

दिल्ली DELHI

POWER PURCHASE AGREEMENT

W 875089

BETWEEN

SJVN LIMITED

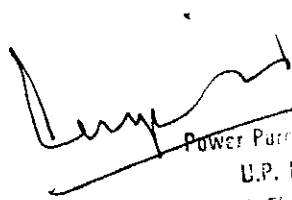
AND

(UTTAR PRADESH POWER CORPORATION LIMITED)

THIS POWER PURCHASE AGREEMENT entered into on this 7<sup>th</sup> day of March , 2011 between SJVN Limited(formerly Known as Satluj Jal Vidyut Nigam Limited & Nathpa Jhakri Power Corporation limited), a Company incorporated under the Companies Act, 1956 having its registered office at Himfed Building, New Shimla 171009 (hereinafter called "SJVN", which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) as party of the first part and Uttar Pradesh Power Corporation Limited (hereinafter referred to as UPPCL) generally referred to as "Bulk Power Customer" which expressions shall unless repugnant to the context shall include their respective successors and assigns as party of the second part.

Whereas, SJVN is a generating company formed as a joint venture between Govt. of India and Govt. of Himachal Pradesh. SJVN has set up 1500 MW Nathpa Jhakri Hydro Power Station consisting of 6 units of 250 MW each located in the districts of Shimla and Kinnaur of Himachal Pradesh (hereinafter specifically referred to as "Power Station") to be operated and maintained by SJVN.

Now, Therefore, in consideration of the premises and mutual covenants and conditions set forth herein, it is hereby agreed by and between the parties hereto as follows:-

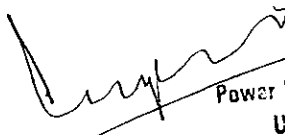
  
CHIEF FINANCIAL OFFICER  
Power Purchase Agreement Director  
U.P. Power Corporation Ltd.  
Lucknow, U.P. Ghawan Extn.

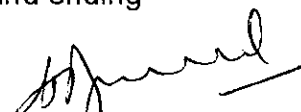
  
R.K. AGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

## 1.0 DEFINITIONS:

The words / expressions used in this Agreement, unless repugnant to the context, shall have the same meanings as respectively assigned to them by the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 and Electricity Act 2003 as amended from time to time and the rules framed there under or by any new bill, rule and Act that would come into force as a substitute or otherwise to the above stated Acts. The words / expressions mentioned below shall have the same meanings as respectively assigned to them hereunder:-

- a) BPTA : means Bulk Power Transmission Agreement.
- b) CEA : means Central Electricity Authority.
- c) CERC : means Central Electricity Regulatory Commission.
- d) GOI : means Government of India.
- e) GoHP : means Government of Himachal Pradesh.
- f) HPSEB Ltd. : means Himachal Pradesh State Electricity Board Ltd.
- g) IEGC : means Indian Electricity Grid Code.
- h) LC : means Letter of Credit.
- i) Month : means English Calendar month.
- j) MoP : means Ministry of Power.
- k) NJHPS : means Nathpa Jhakri Hydro Power Station
- l) NLDC : means National Load Despatch Centre.
- m) NRLDC : means Northern Regional Load Dispatch Centre.
- n) NRPC : means Northern Regional Power Committee.
- o) Outage : means the state of component when it is not available to perform its intended function due to some event directly associated with that component.
- p) Power / Energy: means the electrical power/energy.
- q) Power Grid : means Power Grid Corporation of India Limited.
- r) POSOCO : means Power System Operation Corporation Limited.
- s) REA : means periodic energy account including Amendments thereof, if any, prepared by NRPC Showing exchange of energy among the various Constituents of NRPC.
- t) Year : means financial year commencing on 1<sup>st</sup> April and ending on 31<sup>st</sup> March.

  
CHIEF ENGINEER  
Power Purchase Department, Director  
U.P. Power Corporation Ltd.  
14th Floor, Bhakti Bhawan Extn.

  
R K KAGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

## 2.0 INSTALLED CAPACITY & ALLOCATION OF POWER:

- 2.1 The installed capacity of Nathpa Jhakri Hydro Power Station is 1500 MW having 6 units each of 250 MW. The installed capacity is however, subject to derating / uprating of the generating units as determined from time to time by CEA or any other agency authorized to do so.
- 2.2 The allocation of power from the power station amongst the Bulk Power Customers shall be in accordance with the instructions regarding allocation of power issued / or to be issued by the MOP, Govt. of India from time to time which shall form an integral part of this Agreement.
- 2.3 The generating Unit(s) have been declared commercially operative by SJVN in accordance with the guidelines specified by GOI/CEA/CERC. The date of commercial operation of each of the units of Nathpa Jhakri Power Station is as below:-

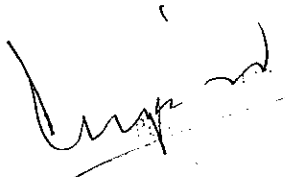
Unit No.	COD
1 <sup>st</sup> Unit (Unit#5)	6.10.2003
2 <sup>nd</sup> Unit (Unit#6)	2.1.2004
3 <sup>rd</sup> Unit (Unit#4)	30.3.2004
4 <sup>th</sup> Unit (Unit#3)	31.3.2004
5 <sup>th</sup> Unit (Unit#2)	6.5.2004
6 <sup>th</sup> Unit (Unit#1)	18.5.2004

## 3.0 GENERAL OBLIGATIONS:

- 3.1 The energy supplied under this agreement shall be in the form of three phase, 50 hertz alternating current at a voltage of 400 KV. The frequency and voltage of energy shall be subject to fluctuations as per provisions contained in IEGC and as amended from time to time except for the reasons and circumstances beyond the reasonable control of SJVN. The supply of energy to Bulk Power Customer is subject to outages as may be necessary on account of shutdown of generating units of the power station and associated transmission system for inspection, maintenance or repair or for any other reason beyond the reasonable control of SJVN. The periodicity and duration of such outages shall be such as may be determined by SJVN in consultation with NRPC / NRLDC.

### 3.2 DELIVERY POINT & EVACUATION OF POWER:

400 KV Bus bar or any other point designated at the power station is the delivery point for supply of energy to the Bulk Power Customer. Evacuation of power from the delivery point of the power station is through the transmission system of Power Grid. The Bulk Power Customer shall make arrangements separately with the concerned agency for evacuation of power & payments of evacuation charges etc. and SJVN shall not be responsible for the same in any manner.

  
R.K. AGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

  
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General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

#### 4.0 METERING ARRANGEMENTS:

Metering arrangements including its installation, testing, maintenance and collection, transportation and processing of data required for energy exchange shall be governed as per the notification / directives issued / or to be issued by CERC and as per relevant provisions contained in IEGC as amended from time to time. The points of metering as decided in NRPC forum from time to time will be an integral part of this Agreement.

#### 5.0 ACCOUNTING OF ENERGY:

The quantum of energy sold to the Bulk Power Customer out of the energy available for sale shall be the energy as indicated in the REA's issued by NRPC. The REA including amendments, if any, as issued by NRPC shall form the basis for billing purposes and shall be binding on both the parties.

#### 6.0 TARIFF

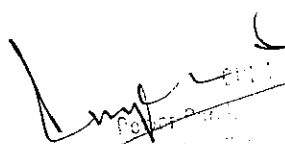
6.1 The tariff to be charged & its associated Terms and Conditions for the energy to be supplied by SJVN from the power station shall be as per Tariff Notifications / orders / directions issued / to be issued by CERC from time to time under Electricity (Supply) Act 1948/Electricity Regulatory Commission Act, 1998 and Electricity Act 2003/ or any other Act / Regulations as may be substituted by Government of India in place of these provisions. Recovery of income tax and foreign exchange rate variation shall be governed as per orders / directions issued by CERC from time to time.

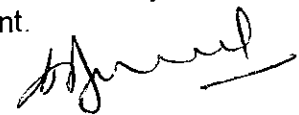
6.2 In case a new tariff for the period beyond the period mentioned in the previous tariff notification/order/direction of the competent Authority is not finalized before that date, the beneficiary (ies) shall continue to pay to SJVN for the power supplied from the power station beyond this date on adhoc basis in the manner detailed in the previous notification/order/direction.

6.3 In addition to the energy tariff set out, the Bulk Power Customer shall also be liable to pay to SJVN in accordance with any law in force, all payments made or payable by it on account of taxes, duties, cess, levy, fees or other imposition etc. levied or to be levied in future as a new tax by the Government or other authority in respect of generation, transmission and supply of energy including activities incidental and ancillary thereto.

#### 7.0 BILLING

7.1 SJVN shall prepare bills for the energy supplied to each of the Bulk Power Customers on the basis of REAs issued by NRPC and Bulk Power Customers shall accept these bills for payment. The bill shall be the aggregate of charges as approved / notified by CERC/Government of India and also subject to all other related provisions wherever appearing in this agreement.

  
R K AGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd. New Delhi

  
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General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd. New Delhi

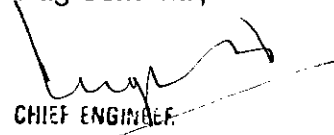
- 7.2 In case Bulk Power Customer has any objection as to the accuracy of any bill(s), it shall lodge a written objection with SJVN within 30 days on presentation such bill(s). On such objection being upheld by SJVN, the same shall be rectified within a period of 30 days from the date of receipt of written objection and necessary effect of the same shall be given in the subsequent bill(s). However, payment of such bill(s) shall not be withheld by the Bulk Power Customer.
- 7.3 The settlement of all disputed current dues shall be governed as per the directives of CERC/GOI as issued from time to time and the same shall form an integral part of this Agreement.

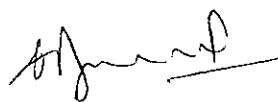
## 8.0 PAYMENT

- 8.1 Payment of bills for supply of power from the project shall be made by the Bulk Power Customer through a confirmed, revolving, irrevocable Letter of Credit to be established in favor of SJVN for an amount equivalent to 105 percent of their average monthly billing of preceding 12 months with appropriate bank as mutually acceptable to the parties. The LC shall be kept valid at all the time during the validity of this agreement or extended period. The amount of LC shall be reviewed once in six months. In case of first LC, the amount of LC shall be as intimated by SJVN and shall be 105% of the cost of energy likely to be supplied. If the amount of energy supply bill is more than the amount of Letter of Credit, the payment of the excess amount shall be made by the Bulk Power Customer directly on presentation of bill (s). All bank charges shall be borne by the Bulk Power Customer.
- 8.2 SJVN shall present bill (s) to the said Bankers with a copy to the Bulk Power Customer. The Bill (s) so presented by SJVN to the said Bankers shall be promptly paid on their presentation.

## 9.0 SURCHARGE ON LATE PAYMENT AND REBATE:

- 9.1 The provision for levy of surcharge shall be governed as per the notification / directives / guidelines issued/to be issued by CERC / GOI from time to time as per prevailing statutes and the same shall form an integral part of this agreement.
- 9.2 The provision for allowing rebate shall be regulated as per notification/directives / guidelines issued by CERC / GOI from time to time and the same shall form an integral part of this agreement. ,

  
CHIEF ENGINEER  
Power Purchase Agreement Directorate  
U.P. Power Corporation Ltd.  
14th Floor, Shakti Bhawan Extn.  
LUCKNOW

  
R K AGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

9.3 Notwithstanding what is contained above, if the bill (s) are not paid by Bulk Power Customer to SJVN within 60 days from the date of billing, SJVN shall have the option to regulate the supply of energy to Bulk Power Customer in accordance with the directive / guidelines issued/to be issued by CERC / GOI from time to time.

## 10.0 ABRITRATION

10.1 All questions, differences or disputes between the parties arising out of or in connection with this Agreement save and except as provided under Clause 5.0 of this Agreement to the extent of power vested with NRPC shall be settled through arbitration by a written notice to the other party or parties requesting for appointment of sole Arbitrator to be mutually decided by the parties within 30 days of receipt of such notice and in case of disagreement, to be decided by Chairman, CEA. In the event Chairman, CEA fails to nominate the Sole Arbitrator, the same shall be appointed in accordance with the Arbitration and Conciliation Act, 1996. The arbitration shall be conducted in accordance with the provisions of Arbitration and Conciliation Act, 1996 and any statutory modifications thereto.

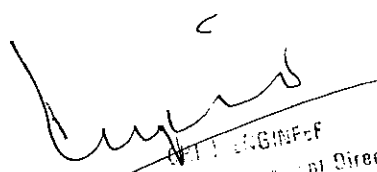
10.2 The decision of the Arbitrator shall be final and binding on the parties. The venue of the arbitration proceedings shall be decided by the Arbitrator with the consent of parties. The court of competent jurisdiction at Shimla shall have exclusive jurisdiction in all matters arising under this Agreement.


10.3 The Arbitrator shall reasonably decide his fee. However, the Arbitrator's fee and cost of arbitration proceedings shall be borne equally by the parties. The arbitrator shall publish the award, within a reasonable time.

10.4 Notwithstanding the existence of any question, disputes and differences referred to arbitration, the parties hereto shall continue to perform their respective obligations under this Agreement.

## 11.0 FORCE MAJEURE

Both the parties shall ensure compliance of the terms of this agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of this Agreement to the extent that such failure is due to force majeure events such as rebellion, mutiny, civil commotion, riot, strike, lock out, epidemic, plague, fire, explosion, flood, draught cyclone, lightning, earthquake, war or other forces, accident or act of God, terrorism, malicious act, landslide, sabotage, communal violence, kidnapping etc. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event (s).

  
POWER PURCHASE ENGINEER  
General Manager (Elect.)  
U.P. Power Corporation Ltd.  
14th Floor, 55, Okhla Extension  
LUDHIANA

  
R K AGARWAL  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

## 12.0 DURATION OF AGREEMENT

This Agreement has come into force w.e.f 18<sup>th</sup> May ,2009 and shall remain operative for 30 years i.e residual life of Power House provided that this Agreement may be mutually extended, renewed or replaced by another Agreement on such terms and for such further period of time as the parties may agree to. However, the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced, in case Bulk Power Customer continue to get power from the project even after expiry of this Agreement without further renewal or formal extension thereof.

## 13. NOTICES

All notices required or referred to under Agreement shall be in writing and signed by the authorities mentioned herein below unless otherwise notified. Each such notice shall be deemed to have been duly served if delivered, or sent by registered mail / courier with an acknowledgement due to the other party.

### TO & BY SJVN

General Manager (Electrical)  
**SJVN Limited**  
205-206, Bhanot house  
Gulmohar enclave  
Yusuf Sarai, Community Center  
New Delhi-110049

Phone No.: 011-41018825  
Fax No.: 011-41018826  
Mobile No.: 09418027582  
E mail: sjvn\_cso1@rediffmail.com

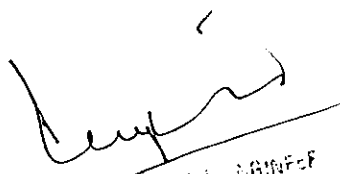
### TO & BY UPPCL

Chief Engineer (PPA Directorate)  
**U.P.Power Corporation Limited**  
14<sup>th</sup> Floor, Shakti Bhawan, Extn-14  
Ashok Marg  
Lucknow-226001

Ph. No.: 0522-2287846  
Fax No.: 0522-2287846  
E mail: ceppa2009@gmail.com

## 14.0 IMPLEMENTATION OF THE AGREEMENT:

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post from time to time.

  
CHIEF ENGINEER  
Power Purchase & Sales Directorate  
U.P. Power Corporation Ltd  
14th Floor, Shakti Bhawan Extn.  
LUCKNOW



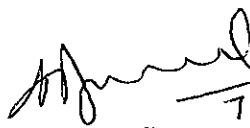
**R K AGARWAL**  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

Nomination of authorized representative (s) shall be informed likewise in writing by the Bulk Power Customer within one month or signing of the Agreement.

It is specifically agreed that this Agreement shall supersede all previous discussions and meetings held and correspondence exchanged between Bulk Power Customer and SJVN in respect of this Agreement and any decisions arrived at therein in the past and before signing of this Agreement if repugnant to the provisions made herein and will have no relevance with reference to matters covered under this agreement and no reference of such discussions or meetings or past correspondence etc. shall be entertained for interpreting this agreement or its implementation.


In witness thereof the parties hereto have caused this Agreement to be executed hereunder by their duly authorized representative (s) on the day, month and year first above written.

For and on behalf of SJVN Limited

  
(R.K. Agarwal) 7/3/2011  
General Manager (Electrical)


**R K AGARWAL**  
General Manager (Elect.)  
Head, Business Development Group  
SJVN Ltd., New Delhi

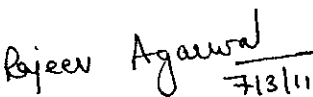
For and on behalf of Uttar Pradesh  
Power Corporation Limited

  
(R.K. Johar) 7/3/11  
Chief Engineer (PPA Directorate)  
CHIEF ENGINEER

**Power Purchase Agreement Directorate**  
U.P. Power Corporation Ltd.  
14th Floor, Shakti Bhawan Extn.  
LUCKNOW

WITNESS

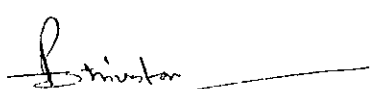
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उपप्रबंधक (विद्युत)  
बी.डी.ओ.  
एस.जे.वी. लि., दिल्ली

2.   
7/3/11

(RAJEEV AGARWAL)

Sr. Engineer (C&SO)  
SJVN Ltd., Shimla

WITNESS

1.   
7/3/2011  
EXECUTIVE ENGINEER

2. S. P. A. T. CIRCLE  
U. P. POWER CORPORATION LTD.  
10TH FLOOR, SHAKTI BHAWAN EXTN.  
LUCKNOW