each year.
- (ii) Inflation and exchange rate movements should be applied to the components of the forecast where appropriate. Any exchange rate forecasts should be based on purchasing power parity, i.e. forecast movements in exchange rates will be determined by forecasts of the differential inflation rates in the respective countries.
- (iii) The Independent Appraiser will have sole regard to the future operation of the Project considering all factors that are likely to affect it, including but not limited to the following:
 - (a) net availability and Plant Load Factors for the calculation of the Tariff should be based on historical performance unless there is a reason to believe that this is not a reliable indicator of future performance;
 - (b) plant heat rates should also reflect historical performance of the Project but should also take into account future heat rate degradation of the Project; and
 - (c) operating and maintenance costs should be based on Prudent Utility Practices and should reflect historical performance levels as well as any factors, which in the judgement of the Independent

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Appraiser are likely to affect future cost levels.

- (v) The discount rate will be a nominal discount rate (i.e. including inflation) and will be determined by the Independent Appraiser to be the weighted average cost of capital of the Company based on the cost of equity of electrical generating companies that are publicly quoted in India but adjusted to take into account the location and size of the Project, the fact that it may be a private company without a diversified portfolio of assets, the length of operating history, the predictability of the cash flows and their limited growth potential and any other factors that the Independent Appraiser judges to be appropriate, weighted by the quantity of Equity as per the Financing Documents. The real discount rate to which inflation shall be added to obtain the Nominal Discount Rate, shall not in any event be less than 1. % per annum or more than 15% per annum.

- (vi) The DCFV must be determined by the following formula:

$$\text{DCFV} = \text{Summation of } ACF(i)(1+NDR/100)^{(i-1)} \text{ over the remaining term of this Agreement.}$$

NDR = the Nominal Discount Rate

ACF(i) = the Annual Cash Flow for calendar year i;

- (d) The "Total Debt Amount" shall be stated in Rupees and shall equal all outstanding principal repayments of Debt of the Company pursuant to the Financing Documents plus any working capital loans (which shall be only to the extent of the market value of current assets less current liabilities as assessed in the Valuation) and any accrued interest and financing fees as at the Transfer Date.
- (e) The "Transfer Taxes" shall equal all stamp and additional stamp duties and any other taxes (including any sales or value added taxes but not capital gains tax or income tax) and any registration fees that become payable by the Company as a result of the purchase of the Project by the APPISCOMs.
- (f) The "Transfer Cost" shall equal all reasonable costs and liabilities of the Company which are a result of the purchase of the Project by the APPISCOMs, including without limitation, the fees and out-of-pocket expenses of the Independent Appraiser, any termination payments, compensation, costs, expenditure or novalium fees on contracts in connection with the Project whose terms are reasonable and customary for private power projects such as the Project or in connection with the project documents specifically approved by the APPISCOMs, and capital gains taxes and income taxes but excluding Transfer Taxes as defined in paragraph (e) above.

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6. The Buy-out Price

The Buy-out Price shall equal the sum of the following elements, adjusted if appropriate under paragraph 3 (f) of this Schedule 7:

- (a) A times the DCFV;
- (b) B times the Total Debt Amount;
- (c) C times the Transfer Taxes; and
- (d) D times the Transfer Cost,

where A, B, C, and D are determined depending on the reason for termination as shown in the table below. The note to the table should also be taken into account when calculating the relevant variable.

Reason for Termination	A	B	C	D
	DCFV	Total Debt Amount	Transfer Taxes	Transfer Costs
APDISCOMs purchase option following a company Default	0%	100%	See Note	0%
Company sale option or the APDISCOMs purchase option following a Political Force Majeure Event referred to in Article 10.1(a)(ii) or Company sale option following a APDISCOMs Default	100%	100%	100%	100%
Company sale option or the APDISCOMs purchase option following a Political Force Majeure Event other than that referred to in Article 10.1(a)(ii)	75%	100%	100%	75%
APDISCOMs purchase option or Company sale option following a Non-political Force Majeure Event affecting the APDISCOMs or Force Majeure Event affecting Fuel supplier or transporter described in Article 10.5(e)	75%	100%	100%	75%

Note : In the event termination is a result of a Company Default, the APDISCOMs shall pay all Transfer Taxes in excess of 5.5% of the Buy-out price.

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Schedule - G

Parameters	Unit	Value
Threshold PLF	%	80%
Installed Capacity	MW	361.92
Useful Life	Years	10
Aux consumption	%	3%
Capital cost (Depreciated)	Rs Crs	192
Original Project Cost	Rs Crs	1133
Original Equity at COD	Rs Crs	340
Year of refurbishment	Years	4
Refurbishment cost	Rs Crs	200
O&M Expense per MW	Rs Crs/MW	0.1657
O&M Escalation	%	6.3%
Salvage value	%	10%
Loan tenure	Years	6
Interest on term Loan	%	13.50%
Interest on Working Capital	%	12.85%
Debt for refurbishment cost	%	100%
Return on Equity	%	12.50%
Discount Rate	%	10.64%
SHR	Kcal/kWh	1995
Gas GCV	Kcal/SCM	9500
Gas cost	Rs/SCM	9.5
Liquid fuel GCV	Kcal/SCM	11,300
Liquid fuel cost	Rs/SCM	40
Fuel cost escalation (indicative)	%	5%
Working Capital		
-O&M Expense	Months	1
-Receivable	Months	2
-Gas cost	Months	1
-Liquid Fuel Cost	Months	0.5
-Spares as % of O&M expense	%	30%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Contribution of Non-Residential Pk Hdg	N/A	2,480	2,490	2,492	2,492	2,492	2,492	2,492	2,492	2,492
Total Contribution of Pk Hdg Change	R/C/S	48.57	68.15	81.49	12.32	76.57	81.32	81.52	81.72	81.92
Contribution	R/C/S	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87	7.87
Interest on Term Loan	R/C/S	-	-	-	41.20	41.20	41.20	41.20	41.20	41.20
Interest on W/Hdg Capital	R/C/S	13.48	20.38	21.61	27.01	76.44	26.91	15.76	11.23	6.79
Holding on Equity	R/C/S	41.30	42.53	42.60	42.61	40.50	42.50	21.16	12.03	31.38
Term Finance Cost	R/C/S	191.20	196.94	141.04	185.41	218.47	211.92	211.74	211.65	211.58
Term Finance Cost of Change	R/C/S	28.8	30.2	28.8	30.2	28.6	28.6	28.6	28.6	28.6
Gas Quality	Million SCBM	8.11	8.09	11.47	11.00	11.55	12.12	12.77	13.57	14.34
Term Gas Cost	R/C/S	203.06	248.5	212.83	307.52	322.10	318.04	315.0	313.40	312.49
Contractual G/L %	R/C/S	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Opational Tarrif (Gas)	R/C/S	2.41	2.41	2.41	2.41	2.42	2.42	2.42	2.42	2.42
Interest Factor		-	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Net and Profit Components		Long-term	-	-	-	-	-	-	-	-
Pk Hdg Equity	R/C/S	0.11	0.12	0.28	0.23	0.24	0.24	0.23	0.22	0.22
Pk Hdg Retention	R/C/S	0.11	0.12	0.01	0.01	0.17	0.17	0.17	0.17	0.17
Pk Interest on Term Ldg	R/C/S	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Pk Interest on Retained Capital	R/C/S	0.11	0.12	0.09	0.03	0.10	0.10	0.11	0.12	0.12
Pk Interest on Equity	R/C/S	0.11	0.12	0.17	0.17	0.11	0.11	0.11	0.11	0.11
Pk Fixed Cost	R/C/S	0.11	0.12	0.10	0.10	0.09	0.09	0.09	0.09	0.09
Pk Variable Cost (Gas)	R/C/S	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Pk Total Components	R/C/S	2.41	2.42	2.41	2.42	2.41	2.42	2.41	2.42	2.42
Direct	R/C/S	31.23	31.23	31.23	31.23	31.23	31.23	31.23	31.23	31.23
Recovering balance	R/C/S	-	-	-	-	-	-	-	-	-
Closing balance	R/C/S	-	-	-	-	-	-	-	-	-
Interest	R/C/S	-	-	-	-	-	-	-	-	-
Working Capital Reimbursement	R/C/S	5.10	5.31	5.85	6.20	8.33	8.74	7.71	6.15	3.65
Other Working Capital	R/C/S	101.18	105.82	107.87	110.75	131.63	136.76	142.46	147.81	155.68
Recovering	R/C/S	2.38	2.34	2.34	2.34	2.35	2.35	2.35	2.35	2.35
Closing balance	R/C/S	2.32	2.32	2.32	2.32	2.33	2.33	2.33	2.33	2.33
Interest	R/C/S	17.39	18.13	20.23	21.61	22.87	24.42	25.36	26.59	27.13
Grace Period Capital Reimbursement	R/C/S	105.93	105.93	105.93	105.93	105.93	105.93	105.93	105.93	105.93
Interest on VLC	R/C/S	19.36	20.95	21.94	23.01	23.49	23.57	23.71	23.89	23.99

Note: It is important for the determining capital requirements and costs from the same shall be focused on the DISCOMS separately as per their individual financial statements.