

No. 23/17/2013-R&R-Vol-VI (Part 2)
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, the 29th January, 2019

To

1. The Chairperson, Central Electricity Authority, Sewa Bhavan, R. K. Puram, New Delhi.
2. The Secretary, Central Electricity Regulatory Commission (CERC)/FOR, Chanderlok Building, Janpath, New Delhi.
3. Principal Secretaries/Secretaries (Power/Energy) of all State Governments/UTs.
4. Secretaries of all State Electricity Regulatory Commissions(SERCs)/JERCs
5. Chairman/CMDs of all PSUs under administrative control of Ministry of Power.
6. CMDs/MDs of Discoms/Gencos of all State Governments.
7. DG, Association of Power Producers(APP), New Delhi

Subject: Revised Guidelines and Model Bidding Documents (MBDs) for procurement of electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO) basis – Reg

Sir/Madam,

I am directed to say that the Model Bidding Documents for procurement of electricity by Distribution Licensees for Medium Term from power stations set up on Finance, Own and Operate (FOO) basis, through competitive bidding process were issued under the provisions of Section 63 of the Electricity Act, 2003 on 29th January, 2014. Guidelines in this regard were also issued on 10th February, 2014. These Model Bidding Documents and Guidelines were amended on 20th August, 2015. These Guidelines and Model Bidding Documents were further revised in January 2017 to introduce e-bidding and e-reverse auction.

2. Coal linkage Allocation Policy for Power Sector known as 'Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India' (**SHAKTI Policy**) was issued by the Ministry of Coal on 22nd May 2017. Under the SHAKTI scheme, use of linkage coal has also been allowed in Medium term power procurement.

3. Subsequently, an Advisory was issued by Ministry of Power on 16th November 2017 on introduction of provisions of SHAKTI (Scheme for Harnessing and Allocating

Koyala (Coal) Transparently in India) in procurement of power for Medium Term by distribution licensees. It was advised that during the pendency of the approval and notification of the revised MBDs for procurement of power on Medium term basis, the distribution licensees who are willing to invite bids for procurement of power on Medium Term basis in line with SHAKTI Policy, may carry out appropriate modifications in the existing MBDs for Medium Term procurement of power issued on 16th January 2017, and obtain the approval of the Appropriate Commission.

4. Now, in accordance with the provisions of **Para B (I), B (III) & B (IV) of SHAKTI Policy**, Ministry of Power has revised bidding documents for Medium Term Procurement of Power i.e. **Standard Bidding Document** (comprising of both the Model Request for Qualification and Model Request for Proposal) and the **Model Agreement for Procurement of Power** (collectively referred as '**Model Bidding Documents**') and enclosed herewith. The Guidelines in this regard, are being issued separately.

5. The link for the e-Bidding Portal shall be made available at the website of PFC Consulting Limited (www.pfcclindia.com) and shall also be available on the website of Ministry of Power (www.powermin.nic.in).

6. The soft copy of the Model Bidding Documents is available at the website of Ministry of Power i.e. www.powermin.nic.in under "Current Notices".

Yours faithfully,



(Debranjana Chattopadhyay)
Under Secretary to Govt. of India
Tele No. 2373 0265

Copy to:

1. All JSs of Ministry of Power/JS&FA & Economic Adviser, Ministry of Power
2. All Directors/DSs of Ministry of Power

Copy for information to: PS to MoSP(I/C) for Power, & NRE, PPS to Secy.(P), PPS to AS(SNS), PS to CE(RR &OM), PS to Dir(R&R)

Copy to: In-charge, NIC Cell for uploading on MOP's website under "Current Notices".

Standard Bidding Document

Invitation for e-Tender and e-Reverse Auction for Medium Term Procurement of Electricity on DEEP Portal

**Ministry of Power
Government of India**

January 2019

TABLE OF CONTENTS

Sl. No.	Contents	Page No.
	Disclaimer	1
	Section A: Request for Qualification (RFQ)	
	Glossary	5
1	Introduction	
1.1	Background	9
1.2	Brief description of Bidding Process	10
1.3	Schedule of Bidding Process	17
1.4	Pre-Bid Meeting	19
2	Instructions to Bidder	
A	General	
2.1	Scope of Application	20
2.2	Eligibility of Bidders	20
2.3	Number of Applications and costs thereof	22
2.4	Verification of information	23
2.5	Acknowledgement by Bidders	23
2.6	Right to accept or reject any or all Applications/ Bids	23
B	Documents	
2.7	Contents of the RFQ	25
2.8	Clarifications	25
2.9	Amendment of RFQ	26
C	Preparation and Submission of Application	
2.10	Language	26
2.11	Format and signing of Application	26
2.12	Sealing and marking of Applications	27
2.13	Bid Due Date	28
2.14	Late Applications	28
2.15	Modifications/ substitution/ withdrawal of Applications	28
D	Evaluation Process	
2.16	Opening and Evaluation of Applications	29
2.17	Confidentiality	29
2.18	Tests of responsiveness	30
2.19	Clarifications	30
E	Qualification and Bidding	
2.20	Pre-qualification and notification	31

2.21	Submission of Bids	31
2.22	Proprietary data	31
2.23	Correspondence with the Bidder	31
3	Criteria for Evaluation	
3.1	Evaluation parameters	32
3.2	Technical Capacity for purposes of evaluation	32
3.3	Financial information for purposes of evaluation	32
4	Fraud and Corrupt Practices	33
5	Pre-Bid Meeting	35
6	Miscellaneous	36

Appendices

I	Letter Comprising the Application for Pre-Qualification	
	Annex – I Particulars of the Applicant	37
	Annex – II Technical Capacity of Applicant	49
	Annex – III Financial Capacity of Applicant	47
	Annex – IV Statement of Legal Capacity	49
	Annex- V Particulars of the Power Station	50
II	Format for Power of Attorney for signing of Application	51
[III	Details of Allocated Coal Linkage	53

Section B: Request for Proposal (RFP)

1	Introduction	
1.1	Brief description of Bidding Process	56
2	Instructions to Bidders	
A	General	
2.1	General terms of Bidding	59
2.2	Change in Ownership	60
2.3	Cost of Bidding	61
2.4	Verification of information	61
2.5	Verification and Disqualification	62
B	Documents	
2.6	Contents of the RFP	63
2.7	Clarifications	63
2.8	Amendment of RFP	63

C	Preparation and Submission of Bids	
2.9	Format and Signing of Bid	54
2.10	Sealing and Marking of Bids	54
2.11	Bid Due Date	65
2.12	Late Bids	65
2.13	Contents of the Bid	65
2.14	Modifications/ Substitution/ Withdrawal of Bids	66
2.15	Rejection of Bids	67
2.16	Validity of Bids	67
2.17	Confidentiality	67
2.18	Correspondence with the Bidder	67
D	Bid Security	
2.19	Bid Security	67
3	Evaluation of Bids	
3.1	Opening and Evaluation of Bids	71
3.2	Tests of responsiveness	71
4	E-Reverse Auction	72
5	Selection of Bidder	73
6	Miscellaneous	80
	Appendices	
I	Letter comprising the Bid	81
II	Bank Guarantee for Bid Security	87
III	Power of Attorney for signing of Bid	90

DISCLAIMER

The information contained in this document (the “**Bidding Document**”) or subsequently provided to Bidder(s), whether verbally or in documentary or any other form, by or on behalf of the Utility or any of its employees or advisors, is provided to Bidder(s) on the terms and conditions set out here and such other terms and conditions subject to which such information is provided.

This Bidding Document is not an agreement and is neither an offer nor invitation by the Utility to the prospective Bidders or any other person. The purpose of this Bidding Document is to provide interested parties with information that may be useful to them in the formulation of their application (the “**Application**”) for qualification and selection pursuant to Section A (“**Request for Qualification**” or “**RFQ**”) and financial bids (the “**Bid**”) for qualification and selection pursuant to Section B (“**Request for Proposal**” or “**RFP**”) of this Bidding Document. This Bidding Document includes statements, which reflect various assumptions and assessments arrived at by the Utility in relation to the Project. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This Bidding Document may not be appropriate for all persons, and it is not possible for the Utility, its employees or advisors to consider the investment objectives, financial situation and particular needs of each party who reads or uses this Bidding Document. The assumptions, assessments, statements and information contained in this Bidding Document may not be complete, accurate, adequate or correct. Each Bidder should therefore, conduct its own investigations and analysis and should check the accuracy, adequacy, correctness, reliability and completeness of the assumptions, assessments, statements and information contained in this Bidding Document and obtain independent advice from appropriate sources.

Information provided in this Bidding Document to the Bidder(s) is on a wide range of matters, some of which may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Utility accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on law expressed herein.

The Utility, its employees and advisors make no representation or warranty and shall have no liability to any person, including any Bidder or Bidder, under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this Bidding Document or otherwise, including the accuracy, adequacy, correctness, completeness or reliability of the Bidding Document and any assessment, assumption, statement or information contained therein or deemed to form part of this Bidding Document or arising in any way with pre-qualification of Bidders for participation in the Bidding Process.

The Utility also accepts no liability of any nature whether resulting from negligence or otherwise howsoever caused arising from reliance of any Bidder upon the statements contained in this Bidding Document.

The Utility may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement the information, assessment or assumptions contained in this Bidding Document.

The issue of this Bidding Document does not imply that the Utility is bound to select and short-list pre-qualified Applications for opening of the Bids or to appoint the selected Bidder or Supplier, as the case may be, for the Project and the Utility reserves the right to reject all or any of the Applications or Bids without assigning any reasons whatsoever.

The Bidder shall bear all its costs associated with or relating to the preparation and submission of its Application and Bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Utility or any other costs incurred in connection with or relating to its Application and Bid. All such costs and expenses will remain with the Bidder and the Utility shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a Bidder in preparation or submission of the Application and Bid, regardless of the conduct or outcome of the Bidding Process.

SECTION A

Request For Qualification

for

Agreement for Procurement of Power

For Medium Term

**Ministry of Power
Government of India**

January 2019

GLOSSARY

[Allocated Coal Linkage]	[Details to be inserted by the Utility in case the source of coal is provided by the Utility]
APP	As defined in Clause 1.1.3
Application	As defined in the Disclaimer
Bid Due Date	As defined in Clause 1.1.6
Bids	As defined in the Disclaimer
Bid Security	As defined in Clause 1.2.6
Bidder(s)	As defined in Clause 1.2.1
Bidding Documents	As defined in the Disclaimer
Bidding Process	As defined in Clause 1.2.1
BOLT	Build, Own, Lease and Transfer
BOO	Build, Own and Operate
BOOT	Build, Own, Operate and Transfer
BOT	Build, Operate and Transfer
Developer	shall mean the owner and operator of the Power Station from which the supplier shall supply the Power to the Utility(ies);
FOO	Finance, Own and Operate
Eligible Projects	As defined in Clause 3.2.1
e-Reverse Auction Stage	As defined in Clause 1.2.1
Financial Capacity	As defined in Clause 2.2.2 (B)
Government	Government of India/State
LOA	Letter of Award
Lowest Bidder	As defined in Clause 1.2.10
Net Worth	As defined in Clause 2.2.2 (B)
PPP	Public Private Partnership
Project	As defined in Clause 1.1.1
Qualification	As defined in Clause 1.2.1
Qualified Bidder	As defined in Clause 1.1.2
Re. or Rs. or INR	Indian Rupee
SECTION A (RfQ)	As defined in the Disclaimer
SECTION B (RfP)	As defined in the Disclaimer
Supplier/ Selected Bidder	As defined in Clause 1.1.3
Tariff	As defined in Clause 1.2.10
Technical Capacity	As defined in Clause 2.2.2 (A)
Trading Licensee(s)	shall mean the Bidder which is an Electricity Trader or a Distribution Licensee in terms of the Electricity Act, 2003 and submits its Application on the basis of an exclusive power purchase agreement executed with the entity with identified generation source from where the power is proposed to be supplied by the Bidder
Utility	As defined in Clause 1.1.1

The words and expressions beginning with capital letters and defined in this document shall, unless repugnant to the context, have the meaning ascribed thereto hereinabove.

[Name of Utility]

1. INTRODUCTION[§]

1.1 Background¹

1.1.1 The [***Distribution Company] (the “Utility”) is engaged in the distribution of electricity and as part of this endeavour, the Utility has decided to procure electricity from a power generating station that would dedicate a contracted capacity of *** MW for production of electricity and supply thereof for a period of [5 (five)]² years [during peak hours of the day comprising 2 (two) hours upto or before 10:00 (ten hundred) hours in the morning and 4 (four) hours from or after 17:00 (seventeen hundred) hours in the evening]³ (the “**Project**”) through Public Private Partnership (the “**PPP**”) on Finance, Own and Operate (the “**FOO**”) basis [by sourcing coal from the Allocated Coal Linkage in terms of the Letter of Assurance issued/to be issued in the name of the Supplier and the Fuel Supply Agreement to be executed between the Supplier and the Coal Supplier in accordance with the draft APP]⁴, and has, therefore, decided to carry out the bidding process through [PFC Consulting Ltd as its Authorised Representative⁵] for selection of a corporate entity (ies) as the Bidder to whom the contract may be awarded for production of electricity and supply thereof as per the terms and conditions specified in the Bidding Documents.

Brief particulars of the Project are as follows:

Requisition	Capacity Required (in MW)	Period when supply must commence	Delivery Point
RTC	***	***	***
Peak hours	***	***	***

1.1.2 The Utility intends to pre-qualify and short-list suitable bidders (the “**Bidders**”) whose Bid shall be opened on the date specified at Clause 1.3 of this RFQ and

[§] Instructions for Applicants

Note 1: The provisions in curly brackets shall be suitably modified by the Applicants after the RFQ is issued.

Note 2: Blank spaces contain formats that are to be used by the Applicants after the RFQ is issued.

Note 3: Footnotes marked “\$” in the relevant Clauses of the RFQ are for guidance of the Applicants. In case of Appendices, the footnotes marked “\$” or in other non-numerical characters shall be omitted by the Applicants while submitting their respective Applications.

¹Instructions for customisation of this document by the Utility

This Model Request for Qualification (the “RFQ”) may be customised for project-specific use in accordance with the instructions below:

Note I: Serially numbered footnotes in this RFQ are for guidance of the Utility and should be omitted from the RFQ before it is issued to prospective Applicants. **Note II:** All project-specific provisions in this RFQ have been enclosed in square parenthesis and may be modified, as necessary, before issuing the RFQ to prospective Applicants. The square parenthesis should be removed after carrying out the required modification.

Note III: The asterisks in this RFQ should be substituted by project-specific particulars before issuing the RFQ to prospective Applicants.

Note IV: Footnote 1 along with Notes I, II, III and IV shall be omitted prior to issue of this RFQ.

² To be fixed between 1 (one) and 5 (five) years.

³ The words in square parenthesis may be omitted in case procurement is not confined to Peak Hours.

⁴ To be modified as per the source of fuel selected by the Utility.

⁵ In case, PFC Consulting Ltd. is appointed as Authorised Representative by Utility or Insert name of the entity (if any).

will be eligible for participation in the e-Reverse Auction Stage (the “**Qualified Bidders**”), for awarding the Project through an open competitive bidding process in accordance with the procedure set out herein.

- 1.1.3 The selected Bidder (the “**Supplier**”/ “**Selected Bidder**”) shall be responsible for financing, construction, operation and maintenance of the Project, and in case of Supplier being a Trading Licensee, it shall be responsible for supply of electricity from the Power Station, under and in accordance with the provisions of a medium-term Agreement for procurement of power (the “Agreement for Procurement of Power” or the “APP”) to be entered into between the Supplier and the Utility in the form provided by the Utility as part of the Bidding Documents pursuant hereto.
- 1.1.4 The scope of work will broadly include operation and maintenance of the Power Station and supply of electricity, and in case of Supplier being a Trading Licensee, the scope of work will be supply of electricity from the Power Station, in accordance with the terms of the APP.
- 1.1.5 All Bidders shall indicate the particulars of the relevant Power Station in the form specified at Annex-V of Appendix-I and at National e-Bidding Portal (“**DEEP Portal**”) developed by PFC Consulting Ltd. Bidders may bid for the capacity specified in Clause 1.1.1, or a part thereof, not being less than [50% (fifty per cent)] of such capacity or 100 (one hundred) MW, whichever is lower. The remaining capacity, if any, may be procured from other Bidders who are willing to match the lowest Bid.
- 1.1.6 The Utility shall receive Applications pursuant to this Bidding Document in accordance with the terms set forth herein as modified, altered, amended and clarified from time to time by the Utility, and all Applications shall be prepared and submitted in accordance with such terms on or before the date specified in Clause 1.3 for submission of Applications (the “**Bid Due Date**”).

1.2 Brief description of Bidding Process:

- 1.2.1 The Utility has adopted a two-stage bidding process (collectively referred to as the “**Bidding Process**”) for selection of the bidder for award of the Project. The first stage (the “**e-Tender Stage**”) of the process involves qualification (the “**Qualification**”) of interested parties who submit Application and Bids in accordance with the provisions of this Bidding Document, comprising of RFQ and RFP (the “**Bidder**”). Prior to submission of the Application, the Bidder shall pay to the Utility a sum of [Rs 60, 000 (Rupees sixty thousand only)] plus applicable taxes as indicated above, as the cost of the Bidding Process⁶. At the end of e-Tender stage, system will send an email to all Qualified Bidders who are eligible to participate in the second stage of the Bidding Process (the “**e-Reverse Auction Stage**”).

⁶ The cost of Bidding Process may be determined at the rate of Rs. 60,000 for every 100 MW of capacity to be procured. Thus the cost of Bidding Process for a project of 200 MW shall be Rs. 1,20,000. The Utility may, in its discretion, increase this amount by upto 50% thereof.

- 1.2.2 All the Bidders would be able to participate in the e-Bidding events on making payment of the requisite fees of ₹500 per MW per requisition for the total capacity sought by the Utility for that particular requisition for which the bidder is willing to bid, to PFC Consulting Limited (PFCCL). The requisite fee shall be deposited through NEFT/IMPS/RTGS after adding the applicable taxes. After the completion of the bidding process, only successful Bidder(s) will have to pay these charges for the quantum allocated to each bidder. The balance amount will be refunded by PFCCL within seven (7) working days of issuance of LOA without any interest. The fee deposited by non Selected Bidder(s) will also be refunded by PFCCL within seven (7) working days of issuance of LOA without any interest.
- 1.2.3 The e-Tender Stage shall be a two-fold process, where the Bidders will be required to submit their Application and Bid online at the DEEP Portal on or before the Bid Due Date.
- 1.2.4 In the e-Tender Stage, Bidders would be required to furnish all the information specified in this Bidding Document by submitting (a) its Application under Section A (RFQ) for its qualification in accordance with the eligibility requirement under the RFQ and (b) its Bid in accordance with Section B (RFP).
- 1.2.5 The Bid shall be valid for a period of not less than 120 days from the Bid Due Date. The Bids of only those Bidders that are pre-qualified and short-listed by the Utility after evaluation of their Application, shall be opened on such date as specified under Clause 1.3 of this Section A and shall be invited to participate in e-Reverse Auction Stage for the Project, in accordance with Clause 4 of Section B, to submit their revised financial bids in e-Reverse Auction stage . The Utility is likely to provide a comparatively short time span for submission of the Bids for the Project. The Bidders are, therefore, advised to familiarise themselves with the terms of the Model/draft APP that will govern the structure of this Project. The said Model APP has been notified by the Government under section 63 of the Electricity Act 2003 for tariff based bidding by the Utilities.
- 1.2.6 The Bidders will be required to submit their Application and Bid online at the DEEP Portal on or before the Bid Due Date.
- 1.2.7 In the e-Reverse Auction Stage, the “**Bids**” of qualified and short-listed Bidder(s) shall be opened in accordance with the RFP and other documents to be provided by the Utility (collectively the “**RFP Documents**”).
- 1.2.8 In terms of the RFP, a Bidder will be required to deposit, along with its Bid, a bid security of [Rs 5,00,000 (Rupees five lakh) per MW of capacity offered by the Bidder]⁷ (the “**Bid Security**”), refundable not later than [60 (sixty) days] from the Bid Due Date, except in the case of the selected Bidder whose Bid Security shall be retained till it has provided a Performance Security under the APP. The

⁷ The Utility may prescribe a bid security not exceeding Rs. 5 lakh per MW. It may, in its discretion, reduce the bid security, but not less than Rs 2 lakh per MW, in any case.

Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Utility^s or may be submitted as e-bank guarantee or deposited online through NEFT/IMPS/RTGS payment. The demand draft shall be kept valid for a period not less than 180 (one hundred and eighty) days from the Bid Due Date, by submitting another demand draft before expiry of the existing demand draft and may be further extended as may be mutually agreed between the Utility and the Bidder from time to time. In case a bank guarantee is provided, its validity period shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Utility and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security.

- 1.2.9 In e-Reverse Auction Stage, the lowest Bid received in the e-Tender Stage shall be displayed to the Bidders on the DEEP Portal and thereafter any subsequent lowest bid in e-Reverse Auction Stage on a real time basis. During the e-Reverse Auction Stage, the Bidders will have the option of reducing the Tariff in decrements of 1 (one) paise or multiples thereof and to increase/maintain the quantum quoted by them at e-Tender Stage by 1 MW or multiples thereof. At the end of the e-Reverse Auction, lowest bidder will be identified by the system, the system will check all bids received in e-Tender and e-Reverse Auction and identify the Bidder who has quoted the lowest Tariff therein (“**Lowest Bidder**”).
- 1.2.10 Generally, the Lowest Bidder shall be the selected Bidder. The remaining Bidders shall be kept in reserve and may, in accordance with the process specified here, be invited to match the Bid submitted by the Lowest Bidder in case such Lowest Bidder withdraws or is not selected for any reason or in case the Capacity Required as per Clause 1.1.1 is not fully met by the Lowest Bidder. All other bidders will be asked to match the Lowest Bid in the system (“**L-1 Matching**”). In L-1 Matching round, the Qualified Bidders will be displayed the bid of the Lowest Bidder (“**Lowest Bid**”) and available quantity, they will be required to input the quantity in MW that they wish to supply at the Lowest Bid. At the end of L-1 Matching round, system will allocate power to bidders in the order as they were at the end of e-Reverse Auction Stage (like L-1, L-2, L-3 cumulative in e-Tender Stage and e-Reverse Auction Stage) for the quantity bid by Lowest Bidder in Bid Stage and other bidders in L-1 Matching. It is hereby clarified that the Utility will not accept the entire capacity offered of the last Lowest Bidder in the order of progression, in the event the Capacity Required gets fulfilled by a part thereof. In the event that none of the other Qualified Bidders match the Bid of the Lowest Bidder, the Utility may, in its discretion, (i) allocate the remaining capacity, if any, after completion of L-1 Matching round to the Bidders at the Tariff quoted cumulative in e-Tender Stage and e-Reverse Auction Stage in the order as they were at the end of L-1 Matching round or (ii) invite fresh Bids from the remaining Qualified Bidders or (iii) annul the Bidding Process, as the case may be. Further, it is clarified that any single Bidder cannot quote part capacity from different power stations.

^s The format for the bank guarantee has been published as part of Section B of this Standard Bidding Document

- 1.2.11 During the Bidding Process, Bidders are invited to examine the Project in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the contract including implementation of the Project.
- 1.2.12 As part of this Bidding Documents, the Utility will provide a draft APP and other information pertaining/ relevant to the Project available with it.
- 1.2.13 Bids are invited for the Project under Section B of this Bidding Document, on the basis of a tariff to be offered by a Bidder for production and supply of electricity in accordance with the terms of the draft APP forming part of the Bidding Documents. For the purposes of bidding hereunder, the Base Fixed Charge and Base Variable Charge shall constitute the tariff for the Power Station (the “**Tariff**”). [The cost of Fuel, transportation/transit thereof, the transmission charges and the transmission losses / supply from Hydro-electric Power Station or for Lumpsum Tariff, generating cost of electricity, the transmission charges and the transmission losses,] shall form part of the Base Variable Charge. The Base Fixed Charge and the Base Variable Charge shall each be at least 35% of the Tariff. The contract period shall be pre-determined, and will be indicated in the draft APP. The Project shall be awarded to the Bidder quoting the lowest Tariff, after the completion of the process under Clause 1.2.7 above.

Explanation⁸:

[(a) *Coal from domestic market other than Coal Mine/Blocks*]

Since the Bidder is expected to source Fuel from the domestic market other than Coal Mine/Blocks at the prevailing price, the cost of Fuel which shall be included in the Base Variable Charge shall be a ‘pass through’ in accordance with the terms of the APP. However, the element of coal transportation shall be linked to the notified freight of Indian Railways and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(b) *Coal from Linkage Coal*]

Since the Bidder is expected to source fuel [from Coal India Limited (“**CIL**”) / Singareni Collieries Company Limited (“**SCCL**”) or a subsidiary thereof] from the Allocated Coal Linkage as per SHAKTI Policy [arranged by the Utility], the cost of Fuel which shall be included in the Variable Charge shall be a ‘pass through’ in accordance with the terms of the APP. However, the element of coal transportation and transit losses may vary from case to case and shall affect the

⁸ Depending upon the choice of Fuel source, only the applicable Sub-clause may be retained and the remaining Sub-clauses should be omitted. While retaining the relevant Sub-clause, its heading shown in italics may also be omitted along with its serial number. However, the Utility may retain Sub-clause (g) or (h) in addition to another relevant Sub-clause if only a part of the Fuel is to be imported at market prices. The proportion of electricity to be generated from imported Fuel under Sub-clause (g) or (h) may also be specified in the Bidding Documents.

Variable Charge offered by each Bidder. The Bid for the Project shall, therefore, comprise the Fixed Charge and Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(c) Coal from Coal Mine/Blocks allocated through auction by Governmental Instrumentality

Since the Bidder is expected to source Fuel from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and Base Variable Charge which shall be specified separately along with GCV⁹ as per the Coal auction. As a condition of bidding, the Base Fixed Charge to be offered by the Bidder shall not exceed Rs.*** per kWh¹⁰. Further, as a condition of bidding, the Bidder shall be required in RFP to separately quote the following components of Base Variable Charge: (i) cost of Fuel in Rs./kWh¹¹ at corresponding GCV of ...kCal/Kg. The cost of Fuel in Rs/kWh shall not exceed the cost of Fuel in Rs/kWh arrived at after using an SHR of 2,300 kCal per kWh¹² which includes [2%(two percent)]¹³ increase to account for potential variations arising from temperature, humidity, quality of coal and other unforeseen factors and GCV of ...kCal/Kg; (ii) cost of coal transportation along with distance from Coal Mine/Blocks to power plant in Rs./kWh; (iii) Coal Washery charges in Rs./kWh; (iv) Coal Crushing charges in Rs./kWh; and (v) Other charges in Rs./kWh¹⁴. The benchmark rates¹⁵ for (i) coal transportation charges shall be Rs. ***/tonne/Km,¹⁶ (ii) Coal Washery charges shall be Rs. ***/tonne, (iii) Coal Crushing charges shall be Rs. ***/tonne; and (iv) Other charges shall be Rs. ***/tonne¹⁷. It is clarified that these benchmark rates will act as the ceiling, and the evaluation of Bids and payments will be done on the basis of rates quoted in the Bid or the benchmark rates, whichever is lower. The Bidder seeking the lowest Tariff shall be the Selected Bidder.]

⁹ The Gross Calorific Value (GCV) as quoted in the coal auction would in normal circumstances be used as a reference GCV for the purpose of determining the quantum of coal required for power generation.

¹⁰ The Utility shall indicate, in advance to all the prospective Bidders, in consultation with the Appropriate Commission, the upper ceiling of Fixed Charges in terms of Rs/kWh towards the Fixed/Capacity Charges.

¹¹ Cost of Fuel shall be regulated by the ROM price of coal quoted in the Bid for the year in which the Bidder will commence supply of electricity and shall not exceed the ROM price of the coal quoted for said blocks during the Coal Mine/Blocks auction on the basis of which the Coal Mine/Blocks has been awarded to the Bidder along with escalation as per provisions of the Standard Tender Document (for Power Sector) for the said Coal Mine/Blocks issued by Ministry of Coal, Government of India. In addition to this, the Bidder will be eligible to recover an amount of Rs. 100/metric tonne, as per the Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India. For subsequent years, the ROM price and Rs. 100 per metric tonne shall be escalable as per provisions of Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India. However, the quoted Additional Premium, if any, shall not be reckoned for the purpose of the determination of tariff of electricity as per provisions of Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India.

¹² This figure may be substituted by 2,350 for all bids where a Power Station shall have achieved COD prior to December 31, 2016.

¹³ This figure may be substituted by 5% (five per cent) for all bids or where a Power Station shall have achieved COD prior to December 31, 2016.

¹⁴ The Utility shall specify the components of the 'Other charges' as deemed fit.

¹⁵ The Utility shall specify benchmark rates which should not be more than that of CIL, Railway freight rates, benchmarks determined, if any, by CERC/SERC or by any other Appropriate Authority. Where there are multiple such benchmarks available, the Utility will be free to adopt the most appropriate benchmark.

¹⁶ The Utility shall specify the cost of transportation along with distance from Coal Mine/Blocks to the Power Plant for rail, road and other modes separately.

¹⁷ The Utility shall specify the value of each components of the 'Other Charges' as deemed fit.

[(d) Gas from domestic market

Since the Bidder is expected to source Fuel from the domestic market at the prevailing price, the cost of Fuel which shall be included in the Base Variable Charge shall be a 'pass through' in accordance with the terms of the APP. However, the element of transportation shall be linked to the charge notified by the Petroleum and Natural Gas Regulatory Board and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(e) Gas from ONGC/GAIL

Since the Bidder has entered into an agreement with ONGC/GAIL for supply of Fuel at the notified price from its gas fields/LNG terminals, the cost of Fuel which shall be included in the Base Variable Charge shall be linked to the price notified by ONGC/GAIL and revised as per the terms of the APP. However, the element of transportation shall be linked to the notified charges for pipelines and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(f) Supply from Hydro-electric Power Station

The Bidder shall quote a Base Variable Charge comprising the generating cost of electricity, the transmission charges and the transmission losses. Based on its Bid, a lumpsum tariff shall be paid to the Supplier comprising of (a) a Base Variable Charge, and (b) a Base Fixed Charge, as per the provisions of Clause 12.3.1 of the APP. The Tariff shall be revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and the Base Variable Charge and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(g) Coal imported from international market

Since the Bidder is expected to source Fuel through imports, the Base Variable Charge shall be a 'pass through'. For the purposes of submission of Bids, the Bidders may assume a Fuel cost equal to Rs. *** per¹⁸ kWh on the express understanding that the actual cost of Fuel shall be a "pass through" in accordance with the terms of the APP. The cost of transportation by sea, payable to the Bidder, shall be linked to the freight index as per provisions of Clause 12.3.2 of APP and the element of inland coal transportation shall be linked to the notified freight of Indian Railways and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

¹⁸ The Utility shall specify an indicative cost based on approximate market prices

[(h) Gas imported from international market

Since the Bidder is expected to source Fuel through imports, the Base Variable Charge shall be a 'pass through'. For the purposes of submission of Bids, the Bidders may assume a Fuel cost equal to Rs. *** per¹⁹ kWh on the express understanding that the actual cost of Fuel shall be a "pass through" in accordance with the terms of the APP. However, the cost of transportation by sea, payable to the Bidder, shall be linked to the freight index as per provisions of Clause 12.3.2 of APP and the element of inland transportation shall be linked to the charge notified by the Petroleum and Natural Gas Regulatory Board and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(i) Coal from captive mines abroad

Since the Bidder is expected to source Fuel through imports from captive mines situated outside India, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and the Base Variable Charge which shall be specified separately. The cost of Fuel shall be payable as per the terms of the APP, Free on Board (FOB), as specified in US cents and shall be revised as per the terms of the APP. For the purposes of Bid and evaluation of the Bid, the exchange rate to be used for conversion into Indian Rupees shall be the mean of the buying and selling rate quoted by the State Bank of India on the closing of the working day that precedes the date of Bid. As specified in the APP, the transportation charges shall be payable in accordance with the provisions of Clause 12.3.2 thereof. The Bidder seeking the lowest Tariff shall be the selected Bidder.]

[(j) Fuel imported under fixed-price Gas Contract

Since the Bidder is expected to source Fuel through a fixed-price contract for supply of gas from outside India, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and the Base Variable Charge which shall be specified separately. The cost of Fuel shall be payable as per the terms of the APP, Free on Board (FOB), as specified in US cents and shall be revised as per the terms of the APP. For the purposes of Bid and evaluation of the Bid, the exchange rate to be used for conversion into Indian Rupees shall be the mean of the buying and selling rate quoted by the State Bank of India on the closing of the working day that precedes the date of Bid. As specified in the APP, the transportation charges shall be payable in accordance with the provisions of Clause 12.3.2 thereof. The Bidder seeking the lowest Tariff shall be the selected Bidder.]

[(k) Lumpsum Tariff²⁰

¹⁹ The Utility shall specify an indicative cost based on approximate market prices

²⁰ Lumpsum tariff shall include supply of electricity irrespective of source of Fuel including renewable source of energy. However, Bidders whose source of Fuel is from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws under Option (c) or from Linkage Coal under Option (b), shall not be eligible to Bid under this sub-clause (k) (Lumpsum Tariff).

The Bidder shall quote a Base Variable Charge comprising the generating cost of electricity, the transmission charges and the transmission losses. Based on its Bid, a lumpsum tariff shall be paid to the Supplier comprising of (a) a Base Variable Charge, and (b) a Base Fixed Charge, as per the provisions of Clause 12.3.1 of the APP. The Tariff shall be revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and the Base Variable Charge and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

In this Section A, the term “**Lowest Bidder**” shall mean the Bidder who is offering the lowest Tariff.

Explanation: In case the Bidder is a Trading Licensee, the provisions of Sub-clauses (a), (c) to (e), and Sub-clauses (g) to (j) related to the source/supply of Fuel shall mean the source/supply of Fuel, as applicable to the Developer. It is further clarified that Trading Licensee shall not be eligible for bidding in case the source of Fuel is under clause (b).

1.2.14 [The Selected Bidder shall surrender the proportionate quantity of any existing Letter of Assurance /Fuel Supply Agreement to the supplier of the coal, not being the Letter of Assurance/ Fuel Supply Agreement arranged by the Utility, corresponding to the tenure of the Letter of Assurance /Fuel Supply Agreement arranged by the Utility.]²¹ Further details of the process for submission of Bid to be followed at the e-Tender Stage and the terms thereof will be spelt out in Section B of this Bidding Document.

1.2.15 Any queries or request for additional information concerning this Section A shall be submitted in writing [on the DEEP Portal or by speed post/courier and e-mail attaching the queries in Microsoft word file so as to reach the officer designated in Clause 2.12.3]²² by the specified date. The envelopes/ communications shall clearly bear the following identification/ title:

"Queries/ Request for Additional Information: Bidding for *** Project”.

1.3 Schedule of Bidding Process

The Utility shall endeavour to adhere to the following schedule:

	Event Description	Date and Time
1.	Date and time of Start of e-Tender Stage	
2.	Last date and time for receiving queries on RFQ and RFP	[10 days from date of start of e-Tender Stage]
3.	Pre-Bid Meeting	[15 days from date of start of e-Tender Stage]
4.	Utility response to queries latest by	[20 days from date of start of e-Tender Stage]

²¹ To be retained only if choice of Fuel source is through Allocated Linkage Coal provided by Utility.

²² Utility has the option to choose the medium of submission of queries depending upon the offline or online nature of the Pre-Bid Meeting selected.

5.	Last date and time of submission of Application and Bids (including Section A and Section B) – Bid Due Date	[30 days from date of start of e-Tender Stage]
6.	Opening of Application	[30 days from date of start of e-Tender Stage]
7.	Intimation to Qualified Bidders for opening of their Bids	[Within 7 days of Bid Due Date]
8.	Opening of Bids of those Qualified Bidders.	[Within 15 days of Bid Due Date]
9.	Start of e-Reverse Auction	[120 minutes after Opening of Bids]
10.	Close of e-Reverse Auction	[120 minutes from the start of e-Reverse Auction subject to Auto Extension of 10 minutes]
11.	L-1 Matching	If needed at the close of the e-Reverse Auction Stage, there will be an L-1 Matching Round for 30 mins.
12.	Letter of Award (LOA)	Within 10 days of Close of Bidding Process.
13.	Validity of Bids	120 days of Bid Due Date
14.	Signing of APP	Within 10 days of award of LOA

1.4 Pre-Bid Meeting

The date, time and venue of the Pre-Bid Meeting shall be:

Date: ****

Time: ***

Venue: ***

2. INSTRUCTIONS TO BIDDERS

A. GENERAL

2.1 Scope of Application

- 2.1.1. The Utility wishes to receive Applications for Pre-Qualification in order to short-list experienced and capable Bidders for opening of the Bids in the RFP process.
- 2.1.2. The Bids of the short-listed Qualified Bidders may be opened subsequently as per the schedule specified in Clause 1.3. of this RFQ.

2.2 Eligibility of Bidders

- 2.2.1 For determining the eligibility of Bidders for their pre-qualification hereunder, the following shall apply:

- (a) The Bidder should be a corporate entity;
- (b) The Bidder should either be the owner and operator of the Power Station from where electricity shall be supplied [or a Trading Licensee;
- (c) In case of Bidder being a Trading Licensee, such Trading Licensee should have executed a power purchase agreement or an equivalent arrangement with the Developer for atleast the Capacity for which the Application has been made]²³;

[(d) the Power Station has access to an assured supply of Fuel; and]

[(e) Other eligibility conditions shall include the following²⁴:]

- 2.2.2 To be eligible for pre-qualification and short-listing, a Bidder shall fulfil the following conditions of eligibility:

- (A) **Technical Capacity:** For demonstrating technical capacity and experience (the “Technical Capacity”), the Bidder shall own and operate power generating station(s) having an installed capacity equivalent to at least twice the capacity for which the Bidder is willing to Bid. Bidders shall not be allowed to increase their capacity at e-Reverse Auction Stage or L1 Matching round greater than for which Technical Capacity has been demonstrated.

In case the Bidder is a Trading Licensee, the condition under Clause 2.2.2 (A) shall be fulfilled through the Developer.

²³ To be deleted, in case the Bidding Process is being initiated by the Utility where choice of Fuel is Allocated Coal Linkage to be arranged by the Utility. In this regard, further provisions in Section A and Section B with respect to the Trading Licensee(s) shall be deleted prior to issuance of the Standard Bidding Document.

²⁴ Other project-specific conditions of eligibility or restrictions, if any, may be stated here, such as a limit on the supply of electricity that may be contracted with an entity.

(B) **Financial Capacity:** The Bidder shall have a minimum Net Worth (the “**Financial Capacity**”) equivalent to Rs. 1 crore (Rs. one crore) per MW of the capacity the Bidder is willing to Bid, at the close of the preceding financial year. Bidders shall not be allowed to increase their capacity at e-Reverse Auction Stage or L1 Matching round greater than for which Financial Capacity has been demonstrated.

In case the Bidder is a Trading Licensee, the condition under Clause 2.2.2(B) may be either fulfilled jointly or severally by the Trading Licensee and Developer.

2.2.3 The Bidders shall enclose with its Application, to be submitted as per the format at Appendix-I, complete with its Annexes, the following[§]:

- (i) certificate(s) from statutory auditors of the Bidder or in case the Bidder is a Trading Licensee, then of the Developer, stating the power stations which are owned and operated by the Bidder or the Developer, as the case may be, as specified in paragraph 2.2.2 (A) above; and
- (ii) certificate(s) from statutory auditors of the Bidder specifying the net worth of the Bidder as at the close of the preceding financial year, and also specifying that the methodology adopted for calculating such net worth conforms to the provisions of this Clause 2.2.3 (ii). For the purposes of this Section A, net worth (the “**Net Worth**”) shall mean the net worth as per the Companies Act, 2013.

2.2.4 The Bidder should submit a Power of Attorney as per the format at Appendix-II, authorising the signatory of the Bidder to digitally sign and submit the Application and Bid..

2.2.5 Any entity which has been barred by the Central/ State Government, or any entity controlled by it, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Application, would not be eligible to submit an Application. In case the Bidder is a Trading Licensee, the entity herein shall be construed as the Trading Licensee as well as the Developer.

[§] In case duly certified audited annual financial statements containing explicitly the requisite details are provided, a separate certification by statutory auditors would not be necessary in respect of Clause 2.2.3 (i). In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Applicant may provide the certificates required under this RFQ.

2.2.6 An Bidder and/or the Developer (in case the Bidder is a Trading Licencee) should, in the last 3 (three) years, have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award against the Bidder and/or the Developer , as the case may be, nor has been expelled from any project or contract by any public entity nor have had any contract terminated by any public entity for breach by such Bidder and/or the Developer . Provided, however, that where an Bidder claims that its or the Developers disqualification arising on account of any cause or event specified in this Clause 2.2.6 is such that it does not reflect (a) any malfeasance on its part in relation to such cause or event; (b) any willful default or patent breach of the material terms of the relevant contract; (c) any fraud, deceit or misrepresentation in relation to such contract; or (d) any rescinding or abandoning of such contract, it may make a representation to this effect to the Utility for seeking a waiver from the disqualification hereunder and the Utility may, in its sole discretion and for reasons to be recorded in writing, grant such waiver if it is satisfied with the grounds of such representation and is further satisfied that such waiver is not in any manner likely to cause a material adverse impact on the Bidding Process or on the implementation of the Project.

2.2.7 Omitted.

2.2.8 The following conditions shall be adhered to while submitting an Application:

- (a) Bidders should submit their Application online at the DEEP Portal only and upload clearly marked and referenced documents/sheets in the e-Tender Stage.
- (b) Information supplied by a Bidder must apply to the Bidder named in the Application. The Bid of only those Bidders will be opened whose identity and/ or constitution is identical to that at pre-qualification; and
- (c) In responding to the pre-qualification submissions, Bidders should demonstrate their capabilities in accordance with Clause 3.1 below.

2.2.9 Notwithstanding anything to the contrary contained herein, in the event that the Bid Due Date falls within three months of the closing of the latest financial year of a Bidder, it shall ignore such financial year for the purposes of its Application and furnish all its information and certification with reference to the 3 (three) years preceding its latest financial year. For the avoidance of doubt, financial year shall, for the purposes of an Application hereunder, mean the accounting year followed by the Bidder in the course of its normal business.

2.3 Number of Applications and costs thereof

2.3.1 No Bidder shall submit more than one Application for the Project from the same Power Station.

2.3.2 The Bidders shall be responsible for all of the costs associated with the preparation of their Applications and their participation in the Bidding Process.

The Utility will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

2.4 Verification of information

2.4.1 Bidders are encouraged to submit their respective Applications after familiarising themselves with the information and physical conditions relevant to the Project, including the transmission capacity, applicable laws and regulations, and any other matter considered relevant by them.

2.5 Acknowledgement by Bidder

2.5.1 It shall be deemed that by submitting the Application, the Bidder has:

- (a) made a complete and careful examination of this Section A;
- (b) received all relevant information requested from the Utility;
- (c) accepted the risk of inadequacy, error or mistake in the information provided in this Section A or furnished by or on behalf of the Utility relating to any of the matters referred to in Clause 2.4 above; and
- (d) agreed to be bound by the undertakings provided by it under and in terms hereof.

2.5.2 The Utility shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to this document or the Bidding Process, including any error or mistake therein or in any information or data given by the Utility.

2.6 Right to accept or reject any or all Applications/ Bids

2.6.1 Notwithstanding anything contained in this Section A, the Utility reserves the right to accept or reject any Application and to annul the Bidding Process and reject all Applications/ Bids, at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefore. In the event that the Utility rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.

2.6.2 The Utility reserves the right to reject any Application and/ or Bid if:

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) the Bidder does not provide, within the time specified by the Utility, the supplemental information sought by the Utility for evaluation of the Application.

If such disqualification/ rejection occurs after the Bids have been opened and the Lowest Bidder gets disqualified/ rejected, then the Utility reserves the right to:

- (a) invite the remaining Bidders to match the Lowest Bidder/ submit their Bids in accordance with the Section B; or
 - (b) take any such measure as may be deemed fit in the sole discretion of the Utility, including annulment of the Bidding Process.
- 2.6.3 In case it is found during the evaluation or at any time before signing of the APP or after its execution and during the period of subsistence thereof, including the contract thereby granted by the Utility, that one or more of the pre-qualification conditions have not been met by the Bidder, or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Supplier either by issue of the LOA or entering into of the APP, and if the Bidder/SPV has already been issued the LOA or has entered into the APP, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this Section A, be liable to be terminated, by a communication in writing by the Utility to the Bidder, without the Utility being liable in any manner whatsoever to the Bidder and without prejudice to any other right or remedy which the Utility may have under this Section A, the Bidding Documents, the APP or under applicable law.
- 2.6.4 The Utility reserves the right to verify all statements, information and documents submitted by the Bidder in response to the RFQ. Any such verification or lack of such verification by the Utility shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Utility thereunder.

B. DOCUMENTS

2.7 Contents of the RFQ (Section A)

This RFQ comprises the Glossary; Disclaimer set forth hereinabove, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.9.

Invitation for Qualification

- Section 1. Introduction
- Section 2. Instructions to Bidders
- Section 3. Criteria for Evaluation
- Section 4. Fraud & Corrupt Practices
- Section 5. Pre Application Conference
- Section 6. Miscellaneous

Appendices

- I. Letter comprising the Application
- II. Power of Attorney for signing of Application
- III. List of Application-specific Provisions

2.8 Clarifications

- 2.8.1 Bidders requiring any clarification on the RFQ may notify the Utility in writing [online at DEEP Portal or by speed post/courier and by e-mail attaching the queries in microsoft word file] in accordance with Clause 1.2.12. They should send in their queries before the date specified in the schedule of Bidding Process contained in Clause 1.3 of the RFQ. The Utility shall endeavour to respond to the queries within the period specified therein, but no later than 7 (seven) days prior to the Bid Due Date. The responses will be sent by e-mail or online at the DEEP Portal. The Utility will forward all the queries and its responses thereto, to all Bidders without identifying the source of queries or upload all the queries and its responses on the DEEP Portal.
- 2.8.2 The Utility shall endeavour to respond to the questions raised or clarifications sought by the Bidders. However, the Utility reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring the Utility to respond to any question or to provide any clarification.
- 2.8.3 The Utility may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Utility shall be deemed to be part of the RFQ. Verbal clarifications and information given by Utility or its employees or representatives shall not in any way or manner be binding on the Utility.

2.9 Amendment of RFQ

- 2.9.1 At any time prior to the deadline for submission of Application, the Utility may, for any reason, whether at its own initiative or in response to clarifications requested by a Bidder, modify the RFQ by the issuance of Addenda.
- 2.9.2 Any Addendum thus issued will be available at the DEEP Portal. The Bidders are advised to check the DEEP Portal for any amendments or notifications.
- 2.9.3 In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Utility may, in its sole discretion, extend the Bid Due Date.[§]

C. PREPARATION AND SUBMISSION OF APPLICATION

2.10 Language

- 2.10.1 The Application and all related correspondence and documents in relation to the Bidding Process shall be in English language. Supporting documents and printed literature furnished by the Bidder with the Application may be in any other language provided that they are accompanied by translations of all the pertinent passages in the English language, duly authenticated and certified by the Bidder. Supporting materials, which are not translated into English, may not be considered. For the purpose of interpretation and evaluation of the Application, the English language translation shall prevail.

2.11 Format and signing of Application

- 2.11.1 The Bidder shall provide all the information sought under this RFQ. The Utility will evaluate only those Applications that are received in the required formats and complete in all respects. Incomplete and /or conditional Applications shall be liable to rejection.
- 2.11.2 The Bidder shall submit their Application online on the DEEP portal, signed by a valid digital signature of the authorized signatory of the Bidder.
- 2.11.3 For the documents uploaded online, the Application shall be typed or written in indelible ink. It shall be signed by the authorized signatory of the Bidder who shall also initial each page of the Bidder (including each Appendix and Annex) in blue ink. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the Application shall be initialed by the person(s) signing the Application. The Application shall contain page numbers.

[§] While extending the Bid Due Date on account of an addendum, the Utility shall have due regard for the time required by bidders to address the amendments specified therein. In the case of significant amendments, at least 15 (fifteen) days shall be provided between the date of amendment and the Bid Due Date, and in the case of minor amendments, at least 7 (seven) days shall be provided.

2.11.4 The Bidder shall ensure that its authorized signatory has a Digital Signature Certificate (DSC).

2.11.5 The Bidder shall register on the DEEP Portal for participation in the Bidding Process.

2.11.6 The Official Copy of the Bidding Document shall be available for download on the DEEP Portal and on the website of Utility.

2.12 Sealing and Marking of Applications

2.12.1 The Bidder shall submit the Application in the format specified at Appendix-I and the format created online in the DEEP portal, together with the documents specified in Clause 2.12.2.

2.12.2 Documents required to be uploaded as per this RFQ shall contain:

- (i) Application in the prescribed format (Appendix-I) along with Annexes and supporting documents;
- (ii) Power of Attorney for digitally signing the Application as per the format at Appendix-II;
- (iii) copy of Memorandum and Articles of Association,;
- (iv) copies of Bidder's and Developer's (in case of Trading Licensee) duly audited balance sheet and profit and loss account for the preceding three years;
- (v) if the Bidder is a Trading Licensee, a copy of the power purchase agreement or an equivalent arrangement with the Developer; and
- (vi) a copy of Fuel Supply Agreement or equivalent arrangement for the Power Station; [; and
- (vii) any other project-specific requirement that may be specified by the Utility].

2.12.3 The Bidders shall send the hard copy of all the original documents stated at Clause 2.12.2 in an envelope clearly indicating the name and address of the Bidder, addressed to:

ATTN. OF:	Mr***
DESIGNATION:	***
ADDRESS:	***
FAX NO:	***
E-MAIL ADDRESS:	***

Such hard copies should reach the aforementioned address within [5 days] after the opening of the Application in accordance with Clause 1.3 of this RFQ. The Bidders are notified that in case of any discrepancy in the documents uploaded online at the DEEP Portal and the hard copies submitted in accordance with this Clause 2.12.3, the documents uploaded online shall prevail.

- 2.12.4 If the Application is not uploaded and digitally signed as instructed above, the Utility assumes no responsibility for rejection of the Application and consequent losses, if any, suffered by the Bidder.

Applications submitted by fax or e-mail shall not be entertained and shall be rejected.

- 2.12.5 In the e-Tender stage, all Bidders after uploading on the DEEP Portal the Application and the Bid as per the RFP and digitally signing the same must click on 'Final submit' button to finally submit their Application and Bid, without clicking the 'Final submit' button the system will not consider the Application or the Bid.

2.13 Bid Due Date

- 2.13.1 Applications should be submitted online latest by *** hours IST on the Bid Due Date, at the DEEP Portal in the manner and form as detailed in this RFQ.

- 2.13.2 The Utility may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.9 uniformly for all Bidders.

2.14 Late Applications

Applications will not be accepted for submission at the DEEP Portal after the time specified on the Bid Due Date.

2.15 Modifications/ substitution/ withdrawal of Applications

- 2.15.1 The Bidder may modify, substitute or withdraw its Application after submission, provided that such modification, substitution or withdrawal is made prior to the Bid Due Date. No Application shall be modified, substituted or withdrawn by the Bidder on or after the Bid Due Date. The DEEP Portal shall provide the option to Bidders, after submission of the Application and the Bid as per this Bidding Document, to withdraw and delete the Application. Clicking on withdraw, system will withdraw the Application and no further submission will be allowed whatsoever for the Bidder(s). While clicking on delete, system will delete all the encrypted data saved on the DEEP Portal and the Bidder(s) may submit fresh Application prior to the Bid Due Date.

- 2.15.2 However, notwithstanding this Clause, all bids submitted in L1 Matching will be considered final and cannot be modified after the bid has been accepted by the system.

2.15.3 Any alteration/ modification in the Application or additional information supplied subsequent to the Bid Due Date, unless the same has been expressly sought for by the Utility, shall be disregarded.

D. EVALUATION PROCESS

2.16 Opening and Evaluation of Applications

2.16.1 The Utility shall open the Applications at *** hours IST on the Bid Due Date, at the place specified in Clause 2.12.3 and in the presence of the Bidders who choose to attend.

2.16.2 Applications which are withdrawn in accordance with Clause 2.15 shall not be opened and payments if any made shall be refunded within [7] working days in accordance with Clause 2.20.2.

2.16.3 The Utility will subsequently examine and evaluate Applications in accordance with the provisions set out in Clause 3.

2.16.4 Bidders are advised that pre-qualification of Bidders will be entirely at the discretion of the Utility. Bidders will be deemed to have understood and agreed that no explanation or justification on any aspect of the Bidding Process or selection will be given.

2.16.5 Any information contained in the Application shall not in any way be construed as binding on the Utility, its agents, successors or assigns, but shall be binding against the Bidder if the Project is subsequently awarded to it on the basis of such information.

2.16.6 The Utility reserves the right not to proceed with the Bidding Process at any time without notice or liability and to reject any or all Application(s) without assigning any reasons.

2.16.7 If any information furnished by the Bidder is found to be incomplete, or contained in formats other than those specified herein, the Utility may, in its sole discretion, exclude the relevant project from computation of the Technical Capacity of the Bidder.

2.17 Confidentiality

2.17.1 Information relating to the examination, clarification, evaluation, and recommendation for the short-listed pre-qualified Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Utility in relation to, or matters arising out of, or concerning the Bidding Process. The Utility will treat all information, submitted as part of Application, in confidence and will require all those who have access to such material to treat the same in confidence. The Utility may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or

privilege of the statutory entity and/ or the Utility or as may be required by law or in connection with any legal process.

2.18 Tests of responsiveness

2.18.1 Prior to evaluation of Applications, the Utility shall determine whether each Application is responsive to the requirements of the RFQ. An Application shall be considered responsive if:

- (a) it is received as per format at Appendix-I.
- (b) it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.13.2;
- (c) it is digitally signed and uploaded as stipulated in Clauses 2.11 and 2.12;
- (d) it is accompanied by the Power of Attorney as specified in Clause 2.2.4;
- (e) it contains all the information and documents (complete in all respects) as requested in this RFQ;
- (f) it contains information in formats same as those specified in this RFQ;
- (g) it contains certificates from its statutory auditors\$ in the formats specified at Appendix-I of the RFQ for each Eligible Project;
- (h) it contains a copy of power purchase agreement or equivalent arrangement with the Developer in case the Bidder is a Trading Licensee;
- (i) it contains a statement on fuel supply arrangement for the Power Station;
- (j) it contains an attested copy of the system generated receipt or receipt of the Utility for payments towards the cost of the Bidding Process, e-Bidding fees submitted to PFCCL as per Clause 1.2.1 and Bid Security as specified in Clause 1.2.6;
- (k) it does not contain any condition or qualification; and
- (l) it is not non-responsive in terms hereof.

2.18.2 The Utility reserves the right to reject any Application which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Utility in respect of such Application. Provided, however, that the Utility may, in its discretion, allow the Bidder to rectify any infirmities or omissions if the same do not constitute a material modification of the Application

2.19 Clarifications

2.19.1 To facilitate evaluation of Applications, the Utility may, at its sole discretion, seek clarifications from any Bidder regarding its Application. Such clarification(s) shall be provided within the time specified by the Utility for this purpose. Any request for clarification(s) and all clarification(s) in response thereto shall be in writing.

2.19.2 If a Bidder does not provide clarifications sought under Clause 2.19.1 above within the prescribed time, its Application shall be liable to be rejected. In case the Application is not rejected, the Utility may proceed to evaluate the Application by construing the particulars requiring clarification to the best of its understanding, and the Bidder shall be barred from subsequently questioning such interpretation of the Utility.

E. QUALIFICATION AND BIDDING

2.20 Pre-qualification and notification

2.20.1 After the evaluation of Applications, the Utility would announce a list of pre-qualified Bidders (Bidders) whose Bid submitted online shall be opened on the date specified in accordance with Section B of this Bidding Document. At the same time, the Utility would notify the other Bidders that they have not been pre-qualified. The Utility will not entertain any query or clarification from Bidders who fail to qualify.

2.20.2 The Bid Security submitted by the Bidders who do not qualify after the evaluation of the Applications shall be refunded by the Utility, without any interest, to such Bidders within 7 working days on issuance of LOA.

2.21 Submission of Bids

The Bidders will be requested to submit a Bid online in the form and manner to be set out in Section B of the Bidding Document.

The Bids of only pre-qualified Bidders shall be opened by the Utility on such date as specified in this Bidding Document. The Utility is likely to provide a comparatively short time span for submission of the Bids for the Project. The Bidders are therefore advised to examine the Bidding Documents, and to carry out such scrutiny and studies as may be required for submitting their respective Bids for award of the Project. No extension of time is likely to be considered for submission of Bids.

2.22 Proprietary data

All documents and other information supplied by the Utility or submitted by a Bidder to the Utility shall remain or become the property of the Utility. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Application. The Utility will not return any Application or any information provided along therewith.

2.23 Correspondence with the Bidder

Save and except as provided in this Section A, the Utility shall not entertain any correspondence with any Bidder in relation to the acceptance or rejection of any Application.

3. CRITERIA FOR EVALUATION

3.1 Evaluation parameters

- 3.1.1 Only those Bidders who meet the eligibility criteria specified in Clause 2.2.2 above shall qualify for evaluation under this Clause 3. Applications of Bidders who do not meet these criteria shall be rejected.
- 3.1.2 The Bidder's competence and capability is proposed to be established by the following parameters:
- (a) Technical Capacity; and
 - (b) Financial Capacity

3.2 Technical Capacity for purposes of evaluation

- 3.2.1 Subject to the provisions of Clause 2.2, the Bidders must establish the minimum Technical Capacity specified in Clause 2.2.2 (A) (the "Eligible Projects"). For a power generating project to qualify as an Eligible Project, it should be owned and operated by the Bidder, and shall include a power station built and operated on PPP, BOLT, BOO, BOOT, BOT, DBFOO or on other similar basis.
- 3.2.2 The Bidder should furnish the required project-specific information and evidence in support of its claim of Technical Capacity, as per format at Annex-II of Appendix-I.
- 3.2.3 In case the Bidder is a Trading Licensee, the condition under Clause 3.2 shall be fulfilled through the Developer.

3.3 Financial information for purposes of evaluation

- 3.3.1 The Application must be accompanied by the Annual Reports of the Bidder for the last 3 (three) financial years, preceding the year in which the Application is made.
- 3.3.2 In case the Annual Reports for the latest financial year are not available and therefore the Bidder cannot make it available, the Bidder shall give an undertaking to this effect and the statutory auditor shall certify the same. In such a case, the Bidder shall provide the Annual Reports for 3 (three) years preceding the year for which the Annual Report is not being provided.
- 3.3.3 The Bidder must establish the minimum Net Worth specified in Clause 2.2.2 (B), and provide details as per format at Annex-III of Appendix-I.

4. FRAUD AND CORRUPT PRACTICES

- 4.1 The Bidders and their respective officers, employees, agents and advisers shall observe the highest standard of ethics during the Bidding Process. Notwithstanding anything to the contrary contained herein, the Utility may reject an Application without being liable in any manner whatsoever to the Bidder if it determines that the Bidder has, directly or indirectly or through an agent, engaged in corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice in the Bidding Process.
- 4.2 Without prejudice to the rights of the Utility under Clause 4.1 hereinabove, if an Bidder is found by the Utility to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Bidding Process, such Bidder shall not be eligible to participate in any tender or Section A issued by the Utility during a period of 2 (two) years from the date such Bidder is found by the Utility to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.
- 4.3 For the purposes of this Clause 4, the following terms shall have the meaning hereinafter respectively assigned to them:
- (c) “corrupt practice” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of any person connected with the Bidding Process (for avoidance of doubt, offering of employment to, or employing, or engaging in any manner whatsoever, directly or indirectly, any official of the Utility who is or has been associated in any manner, directly or indirectly, with the Bidding Process or the LOA or has dealt with matters concerning the PPA or arising therefrom, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of the Utility, shall be deemed to constitute influencing the actions of a person connected with the Bidding Process); or (ii) save and except as permitted under this RFQ, engaging in any manner whatsoever, whether during the Bidding Process or after the issue of the LOA or after the execution of the APP, as the case may be, any person in respect of any matter relating to the Project or the LOA or the APP, who at any time has been or is a legal, financial or technical adviser of the Utility in relation to any matter concerning the Project;
 - (d) “fraudulent practice” means a misrepresentation or omission of facts or suppression of facts or disclosure of incomplete facts, in order to influence the Bidding Process;
 - (e) “coercive practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any person or property to influence any person’s participation or action in the Bidding Process;

- (f) “undesirable practice” means (i) establishing contact with any person connected with or employed or engaged by the Utility with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest; and
- (g) “restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Bidders with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

5. PRE-BID MEETING

- 5.1 A Pre-Bid meeting of the interested parties shall be convened at the designated date, time and place. A maximum of three representatives of each interested party shall be allowed to participate on production of identity.
- 5.2 During the course of Pre-Bid meeting, the Bidders will be free to seek clarifications and make suggestions for consideration of the Utility. The Utility shall endeavour to provide clarifications and such further information as it may, in its sole discretion, consider appropriate for facilitating a fair, transparent and competitive Bidding Process.
- 5.3 In case the Utility desires to have the pre-bid meeting online at the DEEP Portal, the Pre-bid meeting will take place as per the schedule specified in this Bidding Document. A report of the Pre-Bid meeting shall be prepared online and be made available to all the participating Bidders.

6. MISCELLANEOUS

- 6.1 The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts in the State in which the Utility has its headquarters shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2 The Utility, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
- (a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
 - (b) consult with any Bidder in order to receive clarification or further information;
 - (c) pre-qualify or not to pre-qualify any Bidder and/ or to consult with any Bidder in order to receive clarification or further information;
 - (d) retain any information and/ or evidence submitted to the Utility by, on behalf of, and/ or in relation to any Bidder; and/ or
 - (e) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3 It shall be deemed that by submitting the Application, the Bidder agrees and releases the Utility, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder and the Bidding Documents, pursuant hereto, and/ or in connection with the Bidding Process, to the fullest extent permitted by applicable law, and waives any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.

APPENDIX I
Letter Comprising the Application for Pre-Qualification
to be uploaded during e-Tender Stage

To,

[The ***,

***]

Sub: Application for pre-qualification for *** Project

Dated:

Dear Sir,

With reference to your Bidding Document dated ...[§], I/we, having examined Section A of the Bidding Document and understood its contents, hereby submit my/our Application for Qualification for the aforesaid project. The Application is unconditional and unqualified.

2. I/ We acknowledge that the Utility will be relying on the information provided in the Application and the documents accompanying such Application for pre-qualification of the Bidders for the aforesaid project, and we certify that all information provided in the Application and in Annexes I to V is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying such Application are true copies of their respective originals.
3. This statement is made for the express purpose of qualifying as a Bidder for the aforesaid Project and for sale of electricity to the Utility.
4. I/ We shall make available to the Utility any additional information it may find necessary or require to supplement or authenticate the Qualification statement.
5. I/ We acknowledge the right of the Utility to reject our Application without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
6. I/ We certify that in the last three years, we and the Developer (to be inserted in case of a Trading Licensee being the Bidder) have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.

[§] All blank spaces shall be suitably filled up by the Applicant to reflect the particulars relating to such Applicant.

7. I/ We declare that:
 - 7.1 I/ We have examined and have no reservations to the Bidding Document, including any Addendum issued by the Utility;
 - 7.2 I/We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4.3 of Section A of the Bidding Document, in respect of any tender or Section B of the Bidding Document issued by or any agreement entered into with the Utility or any other public sector enterprise or any government, Central or State; and
 - 7.3 I/We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of Section A of the Bidding Document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Application that you may receive nor to open the Bid of the Bidders, without incurring any liability to the Bidders, in accordance with Clause 2.16.6 of Section A of the Bidding Document.
9. I/ We believe that we/ satisfy the Net Worth criteria and meet all the requirements as specified in Section A of the Bidding Document and are/ am qualified to submit a Bid.
10. Omitted.
11. I/We declare that the Developer is not a Bidder or Member of any other Bidder applying for pre-qualification where I/We as Trading Licensee am/are applying for pre-qualification. (Clause Applicable only if Bidder is a Trading licensee).
12. I/ We certify that in regard to matters other than security and integrity of the country, we {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} have not been convicted by a Court or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
13. I/ We further certify that in regard to matters relating to security and integrity of the country, we {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} have not been charge-sheeted by any agency of the Government or convicted by a Court of Law.

14. I/ We further certify that no investigation by a regulatory authority is pending against us {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} or against our CEO or any of our directors/managers/ employees[§].
15. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the provisions of Section A of this Bidding Document, we shall intimate the Utility of the same immediately.
16. The Statement of Legal Capacity as per format provided at Annex-IV in Appendix-I of Section A of the Bidding Document, and duly signed, is enclosed.
17. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Utility in connection with the selection of Bidders, selection of the Bidder, or in connection with the selection/ Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
18. I/ We agree and undertake to abide by all the terms and conditions of the Bidding Document.
19. {I/We hereby undertake that in the event the Bidder is selected as the Selected Bidder, I/We shall surrender the proportionate quantity of any existing Letter of Assurance /Fuel Supply Agreement to the supplier of the coal, not being the Letter of Assurance/ Fuel Supply Agreement arranged by the Utility, corresponding to the tenure of the Letter of Assurance /Fuel Supply Agreement arranged by the Utility.}[§]
20. I/ We certify that in terms of Section A of the Bidding Document, [my/our Network is Rs. (Rs. in words) and our Technical Capacity is equivalent toMW (MW in words).][§]
21. I/We offer a Capacity of {...MW[§]} from {Capacity, Name and address of the Project} which conforms to Clause 1.1.4 of Section A of the Bidding Document out of the Capacity Required of {... MW} given under Clause 1.1.1 of Section A of the Bidding Document.

In witness thereof, I/ we submit this application under and in accordance with the terms of Section A of the Bidding Document.

[§] In case the Applicant is unable to provide the certification specified in para 14, it may precede the paragraph by the words, viz. "Except as specified in Schedule **** hereto". The exceptions to the certification or any disclosures relating thereto may be clearly stated in a Schedule to be attached to the Application. The Utility will consider the contents of such Schedule and determine whether or not the exceptions/disclosures are of a nature that could cast a doubt on the ability or suitability of the Applicant to undertake the Project.

[§] To be retained only if source of fuel is from Allocated Coal Linkage arranged by the Utility.

§ In case the Applicant is a Trading Licensee, the words in square parenthesis shall be replaced by the following "I/We certify that in terms of the RFQ our Network is Rs. (Rs. In words) and Technical Capacity of the Developer is equivalent to MW (MW in words)"

[§] Maximum capacity offered

Yours faithfully,

Date: (Signature, name and designation of the Authorised Signatory)

Place: Name and seal of the Applicant

ANNEX-I
Particulars of the Bidder

1. (a) Name:
(b) Date of commencement of business:
(c) Address of the corporate headquarters:
2. Brief description of the Company including details of its main lines of business:
3. Particulars of individual(s) who will serve as the point of contact/ communication for the Bidder:
 - (a) Name:
 - (b) Designation:
 - (c) Company:
 - (d) Address:
 - (e) Telephone Number:
 - (f) E-Mail Address:
 - (g) Fax Number:
4. Particulars of the Authorised Signatory of the Bidder:
 - (a) Name:
 - (b) Designation:
 - (c) Address:
 - (d) Phone Number:
 - (e) Fax Number:
5. The following information shall also be provided for the Bidder:

Name of Bidder:

No.	Criteria	Yes	No
1.	Has the Bidder {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} been barred by the Central/State Government, or any entity controlled by it, from participating in any project (BOT or otherwise)?		
2.	If the answer to 1 is yes, does the bar subsist as on the date of Application?		
3.	Has the Bidder {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} paid liquidated damages of more than 5% of the contract value in a contract due to delay or has been penalised due to any other reason in relation to execution of a contract, in the last three years?		

6. A statement by the Bidder disclosing material non- performance or contractual non-compliance in past projects, contractual disputes and litigation/ arbitration in the recent past is given below (Attach extra sheets, if necessary):

Note: In case the Bidder is a Trading Licensee, the information required at point 5 and 6 above shall be provided by the Bidder for itself and the Developer.

ANNEX-II

Technical Capacity of the Bidder[@]

(Refer to Clauses 2.2.2(A) and 3.2 of the RFQ)

Item	Refer Instruction	Particulars of the Project
Title of the project	1	
Location		
Total Project cost	3	
Installed capacity of the plant	2	
Project Type (Coal/ Gas etc.)		
Date of completion/ Commissioning	4	

[@] Provide details of only those projects that have been undertaken by the Bidder under its own name . In case the Bidder is a Trading Licensee, provide details of only those projects that have been undertaken by a Developer in accordance with Clause 3.2.1.

Instructions:

1. A separate sheet should be filled for each Eligible Project.
2. The total number of units along with the details of the capacity of each unit should be provided.
3. Provide the capital cost of the Eligible Project.
4. The date of commissioning of the project, upon completion, should be indicated.

5. Certificate from the Bidder's or Developer's, as applicable, statutory auditor^{\$} must be furnished as per formats below for each Eligible Project.

Certificate from the Statutory Auditor regarding Eligible Projects^Φ

Based on its books of accounts and other published information authenticated by it, this is to certify that (*name of the Bidder*) is an equity shareholder in (*title of the power station*) and holds Rs. cr. (Rupees crore) of equity (which constitutes% of the total paid up and subscribed equity capital) of the project company. The project was commissioned on (*date of commissioning of the project*).

Name of the audit firm:

Seal of the audit firm:

(Signature, name and designation of the authorised signatory)

Date:

^Φ Provide Certificate as per this format only. Attach explanatory notes to the Certificate, if necessary. In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Bidder may provide the certificates required under this RFQ.

^{\$} In case duly certified audited annual financial statements containing the requisite details are provided, a separate certification by statutory auditors would not be necessary.

6. In case the generating station is not under a separate SPV the following format shall be used, Certificate from the Bidder's or Developer's, as applicable, statutory auditor must be furnished as per formats below for each Eligible Project.

<p style="text-align: center;">Certificate from the Statutory Auditor regarding Eligible Projects^Φ</p> <p>Based on its books of accounts and other published information authenticated by it, this is to certify that (name of the Bidder) having its registered office atowns the.....(name of project) from(date). The project was commissioned on (date of commissioning of the project).</p> <p style="text-align: right;">Name of the audit firm:</p> <p style="text-align: right;">Seal of the audit firm:</p> <p style="text-align: right;">(Signature, name and designation of the authorised signatory)</p> <p>Date:</p>

^Φ Provide Certificate as per this format only. Attach explanatory notes to the Certificate, if necessary. In jurisdictions that do not have statutory auditors, the firm of auditors which audits the annual accounts of the Bidder may provide the certificates required under this RFQ.

7. Omitted.

8. In the absence of any detail in the above certificates, the information would be considered inadequate and could lead to disqualification of the project.

ANNEX-III

Financial Capacity of the Bidder (in case the Trading Licensee is the Bidder the words “and/or the Developer” shall be inserted)

(Refer to Clauses 2.2.2(B), 2.2.3(ii) and 3.3 of the RFQ)

Applicant Name	
Net Worth (In Rs. crore)	

⁶The Bidder should provide details of its own Financial Capacity . In case the Bidder is a Trading Licensee it should provide details of its own Financial Capacity and/or of the Developer.

Name & address of Bidder’s Bankers:

Instructions:

1. The Bidder shall attach copies of the financial statements and Annual Reports for 3 (three) years preceding the Bid Due Date. The financial statements shall:
 - (a) In case the Bidder is a Trading Licensee and is relying on the Financial Capacity of the Developer, it should reflect the financial situation of the Developer also;
 - (b) be audited by a statutory auditor;
 - (c) be complete, including all notes to the financial statements; and
 - (d) correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

2. Net Worth shall be as the networth as per The Companies Act, 2013.
3. Year will be the latest completed financial year, preceding the bidding. In case the Bid Due Date falls within 3 (three) months of the close of the latest financial year, refer to Clause 2.2.9 the Year shall be Year immediately preceding the latest completed Financial Year.
4. The Bidder shall provide an Auditor's Certificate specifying the net worth of the Bidder (in case the Trading Licensee is the Bidder the words "and/or of the Developer" shall be inserted) and also specifying the methodology adopted for calculating such net worth in accordance with Clause 2.2.3 (ii) of the RFQ document.

ANNEX-IV

Statement of Legal Capacity

(To be forwarded on the letterhead of the Bidder)

Ref.

Date:

To,

Dear Sir,

We hereby confirm that we satisfy the terms and conditions laid out in the Bidding Document.

We have agreed that (insert individual's name) will act as our representative on its behalf and has been duly authorized to submit the Application and the Bid. Further, the authorised signatory is vested with requisite powers to furnish such letter and authenticate the same.

Thanking you,

Yours faithfully,

(Signature, name and designation of the authorised signatory)

For and on behalf of.....

ANNEX- V

Particulars of the Power Station

1. Name of the Developer, Date of commencement of business, Address of the corporate headquarters, Brief description of the Company including details of its main lines of business: [§]
2. Location of Power Station (Specify place, district and state):
3. No. of units and installed capacity of each unit (in MW):

Existing No. of Units	Installed Capacity (in MW)	COD
--------------------------	-------------------------------	-----

Proposed No. of Units	Installed Capacity (in MW)	COD
--------------------------	-------------------------------	-----
4. Quantum of electricity contracted with other purchasers, if any (in MW):
5. Details of surplus capacity (in MW):
6. Proposed Supply of electricity (in MW):

Signature:

Name:

Designation:

Date:

Place:

[§] In case the Bidder is a Trading Licensee, provide details of the Developer, else Not Applicable will be mentioned.

APPENDIX II
Power of Attorney for signing of Application and Bid[§]
(Refer Clause 2.2.4)

Know all men by these presents, we..... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorised Mr/ Ms (name), son/daughter/wife of and presently residing at..., who is presently employed with us and holding the position of.... , as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our application for pre-qualification and submission of our bid for the ***** Project proposed or being developed by the ***** (the “Utility”) including but not limited to signing and submission of all applications, bids and other documents and writings, participate in Pre-Applications and other conferences and providing information/ responses to the Utility, representing us in all matters before the Utility, signing and execution of all contracts including the Agreement for Procurement of Power (APP) and undertakings consequent to acceptance of our bid, and generally dealing with the Utility in all matters in connection with or relating to or arising out of our bid for the said Project and/ or upon award thereof to us and/or till the entering into of the APP with the Utility.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE,, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ... DAY OF2.....

For

....

(Signature, name, designation and address)

Witnesses:

[§] To be submitted in original.

Affixation of Common Seal

1.

(Notarised)

2

Accepted

.....

(Signature)

(Name, Title and Address of the Attorney)

Notes:

- 1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- 2. Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as aboard or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- 3. For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*

[APPENDIX – III]²⁵
Details of the Allocated Coal Linkage

[Details to be provided with respect to Location of Coal Mine and Quality of Coal]

²⁵ To be retained only if coal linkage is provided by the Utility.

SECTION B

Request For Proposal

for

Agreement for Procurement of Power

For Medium Term
(Bid submission, e-Reverse Auction and L-1
Matching)

Ministry of Power
Government of India

January 2019

1. INTRODUCTION[§]

1.1 Brief description of Bidding Process

- 1.1.1. The Utility has adopted a two-stage bidding process (collectively referred to as the "Bidding Process") for selection of the Bidder for award of the Project. The first stage (the "**e-Tender Stage**") of the process involves pre-qualification of interested parties in accordance with the provisions of the Section A and opening of the Bid of the pre-qualified and short-listed Qualified Bidders in accordance with this Section B. At the end of the e-Tender Stage, system will send an email to all Qualified Bidders which are eligible to participate in the second stage of the bidding process. The Bid shall be valid for a period of not less than 120 days (one hundred twenty days) from the Bid Due Date.
- 1.1.2. The Bidding Documents include the draft APP for the Project [which is enclosed/ which will be provided to the Bidders on or near about ***]¹. Subject to the provisions of Clause 1.1.3, the aforesaid documents and any addenda issued subsequent to this RFP, will be deemed to form part of the Bidding Documents.
- 1.1.3. A Bidder is required to deposit, along with its Bid, a bid security of [Rs. 5 lakh (Rupees five lakh) per MW of capacity offered by the Bidder]² (the "**Bid Security**"), refundable not later than [60 (sixty)] days from the Bid Due Date, except in the case of the Selected Bidder whose Bid Security shall be retained till it has provided a Performance Security under the APP. The Bidders will have an option to provide Bid Security in the form of a demand draft or a bank guarantee acceptable to the Utility or may be deposited online through NEFT/IMPS/RTGS payment. The demand draft shall be kept valid for a period not less than 180 (one hundred and eighty) days from the Bid Due Date, by submitting another demand draft before expiry of the existing demand draft and may be further extended as may be mutually agreed between the Utility and the Bidder from time to time. In case a bank guarantee is provided, its validity period shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Utility and the Bidder from time to time. The Bid shall be summarily rejected if it is not accompanied by the Bid Security

[§] Instructions for Bidders

Note 1: The provisions in curly brackets shall be suitably modified by the Bidders after the RFP is issued. (See Appendix-IV)

Note 2: Blank spaces contain formats that are to be used by the Bidders after the RFP is issued. (See Appendix-IV)

Note 3: Footnotes marked "\$" in the relevant Clauses of the RFP are for guidance of the Bidders. In case of Appendices, the footnotes marked "\$" or in other non-numerical characters shall be omitted by the Bidders while submitting their respective Bids. (See Appendix-IV)

¹ The APP should either be provided along with the RFP or at least 45 days before the Bid Due Date and 21 days before the Pre-Bid Meeting

² The Utility may prescribe a bid security not exceeding Rs. 5 lakh per MW. It may reduce the bid security, but not less than Rs 2 lakh per MW, in any case

- 1.1.4. During the Bidding Process, Bidders are invited to examine the Bidding Documents in greater detail, and to carry out, at their cost, such studies as may be required for submitting their respective Bids for award of the Contract including implementation of the Project.
- 1.1.5. Bids are invited for the Project on the basis of a tariff to be offered by a Bidder for and in respect of the Project. For the purposes of evaluation hereunder, the Base Fixed Charge and Base Variable Charge shall constitute the tariff for the Power Station (the “**Tariff**”). [The cost of Fuel, transportation/transit thereof, transmission charges and the transmission losses / supply from Hydro-electric Power Station or for Lump sum Tariff, generating cost of electricity, the transmission charges and the transmission losses, shall form part of the Base Variable Charge.] The Base Fixed Charge and the Base Variable Charge shall each be at least 35% of the Tariff. The contract period shall be pre-determined and specified in the Bidding Documents.

In this RFP, the term “**Lowest Bidder**” shall mean the Bidder who is offering the lowest Tariff.

- 1.1.6. In e-Reverse Auction Stage, the lowest Bid received in the e-Tender Stage shall be displayed to the Bidders on the DEEP Portal and thereafter any subsequent lowest bid in e-Reverse Auction Stage on a real time basis. During the e-Reverse Auction Stage, the Bidders will have the option of reducing the Tariff quoted by them at e-Tender Stage in their Bids in decrements of 1 (one) paise or multiples thereof and to increase/maintain the quantum quoted by them at e-Tender Stage by 1 MW or multiples thereof. At the end of the e-Reverse Auction, lowest bidder will be identified by the system, the system will check all bids received in e-Tender and e-Reverse Auction and identify the Bidder who has quoted the lowest Tariff therein (“**Lowest Bidder**”).
- 1.1.7. Generally, the Lowest Bidder shall be the Selected Bidder. The remaining Qualified Bidders shall be kept in reserve and may, in accordance with the process specified in Clause 3 of this RFP, be invited to match the Bid submitted by the Lowest Bidder in case such Lowest Bidder withdraws or is not selected for any reason or in case the capacity required as per Clause 1.1.1 of the RFQ is not fully met by the Lowest Bidder. All other bidders will be asked to match the Lowest Bid in the system (“**L-1 Matching**”). In L-1 Matching round, the Qualified Bidders will be displayed the bid of the Lowest Bidder (“**Lowest Bid**”) and available quantity, they will be required to input the quantity in MW that they wish to supply at the Lowest Bid. At the end of L-1 Matching round, system will allocate power to bidders in the order as they were at the end of e-Reverse Auction Stage (like L-1, L-2 , L-3 cumulative in e-Tender Stage and e-Reverse Auction Stage) for the quantity bid by Lowest Bidder in Bid Stage and other bidders in L-1 Matching. It is hereby clarified that the Utility will not accept the entire capacity offered of the last Lowest Bidder in the order of progression, in the event the Capacity Required gets fulfilled by a part thereof. In the event that none of the other Qualified Bidders match the Bid of the Lowest Bidder, the Utility may, in its discretion, (i) allocate the remaining capacity, if any, after completion of L-1

Matching round to the Bidders at the Tariff quoted cumulative in e-Tender Stage and e-Reverse Auction Stage in the order as they were at the end of L-1 Matching round or (ii) invite fresh Bids from the remaining Qualified Bidders or (iii) annul the Bidding Process. Further, it is clarified that any single Bidder cannot quote part capacity from different power stations.

- 1.1.8. The Supplier shall, in consideration of its investment and services, be entitled to receive a Tariff comprising of Fixed Charge and a Variable Charge.
- 1.1.9. Details of the process to be followed at the Bid Stage and the terms thereof are spelt out in this RFP.
- 1.1.10. Any queries or request for additional information concerning this RFP shall be submitted in writing [online at the DEEP Portal or by speed post/courier and by e-mail attaching the queries in Microsoft word file so as to reach the officer designated in Clause 2.13.3 of the RFQ] by the specified date. The envelopes/ communication shall clearly bear the following identification/ title:

"Queries/Request for Additional Information: RFP for ***** Project".

2. INSTRUCTIONS TO BIDDERS

A. General

2.1 General Terms of Bidding

- 2.1.1 No Bidder shall submit more than one Bid for the Project from the same Power Station.
- 2.1.2 Unless the context otherwise requires, the terms not defined in this Section B, but defined in Section A of this Bidding Document shall have the meaning assigned thereto in Section A.
- 2.1.3 The Bidders are expected to carry out their own surveys, investigations and other detailed examination of the Project before submitting their Bids. Any variations or deviations found subsequently shall not confer any right on the Bidders, and the Utility shall have no liability whatsoever in relation to or arising out of any variations or deviations detected subsequently.
- 2.1.4 Notwithstanding anything to the contrary contained in this Section B, the detailed terms specified in the draft APP shall have overriding effect; provided, however, that any conditions or obligations imposed on the Bidder hereunder shall continue to have effect in addition to its obligations under the APP.
- 2.1.5 The Bid should be furnished in the format at Appendix–I, clearly indicating the Bid amount in both figures and words, in Indian Rupees, and signed by the Bidder's authorized signatory. In the event of any difference between figures and words, the amount indicated in words shall be taken into account.
- 2.1.6 The Bid shall consist of a Tariff to be quoted by the Bidder, as per the terms and conditions of this Section B and the provisions of the APP.
- 2.1.7 The Bidder shall deposit a Bid Security as specified in Clause 1.1.3 of this RFP. The Bidder has the option to provide the Bid Security either as a Demand Draft or in the form of a Bank Guarantee acceptable to the Utility, as per format at Appendix–II or through NEFT/RTGS payment online at DEEP Portal.
- 2.1.8 The validity period of the Bank Guarantee shall not be less than 180 (one hundred and eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Utility and the Bidder. The Bid shall be summarily rejected if it is not accompanied by the Bid Security. The Bid Security shall be refundable no later than [60 (sixty)] days from the Bid Due Date except in the case of the Selected Bidder(s) whose Bid Security shall be retained till it has provided a Performance Security under the APP.

- 2.1.9 The Bidder should submit a Power of Attorney as per the format at Appendix– III, authorising the signatory of the Bid to commit the Bidder.
- 2.1.10 Any condition or qualification or any other stipulation contained in the Bid shall render the Bid liable to rejection as a non-responsive Bid.
- 2.1.11 The Bid and all communications in relation to or concerning the Bidding Documents and the Bid shall be in English language.
- 2.1.12 The documents including this Section B and all attached documents, provided by the Utility are and shall remain or become the property of the Utility and are transmitted to the Bidders solely for the purpose of preparation and the submission of a Bid in accordance herewith. Bidders are to treat all information as strictly confidential and shall not use it for any purpose other than for preparation and submission of their Bid. The provisions of this Clause 2.1.12 shall also apply *mutatis mutandis* to Bids and all other documents submitted by the Bidders, and the Utility will not return to the Bidders any Bid, document or any information provided along therewith.
- 2.1.13 This Bidding Document is not transferable.
- 2.1.14 Any award of Contract pursuant to this Section B shall be subject to the terms of Bidding Document.
- 2.1.15 [Other Bid conditions shall include:***]³

2.2 Change in Ownership

By submitting the Bid, the Bidder shall be deemed to have acknowledged and agreed that in the event of a change in control of the Bidder and/or the Developer (in case of the Bidder being a Trading Licensee), whose Technical Capacity and/ or Financial Capacity was taken into consideration for the purposes of pre- qualification under and in accordance with Section A, the Bidder shall be deemed to have knowledge of the same and shall be required to inform the Utility forthwith along with all relevant particulars about the same and the Utility may, in its sole discretion, disqualify the Bidder or withdraw the LOA from the Selected Bidder(s), as the case may be. In the event such change in control occurs after signing of the APP but prior to the Appointed Date of the Project, it would, notwithstanding anything to the contrary contained in the APP, be deemed to be a breach of the APP, and the same shall be liable to be terminated without the Utility being liable in any manner whatsoever to the Supplier. In such an event, notwithstanding anything to the contrary contained in the APP, the Utility shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Utility under the Bidding Documents

³ Other Project specific conditions of bidding or restrictions, if any, may be stated here, such as a limit on the supply of electricity that may be contracted with a Bidder.

and/ or the APP or otherwise.

2.3 Cost of Bidding

The Bidders shall be responsible for all of the costs associated with the preparation of their Bids and their participation in the Bidding Process. The Utility will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the Bidding Process.

2.4 Verification of information

2.4.1 Bidders are encouraged to submit their respective Bids after familiarising themselves with the information and physical conditions relevant to the Project, including the transmission capacity, applicable laws and regulations, and any other matter considered relevant by them.

2.4.2 It shall be deemed that by submitting a Bid, the Bidder has:

- (a) made a complete and careful examination of the Bidding Documents;
- (b) received all relevant information requested from the Utility;
- (c) accepted the risk of inadequacy, error or mistake in the information provided in the Bidding Documents or furnished by or on behalf of the Utility relating to any of the matters referred to in Clause 2.4.1 above;
- (d) satisfied itself about all matters, things and information including matters referred to in Clause 2.4.1 hereinabove necessary and required for
- (e) submitting an informed Bid, execution of the Project in accordance with the Bidding Documents and performance of all of its obligations thereunder;
- (f) acknowledged and agreed that inadequacy, lack of completeness or incorrectness of information provided in the Bidding Documents or ignorance of any of the matters referred to in Clause 2.4.1 hereinabove shall not be a basis for any claim for compensation, damages, extension of time for performance of its obligations, loss of profits etc. from the Utility, or a ground for termination of the APP by the Supplier; and
- (g) agreed to be bound by the undertakings provided by it under and in terms hereof.

2.4.3 The Utility shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the Bidding Document or the Bidding Process, including any error or mistake therein or in any information or data given by the Utility.

2.5 Verification and Disqualification

2.5.1 The Utility reserves the right to verify all statements, information and documents submitted by the Bidder in response to the document, the RFQ or RFP and the Bidder shall, when so required by the Utility, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the Utility shall not relieve the Bidder of its obligations or liabilities hereunder nor will it affect any rights of the Utility thereunder.

2.5.2 The Utility reserves the right to reject any Bid and appropriate the Bid Security if

- (a) at any time, a material misrepresentation is made or uncovered, or
- (b) the Bidder does not provide, within the time specified by the Utility, the supplemental information sought by the Utility for evaluation of the Bid.

Such misrepresentation/ improper response shall lead to the disqualification of the Bidder. If such disqualification / rejection occurs after the Bids have been opened and the Lowest Bidder gets disqualified / rejected, then the Utility reserves the right to:

- (i) invite the remaining Qualified Bidders to submit their Bids in accordance with Clause 4.4; or
- (i) take any such measure as may be deemed fit in the sole discretion of the Utility, including annulment of the Bidding Process.

2.5.3 In case it is found during the evaluation or at any time before signing of the APP or after its execution and during the period of subsistence thereof, including the Contract thereby granted by the Utility, that one or more of the pre-qualification conditions have not been met by the Bidder, or the Bidder has made material misrepresentation or has given any materially incorrect or false information, the Bidder shall be disqualified forthwith if not yet appointed as the Supplier either by issue of the LOA or entering into of the APP, and if the Selected Bidder has already been issued the LOA or has entered into the APP, as the case may be, the same shall, notwithstanding anything to the contrary contained therein or in this Section B, be liable to be terminated, by a communication in writing by the Utility to the Selected Bidder or the Supplier, as the case may be, without the Utility being liable in any manner whatsoever to the Selected Bidder or Supplier. In such an event, the Utility shall be entitled to forfeit and appropriate the Bid Security or Performance Security, as the case may be, as Damages, without prejudice to any other right or remedy that may be available to the Utility under the Bidding Documents and/ or the APP, or otherwise.

B. DOCUMENTS

2.6 Contents of the RFP

- 2.6.1 This RFP comprises the Glossary, Disclaimer, the contents as listed below, and will additionally include any Addenda issued in accordance with Clause 2.8.

Invitation for Bids

Section 1.	Introduction
Section 2.	Instructions to Bidders
Section 3.	Evaluation of Bids
Section 4.	Miscellaneous

Appendices

- I. Letter comprising the Bid
- II. Bank Guarantee for Bid Security
- III. Power of Attorney for signing of Bid

- 2.6.2 The draft APP provided by the Utility as part of the Bidding Documents shall be deemed to be part of this Document.

2.7 Clarifications

- 2.7.1 Bidders requiring any clarification on the RFP may notify the Utility in writing [online at the DEEP Portal or by speed post/courier and e-mail attaching the queries in Microsoft word file in accordance with Clause 1.1.9]. They should send in their queries on or before the date mentioned in the Schedule of Bidding Process specified in Clause 1.3 of the RFQ. The Utility shall endeavour to respond to the queries within the period specified therein, but no later than 7 (seven) working days prior to the Bid Due Date. The responses will be sent by e-mail. The Utility will forward all the queries and its responses thereto, to all Bidders without identifying the source of queries.
- 2.7.2 The Utility shall endeavour to respond to the questions raised or clarifications sought by the Bidders. However, the Utility reserves the right not to respond to any question or provide any clarification, in its sole discretion, and nothing in this Clause shall be taken or read as compelling or requiring the Utility to respond to any question or to provide any clarification.
- 2.7.3 The Utility may also on its own motion, if deemed necessary, issue interpretations and clarifications to all Bidders. All clarifications and interpretations issued by the Utility shall be deemed to be part of the Bidding Document. Verbal clarifications and information given by Utility or its employees or representatives shall not in any way or manner be binding on the Utility.

2.8 Amendment of RFP

- 2.8.1 At any time prior to the Bid Due Date, the Utility may, for any reason, whether at its

own initiative or in response to clarifications requested by a Bidder, modify the RFP by the issuance of Addenda.

2.8.2 Any Addendum issued hereunder will be in writing and shall be available at the DEEP Portal. The Bidders are advised to check the DEEP Portal for any amendments or notifications.

2.8.3 In order to afford the Bidders a reasonable time for taking an Addendum into account, or for any other reason, the Utility may, in its sole discretion, extend the Bid Due Date[§].

C. PREPARATION AND SUBMISSION OF BIDS

2.9 Format and Signing of Bid

2.9.1 The Bidder shall provide all the information sought under this RFP. The Utility will evaluate only those Bids that are received in the required formats on the DEEP Portal and complete in all respects.

2.9.2 The Bid shall be uploaded and submitted only on the DEEP Portal, signed by a valid digital signature of the authorized signatory of the Bidder. No hard copies of the same shall be separately submitted, unless as otherwise provided herein. All documents shall be typed or written in indelible ink and signed by the authorized signatory of the Bidder who shall also initial each page, in blue ink. In case of printed and published documents, only the cover shall be initialed. All the alterations, omissions, additions or any other amendments made to the Bid shall be initialed by the person(s) signing the Bid.

2.10 Sealing and Marking of Bids

2.10.1 The Bidder shall submit the Bid in the format specified herein at the DEEP Portal only.

2.10.2 The documents accompanying the Bid shall be submitted in original to the designated contact mentioned at Clause 2.12.3 of the RFQ. The documents shall include:

- (a) Letter comprising the Bid at Appendix-I;
- (b) Bid Security in the format at Appendix-II;
- (c) Power of Attorney for signing of Bid in the format at Appendix-III; and
- (d) A copy of draft APP with each page initialed by the person signing the Bid in pursuance of the Power of Attorney referred to in Clause (c) hereinabove.

[§] While extending the Bid Due Date on account of an addendum, the Utility shall have due regard for the time required by Bidders to address the amendments specified therein. In the case of significant amendments, at least 15 (fifteen) days shall be provided between the date of amendment and the Bid Due Date, and in the case of minor amendments, at least 7 (seven) days shall be provided.

⁴ In case of imported fuel, the Variable Charge is to be quoted in US cents as per provisions of Clause 4.8.2 of this RFP.

2.10.3 A true copy of the documents accompanying the Bid, as specified in Clause 2.10.2 (a), (b), (c) and (d) above, shall be uploaded together and a copy of draft APP as specified in Clause 2.10.2 (d) shall be uploaded separately. The pages in copy shall be numbered serially and every page shall be initialled in blue ink by the authorised signatory of the Bidder.

2.10.4 The Bidders shall send the hard copy of all the original documents stated at Clause 2.10.2 in an envelope clearly indicating the name and address of the Bidder, addressed to the designated contact mentioned at Clause 2.12.3 of the RFQ.

Such hard copies should reach the aforementioned address within [5 days] after the opening of the Application in accordance with Clause 1.3 of the RFQ. The Bidders are notified that in case of any discrepancy in the documents uploaded online at the DEEP Portal and the hard copies submitted in accordance with this Clause 2.10.4, the documents uploaded online shall prevail.

2.10.5 If the Bids are not uploaded and signed as instructed above, the Utility assumes no responsibility for rejection of the Bid submitted and consequent losses, if any, suffered by the Bidder.

2.10.6 Bids submitted by fax or e-mail shall not be entertained and shall be rejected.

2.10.7 In the Bid stage, all Bidders after uploading on the DEEP Portal the Application and the Bid as per the RFP and digitally signing the same must click on 'Final submit' button to finally submit their Application and Bid, without clicking the 'Final submit' button the system will not consider the Application or the Bid.

2.11 Bid Due Date

2.11.1 Bids should be submitted online latest by the Bid Due Date and time specified on the DEEP Portal in the manner and form as detailed in this Section B. A system generated email shall be sent to the Bidder as a receipt thereof.

2.11.2 The Utility may, in its sole discretion, extend the Bid Due Date by issuing an Addendum in accordance with Clause 2.8 uniformly for all Bidders.

2.12 Late Bids

Applications will not be accepted for submission at the DEEP Portal after the time specified on the Bid Due Date.

2.13 Contents of the Bid

2.13.1 The Bid shall be furnished in the format at Appendix-I and shall consist of a Tariff to

be quoted by the Bidder. The Bidder shall specify (in Indian Rupees) [and US cents]⁴ the Tariff to undertake the Project in accordance with this RFP and the provisions of the APP.

2.13.2 Generally, the Project will be awarded to the Lowest Bidder after the completion of process under Clause 1.1.6 above.

2.13.3 The opening of Bids and acceptance thereof shall be substantially in accordance with this Section B.

2.13.4 The draft APP shall be deemed to be part of the Bid.

2.14 Modifications/ Substitution/ Withdrawal of Bids

2.14.1 The Bidder may modify, substitute or withdraw its Bid after submission, provided that such modification, substitution or withdrawal is made prior to the Bid Due Date. The DEEP Portal shall provide the option to Bidders, after submission of the Bid as per this Bidding Document, to withdraw and delete Bids. Clicking on withdraw Bid, will withdraw the Bidder's Bid and no further submission will be allowed whatsoever. While clicking on Delete Bid, will delete all the encrypted data saved on the DEEP Portal and the Bidder may submit fresh Bids prior to the Bid Due Date.

2.14.2 However notwithstanding this Clause, all Bids submitted in L1 Matching round will be considered final and cannot be modified after the bid has been accepted by the system. No Bid shall be modified, substituted or withdrawn by the Bidder on or after the Bid Due Date.

2.14.3 Any alteration/ modification in the Bid or additional information supplied subsequent to the Bid Due Date, unless the same has been expressly sought for by the Utility, shall be disregarded.

⁴ In case of imported fuel, the Variable Charge is to be quoted in US cents as per provisions of Clause 4.8.2 of this RFP.

2.15 Rejection of Bids

- 2.15.1 Notwithstanding anything contained in this Section B, the Utility reserves the right to reject any Bid and to annul the Bidding Process and reject all Bids at any time without any liability or any obligation for such acceptance, rejection or annulment, and without assigning any reasons therefor. In the event that the Utility rejects or annuls all the Bids, it may, in its discretion, invite all Qualified Bidders to submit fresh Bids hereunder.
- 2.15.2 The Utility reserves the right not to proceed with the Bidding Process at any time, without notice or liability, and to reject any Bid without assigning any reasons.

2.16 Validity of Bids

The Bids shall be valid for a period of not less than 120 (one hundred and twenty) days from the Bid Due Date. The validity of Bids may be extended by mutual consent of the respective Bidders and the Utility.

2.17 Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the Bidders shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the Utility in relation to, or matters arising out of, or concerning the Bidding Process. The Utility will treat all information, submitted as part of the Bid, in confidence and will require all those who have access to such material to treat the same in confidence. The Utility may not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the Utility or as may be required by law or in connection with any legal process.

2.18 Correspondence with the Bidder

Save and except as provided in this Section B, the Utility shall not entertain any correspondence with any Bidder in relation to acceptance or rejection of any Bid.

B. BID SECURITY

2.19 Bid Security

- 2.19.1 The Bidder shall furnish as part of its Bid, a Bid Security referred to in Clauses 2.1.7 and 2.1.8 hereinabove in the form of a bank guarantee or e-bank guarantee issued by a nationalized bank, or a Scheduled Bank in India having a net worth of at least Rs. 1,000 crore (Rs. one thousand crore), in favour of the Utility in the format at Appendix-II (the "Bank Guarantee") and having a validity period of not less than 180 (one hundred eighty) days from the Bid Due Date, inclusive of a claim period of 60 (sixty) days, and may be extended as may be mutually agreed between the Utility and

the Bidder from time to time. In case the Bank Guarantee is issued by a foreign bank outside India, confirmation of the same by any nationalized bank in India is required. For the avoidance of doubt, Scheduled Bank shall mean a bank as defined under Section 2(e) of the Reserve Bank of India Act, 1934.

- 2.19.2 Bid Security can also be in the form of a demand draft issued by a Scheduled Bank in India, drawn in favour of the Utility and payable at [Delhi] (the “**Demand Draft**”) or may be payable online to Utility through NEFT/IMPS/RTGS payment. The Utility shall not be liable to pay any interest on the Bid Security deposit so made and the same shall be interest free.
- 2.19.3 Any Bid not accompanied by the Bid Security shall be summarily rejected by the Utility as non-responsive.
- 2.19.4 Save and except as provided in Clauses 1.1.3 above, the Bid Security of unsuccessful Bidders will be returned by the Utility, without any interest, as promptly as possible on acceptance of the Bid of the Selected Bidder or when the Bidding process is cancelled by the Utility, and in any case within 60 (sixty) days from the Bid Due Date. Where Bid Security has been paid by demand draft, the refund thereof shall be in the form of an account payee demand draft in favour of the unsuccessful Bidder(s). Bidders may by specific instructions in writing to the Utility give the name and address of the person in whose favour the said demand draft shall be drawn by the Utility for refund, failing which it shall be drawn in the name of the Bidder and shall be mailed to the address given on the Bid.
- 2.19.5 The Selected Bidder’s Bid Security will be returned, without any interest, upon the Supplier signing the APP and furnishing the Performance Security in accordance with the provisions thereof. The Utility may, at the Selected Bidder’s option, adjust the amount of Bid Security in the amount of Performance Security to be provided by him in accordance with the provisions of the APP.
- 2.19.6 The Utility shall be entitled to forfeit and appropriate the Bid Security as Damages inter alia in any of the events specified in Clause 2.19.7 herein below. The Bidder, by submitting its Bid pursuant to this Section B, shall be deemed to have acknowledged and confirmed that the Utility will suffer loss and damage on account of withdrawal of its Bid or for any other default by the Bidder during the period of Bid validity as specified in this Section B. No relaxation of any kind on Bid Security shall be given to any Bidder.
- 2.19.7 The Bid Security shall be forfeited as Damages without prejudice to any other right or remedy that may be available to the Utility under the Bidding Documents and/ or under the APP, or otherwise, if,:
- a. a Bidder submits a non-responsive Bid;

- b. a Bidder engages in a corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice as specified in Clause 4 of this Section B;
- c. a Bidder withdraws its Bid during the period of Bid validity as specified in this SECTION B and as extended by mutual consent of the respective Bidder(s) and the Utility;
- d. the Selected Bidder fails within the specified time limit-
 - i. to sign and return the duplicate copy of LOA;
 - ii. to sign the APP; or
 - iii. to furnish the Performance Security within the period prescribed therefor in the APP; or
- e. the Selected Bidder, having signed the APP, commits any breach thereof prior to furnishing the Performance Security.

3. EVALUATION OF BIDS

3.1 Opening and Evaluation of Bids

- 3.1.1 The Utility shall open the Bids at ***** hours on the Bid Due Date.
- 3.1.2 The Utility will subsequently examine and evaluate the Bids in accordance with the provisions set out in this Clause 3.
- 3.1.3 To facilitate evaluation of Bids, the Utility may, at its sole discretion, seek clarifications in writing from any Bidder regarding its Bid.

3.2 Tests of responsiveness

- 3.2.1 Prior to evaluation of Bids, the Utility shall determine whether each Bid is responsive to the requirements of this Section B. A Bid shall be considered responsive only if:
 - a. it is received as per the format at Appendix–I;
 - b. it is received by the Bid Due Date including any extension thereof pursuant to Clause 2.11.1;
 - c. it is signed, sealed, bound together in hard cover and marked as stipulated in Clauses 2.9 and 2.10;
 - d. it is accompanied by the Bid Security as specified in Clause 1.1.3;
 - e. it is accompanied by the Power(s) of Attorney as specified in Clause 2.1.9;
 - f. it contains all the information (complete in all respects) as requested in this Section B and/or Bidding Documents (in formats same as those specified);
 - g. it does not contain any condition or qualification; and
 - h. it is not non-responsive in terms hereof.
- 3.2.2 The Utility reserves the right to reject any Bid which is non-responsive and no request for alteration, modification, substitution or withdrawal shall be entertained by the Utility in respect of such Bid. Provided, however, that the Utility may, in its discretion, allow the Bidder to rectify any infirmities or omissions if the same do not constitute a material modification of the Bid.

4. e-Reverse Auction

- 4.1 After the opening of the Bids of the Bidders who have qualified in the evaluation of their Applications, the system will rank the Bidders according to their Tariffs quoted in their Bids. The Bidder with the highest Tariff in the Bid will be called the “H1 Bidder”. The system will then analyze all the capacity of electricity (in MW) offered by the Bidders in the e-Tender Stage. If the total quoted capacity is greater than twice the Capacity Required by the Utility, the H1 Bidder will be eliminated provided that the total quoted capacity after elimination is not less than or equal to twice the Capacity Required.
- 4.2 The shortlisted Bidders after elimination in e-Tender stage will be intimated individually by system generated emails only. The e-Reverse Auction shall start within 120 minutes of opening of the RFP bids and shall continue for a period of next 120 minutes with auto extension of 10 minutes, as applicable.
- Provided that during the last 10 (ten) minutes before the scheduled close time of e-Reverse auction, if a price bid is received which is lower than the lowest prevailing price bid recorded in the system during e-Reverse auction, the close time of e-Reverse auction will be automatically extended by 10 (ten) minutes from the time of the last price bid received. This process of auto extension will continue till there is a period of 10 (ten) minutes during which no price bid is received which is lower than the prevailing lowest price bid.
- 4.3 During the e-Reverse Auction Stage, the Bidders will have the option of reducing the Tariff quoted by them at e-Tender Stage in their Bids in decrements of 1 (one) paise or multiples thereof and to increase/maintain the quantum of capacity quoted by them at e-Tender Stage by 1 MW or multiples thereof.
- 4.4 After the completion of e-Reverse Auction, the prevailing lowest Tariff would be visible to all the Bidders (“**Lowest Tariff**”) and a time period of 30 minutes shall be given to all the Bidders qualified at e-Tender Stage for matching the Lowest Tariff (“**L-1 Matching**”). The Bidders matching the Lowest Tariff will also be required to give the break-up of the Tariff. The list after completion of L-1 Matching would also include the name, quantum offered and Tariff quoted by those qualified Bidder(s) who have not changed the quantum of electricity and Tariff from e-Tender stage to e-Reverse Auction stage.

5. SELECTION OF BIDDER

- 5.1 Subject to the provisions of Clause 2.15.1, the Bidder whose Bid is adjudged as responsive in terms of Clause 3.2.1 and who quotes the Lowest Tariff offered to the Utility after Bid Stage, in conformity with the provisions of Clause 4.8 shall be declared as the selected Bidder(s) (the "Selected Bidder(s)"). In the event that the Utility rejects or annuls all the Bids, it may, in its discretion, invite all eligible Bidders to submit fresh Bids hereunder.
- 5.2 In the event that two or more Bidders quote the same Tariff for (a) the full Capacity Required; (b) one full Capacity Required and other part of the Capacity Required; (c) Capacity totalling more than the Capacity Required; and (d) Capacity totalling to the Capacity Required; (e) equal capacity offered but not upto full quantum and Capacity totaling more than the Capacity Required (the "Tie Bidders"), the Utility shall identify the Selected Bidder under (a) [the time of submission of the Bid will be the deciding factor for their ranking with the Bidder submitting the Bid earlier given the priority]; under (b) by declaring the Bidder who has offered full Capacity Required as the Selected Bidder; under (c) by declaring the Bidder with maximum Capacity as first Selected Bidder and other Bidder as second Selected Bidder with remaining Capacity under (d) by declaring both the Bidders as the Selected Bidder with respective Capacity and under (e) the time of submission of the Bid will be the deciding factor for their ranking with the Bidder submitting the Bid earlier will be declared as first Selected Bidder for full Capacity offered and other Bidder as second Selected Bidder with remaining Capacity.
- 5.3 In the event that the Lowest Bidder withdraws or is not selected for any reason in the first instance or the capacity required is not met by the Lowest Bidder (the "first round of bidding"), the Utility may invite all the remaining Qualified Bidders to revalidate or extend their respective Bid Security, as necessary, and match the Bid of the aforesaid Lowest Bidder (the "second round of bidding"). If in the second round of bidding (i.e. L-1 Matching), only one Qualified Bidder matches the Lowest Bidder, it shall be the Selected Bidder. If two or more Qualified Bidders match the said Lowest Bidder in the second round of bidding, then the Bidder whose Bid was lower as compared to other Bidder(s) in the first round of bidding shall be the Selected Bidder. For example, if the third and fifth lowest Bidders in the first round of bidding offer to match the said Lowest Bidder in the second round of bidding, the said third lowest Bidder shall be the Selected Bidder. It is hereby clarified that the Utility will not accept the entire capacity offered of the last Lowest Bidder in the order of progression, in the event the Capacity Required gets fulfilled by a part thereof. The Bidder will have the option to indicate their minimum threshold quantity and the same would be considered for allocation of electricity to the Selected Bidder(s).

- 5.4 In the event that no Qualified Bidder offers to match the Lowest Bidder in the second round of bidding as specified in Clause 4.3, the Utility may, in its discretion, invite fresh Bids (the “third round of bidding”) from all Qualified Bidders except the Lowest Bidder of the first round of bidding, or annul the Bidding Process, as the case may be. In case the Qualified Bidders are invited in the third round of bidding to revalidate or extend their Bid Security, as necessary, and offer fresh Bids, they shall be eligible for submission of fresh Bids provided, however, that in such third round of bidding only such Bids shall be eligible for consideration which are lower than the Bid of the second lowest Bidder in the first round of bidding.
- 5.5 After selection, a Letter of Award (the “LOA”) shall be issued, in duplicate, by the Utility to the Selected Bidder and the Selected Bidder shall, within 7 (seven) working days of the issuance of the LOA, sign and return the duplicate copy of the LOA in acknowledgement thereof. In the event the duplicate copy of the LOA duly signed by the Selected Bidder is not received by the stipulated date, the Utility may, unless it consents to extension of time for submission thereof, appropriate the Bid Security of such Bidder as Damages on account of failure of the Selected Bidder to acknowledge the LOA, and the next eligible Bidder may be considered.
- 5.6 After acknowledgement of the LOA as aforesaid by the Selected Bidder, it shall cause the Supplier to execute the APP within the period prescribed in Clause 1.1.3 of the RFQ. The Selected Bidder shall not be entitled to seek any deviation, modification or amendment in the APP.
- 5.6A. [The Selected Bidder shall surrender the proportionate quantity of any existing Letter of Assurance /Fuel Supply Agreement to the supplier of the coal, not being the Letter of Assurance/ Fuel Supply Agreement arranged by the Utility, corresponding to the tenure of the Letter of Assurance /Fuel Supply Agreement arranged by the Utility.]⁵

5.7 Contacts during Bid Evaluation

Bids shall be deemed to be under consideration immediately after they are opened and until such time the Utility makes official intimation of award/ rejection to the Bidders. While the Bids are under consideration, Bidders and/ or their representatives or other interested parties are advised to refrain, save and except as required under the Bidding Documents, from contacting by any means, the Utility and/ or their employees/ representatives on matters related to the Bids under consideration.

5.8 Bid Parameter

- 5.8.1. The Bid shall comprise the Tariff offered by the Bidder for production and supply of electricity to the Utility in accordance with the provisions of the APP. The Base Fixed Charge and the Base Variable Charge shall each be at least 35% of the Tariff. The Tariff comprising the Bid shall be offered in accordance with the provisions of Clause

⁵ To be retained only if choice of Fuel source is through Allocated Linkage Coal provided by Utility.

5.8.2.⁶

5.8.2. [(a) Coal from domestic market other than Coal Mine/Blocks

Since the Bidder is expected to source Fuel from the domestic market other than Coal Mine/Blocks at the prevailing price, the cost of Fuel which shall be included in the Base Variable Charge shall be a 'pass through' in accordance with the terms of the APP. However, the element of coal transportation shall be linked to the notified freight of Indian Railways and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(b) Coal from Linkage Coal

Since the Bidder is expected to source fuel [from Coal India Limited (“CIL”)/ Singareni Collieries Company Limited (“SCCL”) or a subsidiary thereof/ from Allocated Coal Linkage through Letter of Assurance / FSA arranged by the Utility], the cost of Fuel which shall be included in the Variable Charge shall be a 'pass through' in accordance with the terms of the APP. However, the element of coal transportation and transit losses may vary from case to case and shall affect the Variable Charge offered by each Bidder. The Bid for the Project shall, therefore, comprise the Fixed Charge and Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(c) Coal from Coal Mine/Blocks allocated through auction by Governmental Instrumentality

Since the Bidder is expected to source Fuel from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and Base Variable Charge which shall be specified separately along with GCV⁷ as per the Coal auction. As a condition of bidding, the Base Fixed Charge to be offered by the Bidder shall not exceed Rs.*** per kWh⁸. Further, as a condition of bidding, the Bidder shall separately quote the following components of Base Variable Charge: (i) cost of Fuel

⁶ Depending upon the choice of Fuel source, only the applicable Sub-clause(s) may be retained and the remaining Sub-clauses should be omitted. While retaining the relevant Sub-clause(s), its heading shown in italics may also be omitted along with its serial number. However, the Utility may retain Sub-clause (g) or (h) in addition to another relevant Sub-clause if only a part of the Fuel is to be imported at market prices. The proportion of electricity to be generated from imported Fuel under Sub-clause (g) or (h) may also be specified in the Bidding Documents.

⁷ The Gross Calorific Value (GCV) as quoted in the coal auction would in normal circumstances be used as a reference GCV for the purpose of determining the quantum of coal required for power generation.

⁸ The Utility shall indicate, in advance to all the prospective Bidders, in consultation with the Appropriate Commission, the upper ceiling of Fixed Charges in terms of Rs/kWh towards the Fixed/Capacity Charges.

in Rs./kWh⁹, considering a GCV of ...kCal/Kg. The cost of Fuel in Rs/kWh shall not exceed the cost of Fuel in Rs/kWh arrived at after using an SHR of 2,300 kCal per kWh¹⁰ which includes [2%(two percent)]¹¹ increase to account for potential variations arising from temperature, humidity, quality of coal and other unforeseen factors and GCV of ...kCal/Kg; (ii) cost of coal transportation along with distance from Coal Mine/Blocks to power plant in Rs./kWh; (iii) Coal Washery charges in Rs./kWh; (iv) Coal Crushing charges in Rs./kWh; and (v) Other charges in Rs./kWh¹². The benchmark rates¹³ for (i) coal transportation charges shall be Rs. ***/tonne/Km,¹⁴ (ii) Coal Washery charges shall be Rs. ***/tonne, (iii) Coal Crushing charges shall be Rs. ***/tonne; and (iv) Other charges shall be Rs. ***/tonne¹⁵. It is clarified that these benchmark rates will act as the ceiling, and the evaluation of Bids and payments will be done on the basis of rates quoted in the Bid or the benchmark rates, whichever is lower. The Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(d) Gas from domestic market

Since the Bidder is expected to source Fuel from the domestic market at the prevailing price, the cost of Fuel which shall be included in the Base Variable Charge shall be a 'pass through' in accordance with the terms of the APP. However, the element of transportation shall be linked to the charge notified by the Petroleum and Natural Gas Regulatory Board and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

⁹ Cost of Fuel shall be regulated by the ROM price of coal quoted in the Bid for the year in which the Bidder will commence supply of electricity and shall not exceed the ROM price of the coal quoted for said blocks during the Coal Mine/Blocks auction on the basis of which the Coal Mine/Blocks has been awarded to the Bidder along with escalation as per provisions of the Standard Tender Document (for Power Sector) for the said Coal Mine/Blocks issued by Ministry of Coal, Government of India. In addition to this, the Bidder will be eligible to recover an amount of Rs. 100/metric tonne, as per the Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India. For subsequent years, the ROM price and Rs. 100 per metric tonne shall be escalable as per provisions of Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India. However, the quoted Additional Premium, if any, shall not be reckoned for the purpose of the determination of tariff of electricity as per provisions of Standard Tender Document (for Power Sector) issued by Ministry of Coal, Government of India.

¹⁰ This figure may be substituted by 2,350 for all bids where a Power Station shall have achieved COD prior to December 31, 2016.

¹¹ This figure may be substituted by 5% (five per cent) for all bids where a Power Station shall have achieved COD prior to December 31, 2016.

¹² The Utility shall specify the components of the 'Other charges' as deemed fit.

¹³ The Utility shall specify benchmark rates which should not be more than that of CIL, Railway freight rates, benchmarks determined, if any, by CERC/SERC or by any other Appropriate Authority. Where there are multiple such benchmarks available, the Utility will be free to adopt the most appropriate benchmark.

¹⁴ The Utility shall specify the cost of transportation along with distance from Coal Mine/Blocks to the Power Plant for rail, road and other modes separately.

¹⁵ The Utility shall specify the value of each components of the 'Other Charges' as deemed fit.

[(e) Gas from ONGC/GAIL

Since the Bidder has entered into an agreement with ONGC/GAIL for supply of Fuel at the notified price from its gas fields/LNG terminals, the cost of Fuel which shall be included in the Base Variable Charge shall be linked to the notified price notified by ONGC/GAIL of the agreement and revised as per the terms of the APP. However, the element of transportation shall be linked to the notified charge for pipelines and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(f) Supply from Hydro-electric Power Station

The Bidder shall quote a Base Variable Charge comprising the generating cost of electricity, the transmission charges and the transmission losses. Based on its Bid, a lumpsum tariff shall be paid to the Supplier comprising of (a) a Variable Charge, and (b) a Fixed Charge as per the provisions of Clause 12.3.1 of the APP. The Tariff shall be revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and the Base Variable Charge and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(g) Coal imported from international market

Since the Bidder is expected to source Fuel through imports, the Base Variable Charge shall be a 'pass through'. For the purposes of submission of Bids, the Bidders may assume a Fuel cost equal to Rs. *** per¹⁶ kWh on the express understanding that the actual cost of Fuel shall be a "pass through" in accordance with the terms of the APP. The cost of transportation by sea, payable to the Supplier, shall be linked to the freight index as per provisions of Clause 12.3.2 of APP and the element of inland coal transportation shall be linked to the notified freight of Indian Railways and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(h) Gas imported from international market

Since the Bidder is expected to source Fuel through imports, the Base Variable Charge shall be a 'pass through'. For the purposes of submission of Bids, the Bidders may assume a Fuel cost equal to Rs. *** per¹⁷ kWh on the express understanding that the actual cost of Fuel shall be a "pass through" in accordance with the terms of the APP. However, the cost of transportation by sea, payable to the Supplier, shall be linked to the freight index as per provisions of Clause 12.3.2 of APP and the element of inland transportation shall be linked to the charge notified by the Petroleum and

¹⁶ The Utility shall specify an indicative cost based on approximate market prices

¹⁷ The Utility shall specify an indicative cost based on approximate market prices

Natural Gas Regulatory Board and revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and Base Variable Charge, which shall be specified separately, and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

[(i) Coal from captive mines abroad

Since the Bidder is expected to source Fuel through imports from captive mines situated outside India, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and the Base Variable Charge which shall be specified separately. The cost of Fuel shall be payable as per the terms of the APP, Free on Board (FOB), as specified in US cents and shall be revised as per the terms of the APP. For the purposes of Bid and evaluation of the Bid, the exchange rate to be used for conversion into Indian Rupees shall be the mean of the buying and selling rate quoted by the State Bank of India on the closing of the working day that precedes the date of Bid. As specified in the APP, the freight and transportation charges shall be payable in accordance with the provisions of Clause 12.3.2 thereof. The Bidder seeking the lowest Tariff shall be the selected Bidder.]

[(j) Fuel imported under fixed-price Gas Contract

Since the Bidder is expected to source Fuel through a fixed-price contract for supply of gas from outside India, the Bid for the Project shall be the Tariff comprising the Base Fixed Charge and the Base Variable Charge which shall be specified separately. The cost of Fuel shall be payable as per the terms of the APP, Free on Board (FOB), as specified in US cents and shall be revised as per the terms of the APP. For the purposes of Bid and evaluation of the Bid, the exchange rate to be used for conversion into Indian Rupees shall be the mean of the buying and selling rate quoted by the State Bank of India on the closing of the working day that precedes the date of Bid. As specified in the APP, the freight and transportation charges shall be payable in accordance with the provisions of Clause 12.3.2 thereof. The Bidder seeking the lowest Tariff shall be the selected Bidder.]

[(k) Lumpsum Tariff¹⁸

The Bidder shall quote a Base Variable Charge comprising the generating cost of electricity, the transmission charges and the transmission losses. Based on its Bid, a lumpsum tariff shall be paid to the Supplier comprising of (a) a Variable Charge, and (b) a Fixed Charge as per the provisions of Clause 12.3.1 of the APP. The Tariff shall be revised as per the terms of the APP. The Bid for the Project shall, therefore, comprise the Base Fixed Charge and the Base Variable Charge and the Bidder seeking the lowest Tariff shall be the Selected Bidder.]

¹⁸ Lumpsum tariff shall include supply of electricity, irrespective of source of Fuel including renewable source of energy. However, Bidders whose source of Fuel is from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws under Option (c) or from Linkage Coal as stated under Option (b), shall not be eligible to Bid under this sub-clause (k) (Lumpsum Tariff).

Explanation: In case the Bidder is a Trading Licensee, the provisions of Sub-clauses (a) to (e) and Sub-clauses (g) to (j) related to the source/supply of Fuel shall mean the source/supply of Fuel, as applicable to the Developer. It is further clarified that Trading Licensee shall not be eligible for bidding in case the source of Fuel is under clause (b).

6. MISCELLANEOUS

- 6.1. The Bidding Process shall be governed by, and construed in accordance with, the laws of India and the Courts in the State in which the Utility has its headquarters shall have exclusive jurisdiction over all disputes arising under, pursuant to and/ or in connection with the Bidding Process.
- 6.2. The Utility, in its sole discretion and without incurring any obligation or liability, reserves the right, at any time, to;
 - (a) suspend and/ or cancel the Bidding Process and/ or amend and/ or supplement the Bidding Process or modify the dates or other terms and conditions relating thereto;
 - (b) consult with any Bidder in order to receive clarification or further information;
 - (c) retain any information and/ or evidence submitted to the Utility by, on behalf of, and/ or in relation to any Bidder; and/ or
 - (d) independently verify, disqualify, reject and/ or accept any and all submissions or other information and/ or evidence submitted by or on behalf of any Bidder.
- 6.3. It shall be deemed that by submitting the Bid, the Bidder agrees and releases the Utility, its employees, agents and advisers, irrevocably, unconditionally, fully and finally from any and all liability for claims, losses, damages, costs, expenses or liabilities in any way related to or arising from the exercise of any rights and/ or performance of any obligations hereunder, pursuant hereto and/ or in connection with the Bidding Process and waives, to the fullest extent permitted by applicable laws, any and all rights and/ or claims it may have in this respect, whether actual or contingent, whether present or in future.
- 6.4. The Section B and Section A are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this Section B, in the event of any conflict between them the priority shall be in the following order:
 - (a) the Section B;
 - (b) the Section A.

i.e. the Section B at (a) above shall prevail over the Section A at (b) above.

APPENDIX – I

Letter comprising the Bid

(Refer Clauses 2.1.5 and 2.13 in section B, signed copy to be submitted to Utility and uploaded with Bid)

Dated:

[The,
.....
.....

Sub: Bid forProject

Dear Sir,

1. With reference to your Bidding Document dated, comprising of the RFQ & RFP, I/we, having examined the Bidding Document and understood their contents, hereby submit my/our Bid for the aforesaid Project. The Bid is unconditional and unqualified.
2. I/ We acknowledge that the Utility will be relying on the information provided in the Bid and the documents accompanying the Bid for selection of the Supplier for the aforesaid Project, and we certify that all information provided therein is true and correct; nothing has been omitted which renders such information misleading; and all documents accompanying the Bid are true copies of their respective originals.
3. This statement is made for the express purpose of our selection as Supplier for the development, construction, operation and maintenance of the aforesaid Project and for sale of electricity to the Utility.
4. I/ We shall make available to the Utility any additional information it may find necessary or require to supplement or authenticate the Bid.
5. I/ We acknowledge the right of the Utility to reject our Bid without assigning any reason or otherwise and hereby waive, to the fullest extent permitted by applicable law, our right to challenge the same on any account whatsoever.
6. I/ We certify that in the last three years, we and the Developer (to be inserted in case of a Trading Licensee being the Bidder) have neither failed to perform on any contract, as evidenced by imposition of a penalty by an arbitral or judicial authority or a judicial pronouncement or arbitration award, nor been expelled from any project or contract by any public authority nor have had any contract terminated by any public authority for breach on our part.
7. I/ We declare that:
 - 7.1 I/ We have examined and have no reservations to the Bidding Document, including any Addendum issued by the Utility; and

- 7.2 I/ We have not directly or indirectly or through an agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in Clause 4 of Section A of the Bidding Document, in respect of any tender or Section B issued by or any agreement entered into with the Utility or any other public sector enterprise or any government, Central or State; and
- 7.3 I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of Section 4 of Section A of the Bidding Document, no person acting for us or on our behalf has engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice; and
- 7.4 the undertakings given by us along with the Application in response to the Section A for the Project were true and correct as on the date of making the Application and are also true and correct as on the Bid Due Date and I/we shall continue to abide by them.
8. I/ We understand that you may cancel the Bidding Process at any time and that you are neither bound to accept any Bid that you may receive nor to invite the Bidders to Bid for the Project, without incurring any liability to the Bidders, in accordance with Clause 2.15 of Section B of the Bidding Document.
9. I/ We believe that we satisfy the Net Worth criteria and meet the requirements as specified in Section A of the Bidding Document.
10. Omitted.
11. I/We declare that the Developer is not a Bidder or Member of any other Bidder applying for pre-qualification where I/We as Trading Licensee am/are applying for pre-qualification.[§]
12. I/ We certify that in regard to matters other than security and integrity of the country, we {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} have not been convicted by a Court or indicted or adverse orders passed by a regulatory authority which could cast a doubt on our ability to undertake the Project or which relates to a grave offence that outrages the moral sense of the community.
13. I/ We further certify that in regard to matters relating to security and integrity of the country, we {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} have not been charge-sheeted by any agency of the Government or convicted by a Court.
14. I/ We further certify that no investigation by a regulatory authority is pending either against us {and the Developer (to be inserted in case of a Trading Licensee being the Bidder)} or against our CEO or any of our directors/ managers/ employees[§].

[§] Applicable only if the Applicant is a Trading Licensee.

[§] In case the Applicant is unable to provide the certification specified in para 14, it may precede the paragraph by the words, viz. "Except as specified in Schedule **** hereto". The exceptions to the certification or any disclosures relating thereto may be clearly stated in a Schedule to be attached to the Application. The Utility will consider the contents of such Schedule

15. I/ We undertake that in case due to any change in facts or circumstances during the Bidding Process, we are attracted by the provisions of disqualification in terms of the guidelines referred to above, we shall intimate the Utility of the same immediately.
16. I/ We acknowledge and agree that in the event of a change in control of Bidder {and/or the Developer (to be inserted in case of a Trading Licensee being the Bidder) whose Technical Capacity and Financial Capacity} was taken into consideration for the purposes of pre-qualification under and in accordance with Section A, I/We shall inform the Utility forthwith along with all relevant particulars and the Utility may, in its sole discretion, disqualify or withdraw the Letter of Award, as the case may be. I/We further acknowledge and agree that in the event such change in control occurs after signing of the APP but prior to Financial Close of the Project, it would, notwithstanding anything to the contrary contained in the Agreement, be deemed a breach thereof, and the APP shall be liable to be terminated without the Utility being liable to us in any manner whatsoever.
17. I/ We hereby irrevocably waive any right or remedy which we may have at any stage at law or howsoever otherwise arising to challenge or question any decision taken by the Utility in connection with the selection of the Bidder, or in connection with the Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
18. In the event of my/ our being declared as the Selected Bidder, I/we agree to enter into a APP in accordance with the draft that has been provided to me/us prior to the Bid Due Date. We agree not to seek any changes in the aforesaid draft and agree to abide by the same.
19. I/ We have studied all the Bidding Documents carefully and also surveyed the Site. We understand that except to the extent as expressly set forth in the APP, we shall have no claim, right or title arising out of any documents or information provided to us by the Utility or in respect of any matter arising out of or relating to the Bidding Process including the award of Contract.
20. I/ We offer a Bid Security of Rs..... (Rupeesonly) to the Utility in accordance with Section B of the Bidding Document.
21. The Bid Security in the form of a Demand Draft/ Bank Guarantee (strike out whichever is not applicable) is attached.¹⁹
22. The documents accompanying the Bid, as specified in Clause 2.10.2 of Section B of the Bidding Document, have been submitted online at the e-Bidding Portal.

and determine whether or not the exceptions/disclosures are of a nature that could cast a doubt on the ability or suitability of the Applicant to undertake the Project.

¹⁹ In case the Bid Security is submitted online, a receipt of the same shall be submitted.

23. I/ We agree and understand that the Bid is subject to the provisions of the Bidding Document. In no case, I/we shall have any claim or right of whatsoever nature if the Project / Contract is not awarded to me/us or our Bid is not opened or rejected.
24. The Tariff has been quoted by me/us after taking into consideration all the terms and conditions stated in the bidding document, draft APP, our own estimates of costs and revenues, and after a careful assessment of the site and all the conditions that may affect the project cost and implementation of the project.
25. I/ We agree and undertake to abide by all the terms and conditions of the Bidding Document.
26. I/ We undertake to feed electric supply into the grid at a point that is economical and efficient, as determined by the RLDC or SLDC, as the case may be.
27. I/ We undertake to bear the transmission charges and transmission losses upto the point of delivery of electricity to the Utility from out of the Tariff offered below and in accordance with the terms to be set forth in the APP.
28. I/We offer a Capacity of {...MW} from {Capacity, Name and address of the Project} which conforms to Clause 1.1.4 of Section A of the Bidding Document out of the Capacity Required of {... MW} given under Clause 1.1.1 of Section A of the Bidding Document.
29. I/ We shall keep this offer valid for 120 (one hundred twenty) days from the Bid Due Date specified in the Bidding document.
30. I/ We hereby submit the following Bid²⁰ and offer, as on the Bid Due Date, in accordance with the provisions of the APP and Clause 4.8 of this RFP: ²¹

[(a) A Tariff of Rs....and paise...[§] (Rupees....and paise...) per kWh comprising a Base Fixed Charge of Rs....and paise...[§] (Rupees...and paise...) per kWh and a Base Variable Charge of Rs.....and paise.....[§] (Rupeesand paise) per kWh comprising Rsand paise.....[§] (Rupees.... and paise....) per kWh as the cost of Fuel , Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transportation, Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission charge and Rs....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission loss]

[(b) A tariff comprising a Base Fixed Charge of Rs.... and paise[§] (Rupees.... and paise....) per kWh and a Base Variable Charge of Rs.... and paise[§]

²⁰ Bid to be submitted on Portal only in case of e-bidding.

²¹ Only the applicable option(s) may be retained in conformity with Clause 4.8 of this RFP and the remaining options should be omitted. Option (a) shall be used if the Fuel Source is 4.8.2 (a), (b), (d) or (e). Option (b) shall be used if the Fuel Source is 4.8.2(c). Option (c) shall be used if the Fuel Source is 4.8.2(f) or (k). Option (d) shall be used if the Fuel Source is 4.8.2(g), (h), (i) or (j).

[§] Paise may be quoted only in whole numbers.

(Rupees.... and paise....) per kWh comprising of (a) Rs. and paise[§] (Rupees and paise) per kWh on account of cost of Fuel, (b) Rs. and paise[§] (Rupees.... and paise) per kWh on account of transportation, (c) Rs. and paise[§] (Rupees and paise) per kWh on account of washing, (d) Rs. and paise[§] (Rupees and paise) per kWh on account of crushing charges, and (e) Rs. and paise[§] (Rupees and paise) per kWh on account of Other Charges, Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission charge and Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission loss]

[(c) A Tariff of Rs.....and paise.....[§] (Rupees....and paise.....) per kWh comprising a Base Variable Charge of Rs.....and paise.....[§] (Rupeesand paise) per kWh including (i) Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of generation (ii) Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission charge and (iii) Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission loss and a Base Fixed Charge of Rs.....and paise.....[§] (Rupeesand paise) per kWh which is equal to the cost of generation]

[(d) A Tariff of Rs.....and paise.....[§] (Rupees....and paise....) per kWh comprising a Base Fixed Charge of Rs.... and paise.....[§] (Rupees.... and paise...) per kWh and a Base Variable Charge of US cents^{§§}[§] (US cents....) per kWh comprising (i) US cents^{§§}[§] (US cents) per kWh as the cost of Fuel, and (ii) US cents^{§§} ...[§] (US cents) per kWh as the cost of shipping and (iii) Rs.....and paise.....[§] (Rupees....and paise....) per kWh as the cost of inland transportation, Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission charge and Rs.....and paise...[§] (Rupees....and paise....) per kWh as the cost of transmission loss]

{I/we hereby submit that we would be sourcing the coal from coal linkage allocated vide Letter of Assurance /FSA ___dated ___(copy enclosed).The notified price as per Letter of Assurance /FSA is Rs. _____ per MT and GCV of ___ kCal/Kg.}[§]

{I/we hereby submit that we would be sourcing the coal from coal mine allocated vide MoC vesting order No. ___dated ___(copy enclosed).The ROM price as per allotment is Rs. _____ per MT and GCV of ___ kCal/Kg. For bid year, based on escalation formula as per Standard Tender document (Power Sector) issued by Ministry of Coal, ROM price applicable is ___/MT and escalated value of Rs.100/-MT is worked out to be Rs. ___/MT as on the Bid Due Date on the express

^{§§} For the purpose of Bid and evaluation of Bid, US cents shall be converted into Indian Rupees using the mean of the buying and selling rate quoted by the State Bank of India on the closing of the preceding the Bid Due Date.

[§] Cents may be quoted upto two decimal points.

²² Omit the option which is not applicable.

[§] Applicable only if the Applicant is sourcing fuel from Coal through CIL/SCCL under option (a) or (b) of Clause 4.8.2 of this RFP.

APPENDIX – II
Bank Guarantee for Bid Security
(Refer Clauses 2.1.7 and 2.19.1)

B.G. No. Dated:

1. In consideration of you, *****, having its office at *****, (hereinafter referred to as the “Utility”, which expression shall unless it be repugnant to the subject or context thereof include its, successors and assigns) having agreed to receive the Bid of(a company registered under the Companies Act, 1956/2013) and having its registered office at ((hereinafter referred to as the “Bidder” which expression shall unless it be repugnant to the subject or context thereof include its/their executors, administrators, successors and assigns), for the Project (hereinafter referred to as the “Project”) pursuant to the Bidding Document dated issued in respect of the Project and other related documents including without limitation the draft Agreement for Procurement of Power (the “APP”) (hereinafter collectively referred to as “Bidding Documents”), we (Name of the Bank) having our registered office at and one of its branches at (hereinafter referred to as the “Bank”), at the request of the Bidder, do hereby in terms of Clause 2.1.7 read with Clause 2.1.8 of Section B of the Bidding Document, irrevocably, unconditionally and without reservation guarantee the due and faithful fulfilment and compliance of the terms and conditions of the Bidding Document (including the RFP) by the said Bidder and unconditionally and irrevocably undertake to pay forthwith to the Utility an amount of Rs. ***** (Rupees ***** only) (hereinafter referred to as the “Guarantee”) as our primary obligation without any demur, reservation, recourse, contest or protest and without reference to the Bidder if the Bidder shall fail to fulfil or comply with all or any of the terms and conditions contained in the said Bidding Documents.
2. Any such written demand made by the Utility stating that the Bidder is in default of the due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents shall be final, conclusive and binding on the Bank.
3. We, the Bank, do hereby unconditionally undertake to pay the amounts due and payable under this Guarantee without any demur, reservation, recourse, contest or protest and without any reference to the Bidder or any other person and irrespective of whether the claim of the Utility is disputed by the Bidder or not, merely on the first demand from the Utility stating that the amount claimed is due to the Utility by reason of failure of the Bidder to fulfil and comply with the terms and conditions contained in the Bidding Documents including failure of the said Bidder to keep its Bid open during the Bid validity period as set forth in the said Bidding Documents for any reason whatsoever. Any such demand made on the Bank shall be conclusive as regards amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. ***** (Rupees ***** only).

4. This Guarantee shall be irrevocable and remain in full force for a period of 180 (one hundred and eighty) days from the Bid Due Date inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the Utility and the Bidder, and agreed to by the Bank, and shall continue to be enforceable till all amounts under this Guarantee have been paid.
5. We, the Bank, further agree that the Utility shall be the sole judge to decide as to whether the Bidder is in default of due and faithful fulfilment and compliance with the terms and conditions contained in the Bidding Documents including, inter alia, the failure of the Bidder to keep its Bid open during the Bid validity period set forth in the said Bidding Documents, and the decision of the Utility that the Bidder is in default as aforesaid shall be final and binding on us, notwithstanding any differences between the Utility and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority.
6. The Guarantee shall not be affected by any change in the constitution or winding up of the Bidder or the Bank or any absorption, merger or amalgamation of the Bidder or the Bank with any other person.
7. In order to give full effect to this Guarantee, the Utility shall be entitled to treat the Bank as the principal debtor. The Utility shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee from time to time to vary any of the terms and conditions contained in the said Bidding Documents or to extend time for submission of the Bids or the Bid validity period or the period for conveying acceptance of Letter of Award by the Bidder or the period for fulfilment and compliance with all or any of the terms and conditions contained in the said Bidding Documents by the said Bidder or to postpone for any time and from time to time any of the powers exercisable by it against the said Bidder and either to enforce or forbear from enforcing any of the terms and conditions contained in the said Bidding Documents or the securities available to the Utility, and the Bank shall not be released from its liability under these presents by any exercise by the Utility of the liberty with reference to the matters aforesaid or by reason of time being given to the said Bidder or any other forbearance, act or omission on the part of the Utility or any indulgence by the Utility to the said Bidder or by any change in the constitution of the Utility or its absorption, merger or amalgamation with any other person or any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of releasing the Bank from its such liability.
8. Any notice by way of request, demand or otherwise hereunder shall be sufficiently given or made if addressed to the Bank and sent by courier or by registered mail to the Bank at the address set forth herein.
9. We undertake to make the payment on receipt of your notice of claim on us addressed to [name of Bank along with branch address] and delivered at our above branch which shall be deemed to have been duly authorised to receive the said notice of claim.

10. It shall not be necessary for the Utility to proceed against the said Bidder before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank, notwithstanding any other security which the Utility may have obtained from the said Bidder or any other person and which shall, at the time when proceedings are taken against the Bank hereunder, be outstanding or unrealised.
11. We, the Bank, further undertake not to revoke this Guarantee during its currency except with the previous express consent of the Utility in writing.
12. The Bank declares that it has power to issue this Guarantee and discharge the obligations contemplated herein, the undersigned is duly authorised and has full power to execute this Guarantee for and on behalf of the Bank.
13. For the avoidance of doubt, the Bank's liability under this Guarantee shall be restricted to Rs. *** crore (Rupees ***** crore only). The Bank shall be liable to pay the said amount or any part thereof only if the Utility serves a written claim on the Bank in accordance with paragraph 9 hereof, on or before [*** (indicate date falling 180 days from the Bid Due Date)].

Signed and Delivered by Bank
By the hand of Mr./Ms, its .. and authorised official.

(Signature of the Authorised Signatory)
(Official Seal)

APPENDIX – III
Power of Attorney for signing of Bid
(Refer Clause 2.1.9)

Know all men by these presents, We, ... (name of the firm and address of the registered office) do hereby irrevocably constitute, nominate, appoint and authorise Mr./Ms (Name), son/daughter/wife of ... and presently residing at, who is presently employed with us and holding the position of, as our true and lawful attorney (hereinafter referred to as the “Attorney”) to do in our name and on our behalf, all such acts, deeds and things as are necessary or required in connection with or incidental to submission of our Bid for the ***** Project proposed or being developed by the ***** (the “Utility”) including but not limited to signing and submission of all applications, Bids and other documents and writings, participate in bidders' and other conferences and providing information / responses to the Utility, representing us in all matters before the Utility, signing and execution of all contracts including the Agreement for Procurement of Power (APP) and undertakings consequent to acceptance of our Bid, and generally dealing with the Utility in all matters in connection with or relating to or arising out of our bid for the said Project and/or upon award thereof to us and/or till the entering into of the APP with the Utility.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us.

IN WITNESS WHEREOF WE, ..., THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ... DAY OF, 20...

For.....

(Signature, name, designation and address)

Affixation of Common Seal

Witnesses:

1.

2.

Accepted

Notarised

(Signature, name, designation and address of the Attorney)

Notes:

- 1. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- 2. Wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*
- 3. For a Power of Attorney executed and issued overseas, the document will also have to be legalised by the Indian Embassy and notarised in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by Bidders from countries that have signed the Hague Legislation Convention 1961 are not required to be legalised by the Indian Embassy if it carries a conforming Appostille certificate.*



सत्यमेव जयते

**MODEL
AGREEMENT
FOR
PROCUREMENT OF POWER
ON
FINANCE, OWN AND OPERATE BASIS**

**Ministry of Power
Government of India**

January 2019

Contents

Overview of the framework	viii
PART I	
Preliminary	
Recitals	1
1 Definitions and Interpretation	3
1.1 Definitions	3
1.2 Interpretation	3
1.3 Measurements and arithmetic conventions	6
1.4 Priority of agreements, clauses and schedules	6
PART II	
The Procurement Contract	
2 Scope of the Agreement	9
2.1 Scope of the Agreement	
3 Grant of Procurement Contract	10
3.1 The Procurement Contract	10
3.2 Extension of Contract Period	11
3.3 Substitution of the Utility	11
4 Conditions Precedent	13
4.1 Conditions Precedent	13
4.2 Damages for delay by the Utility	14
4.3 Damages for delay by the Supplier	15
4.4 Deemed Termination upon delay	15
5 Obligations of the Supplier	16
5.1 Obligations of the Supplier	16
5.2 Obligations relating to Project Agreements	18
5.3 Obligations relating to Change in Ownership	18
5.4 Obligations relating to operation of the Power Station	18
5.5 Obligations relating to transmission charges	18
5.6 Obligations relating to transmission losses	19
5.7 Obligations relating to SLDC and RLDC charges	19
5.8 Omitted	20
5.9 Obligations relating to taxes	20
5.10 Obligations relating to reporting requirements	20
6 Obligations of the Utility	21
6.1 Obligations of the Utility	21
7 Representations and Warranties	22
7.1 Representations and warranties of the Supplier	22
7.2 Representations and warranties of the Utility	24
7.3 Disclosure	24

8	Disclaimer	25
8.1	Disclaimer	25
PART III		
Operations		
9	Performance Security	28
9.1	Performance Security	28
9.2	Appropriation of Performance Security	28
9.3	Release of Performance Security	29
9.4	Deemed Performance Security	29
9.5	Appropriation of Deemed Performance Security	29
9.6	References to Performance Security	29
10	Allocation of Capacity	30
10.1	Contracted Capacity	30
10.2	Dispatch of unutilised Contracted Capacity	30
10.3	Substitute Supply	30
[10.4	Supply during Peak Hours]	31
[10.5	Supply During Off-Peak hours]	31
PART IV		
Financial Covenants		
11	Tariff	34
11.1	Tariff	34
11.2	Base Fixed Charge	34
11.3	Fixed Charge	34
11.4	Computation of Fixed Charge	34
11.5	Declaration of Availability	35
11.6	Incentive and Damages	36
11.7	Variable Charge	37
11.8	Taxes and duties	37
11.9	Billing and Payment	37
11.10	Disputed Amounts	38
11.11	Discount for early payment	39
12	Variable Charge	40
12.1	Variable Charge	40
12.2	Base Variable charge	40
12.3	Computation of Variable Charge	40
12.4	Shortage of Fuel	51
12.5	Omitted	51
12.6	Take or Pay supply of Fuel	51
13	Payment Security	52
13.1	Default Escrow Account	52
13.2	Letter of Credit	52
13.3	Recovery from sale of Contracted Capacity	53

13.4	Payment Security for Termination	54
14	Despatch of Contracted Capacity	55
14.1	Despatch of Contracted Capacity	55
14.2	Settlement of UI charges	55
14.3	Overriding powers of the Utility	56
14.4	Ramp up of Despatch	56
15	Insurance	57
15.1	Insurance during Contract Period	57
15.2	Insurance Cover	57
15.3	Evidence of Insurance Cover	57
15.4	Remedy for failure to insure	58
15.5	Waiver of subrogation	58
15.6	Supplier's waiver	58
15.7	Application of insurance proceeds	58
16	Accounts and audit	59
16.1	Audited accounts	59
16.2	Appointment of auditors	59
16.3	Certification of claims by Statutory Auditors	60
16.4	Set-off	60
16.5	Dispute resolution	60
PART V		
Force Majeure and Termination		
17	Force Majeure	63
17.1	Force Majeure	63
17.2	Non-Political Event	63
17.3	Indirect Political Event	64
17.4	Political Event	65
17.5	Duty to report Force Majeure Event	65
17.6	Effect of Force Majeure Event on the Supply Contract	66
17.7	Allocation of costs arising out of Force Majeure	66
17.8	Termination Notice for Force Majeure Event	67
17.9	Excuse from performance of obligations	67
17.10	Relief for Unforeseen Events	68
18	Compensation for breach of Agreement	70
18.1	Compensation for default by the Supplier	70
18.2	Compensation for default by the Utility	70
17.3	Extension of Contract Period	70
19	Termination	72
19.1	Termination for Supplier Default	72
19.2	Termination for Utility Default	75
19.3	Termination Payment	75
19.4	Instructions to RLDC and SLDC	76
19.5	Survival of rights	76

PART VI
Other Provisions

20	Assignment and Charges	79
20.1	Restrictions on assignment and charges	79
20.2	Permitted assignment and charges	79
20.3	Assignment by the Utility	79
20.4	Approvals for assignment	79
21	Change in Law	80
21.1	Increase in costs	80
21.2	Reduction in costs	80
21.3	Protection of NPV	81
21.4	Restriction on cash compensation	81
21.5	No claim in the event of recovery from Buyers	81
22	Liability and Indemnity	82
22.1	General indemnity	82
22.2	Indemnity by the Supplier	82
22.3	Notice and contest of claims	83
22.4	Defence of claims	83
22.5	No consequential claims	84
23	Dispute Resolution	85
23.1	Dispute resolution	85
23.2	Conciliation	85
23.3	Arbitration	85
23.4	Adjudication by the Commission	86
23.5	Adjudication by a tribunal	86
24	Disclosure	87
24.1	Disclosure of Specified Documents	87
24.2	Disclosure of Documents relating to safety	87
24.3	Withholding disclosure of Protected Documents	87
25	Miscellaneous	88
25.1	Governing law and jurisdiction	88
25.2	Waiver of immunity	88
25.3	Interest	88
25.4	Delayed payments	88
25.5	Waiver	89
25.6	Exclusion of implied warranties etc.	89
25.7	Survival	89
25.8	Entire Agreement	89
25.9	Severability	90
25.10	No Partnership	90
25.11	Third parties	90
25.12	Successors and assigns	90
25.13	Notices	90

25.14	Language	91
25.15	Counterparts	91
26	Definitions	92
26.1	Definitions	92
Schedules		
A	Site of the Power Station	103
1	The Site	103
2	Power Station	103
	Annex-I: Description of Power Station	104
B	Performance Security	111
C	Default Escrow Agreement	114
1	Definitions and Interpretation	114
2	Default Escrow Account	115
3	Obligations of the Default Escrow Bank	117
4	Obligations of the Utility	118
5	Operation & Management of Default Escrow Account	120
6	Representations and Warranties	122
7	Utility's Covenants	124
8	Utility Escrow Default	125
9	Termination of Default Escrow Agreement	126
10	Supplementary Default Escrow Agreement	128
11	Indemnity	128
12	Dispute Resolution	129
13	Miscellaneous Provisions	129
	Annex-I: Utility's Lenders	134
D	Deed of Hypothecation	135
1	Definitions and Interpretation	135
2	Security Interest	136
3	Further Encumbrances	137
4	Representations and Warranties	138
5	Utility's Covenants	139
6	Further actions	141
7	Indemnity	141
8	Continuing Security	141
9	Dispute Resolution	142
10	Miscellaneous Provisions	142
E	Letter of Credit	147
Appendices		
I	List of Bid-specific provisions	152
A	Clauses with currency-based footnotes	152
B	Clauses where curly brackets are used	152
C	Clauses with blank spaces	152
D	Schedules with blank spaces	152

II	List of Project-specific provisions	154
A	Clauses with serially numbered footnotes (Fn)	154
B	Clauses with square Parenthesis	154
C	Clauses with asterisk	154
D	Schedules with footnotes and square parenthesis	154

Part I
Preliminary

AGREEMENT FOR PROCUREMENT OF POWER¹

THIS AGREEMENT is entered into on this the day of....., 20.....

BETWEEN

1 [The Distribution Company] a company incorporated under the provisions of the Companies Act, 1956/2013, represented by its [Managing Director/Authorised Person] and having its registered offices at (hereinafter referred to as the “**Utility**” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) of One Part;

AND

2 LIMITED, a company incorporated under the provisions of the Companies Act, 1956/2013 represented by its [Managing Director/Authorised Person] and having its registered office at, (hereinafter referred to as the “**Supplier**” which expression shall, unless repugnant to the context or meaning thereof, include its successors and permitted assigns and substitutes) of the Other Part.

WHEREAS:

(A) The Utility had resolved to procure electricity from a power generating station that would dedicate a contracted capacity of *** MW for production of electricity and supply thereof to the Utility on finance, own and operate (the “**FOO**”) basis, [by sourcing coal from the Allocated Coal Linkage in terms of the Letter of Assurance issued/to be issued in the name of the Supplier and the Fuel Supply Agreement to be executed between the Supplier and the Coal Supplier,]² in accordance with the terms and conditions to be set forth in an agreement for procurement of power to be entered into under and in accordance with the provisions of the Electricity Act, 2003.

¹ **Instructions for project-specific customisation of this document**

This Model Agreement for procurement of Power (the “MAPP”) may be customised for project-specific use in accordance with the instructions below:

Note 1: Serially numbered footnotes in this MAPP are for guidance of the Utility and should be omitted from the draft Agreement for Procurement of Power forming part of Bidding Documents. (See Appendix-II)

Note 2: All Project-specific provisions in this MAPP have been enclosed in square parenthesis and may be modified, as necessary, before issuing the draft Agreement for Procurement of Power to Bidders. (See Appendix-II)

Note 3: The Asterisks in this MAPP should be substituted by project-specific particulars before issuing the draft Agreement for Procurement of Power to Bidders. (See Appendix-II)

Note 4: The provisions in curly brackets are to be retained in the draft Agreement for Procurement of Power forming part of Bidding Documents and shall be suitably modified after the issuance of Letter of Award (LOA) in order to reflect the bid specific particulars in the Agreement for Procurement of Power. (See Appendix-I)

Note 5: Blank spaces are to be retained in the draft Agreement for Procurement of Power and shall be suitably filled after the issuance of LOA in order to reflect bid specific particulars in the Agreement for Procurement of Power. However, blank spaces shall be retained in all schedules, which contain formats that are to be used after the Agreement for Procurement of Power is executed. (See Appendix-I)

Note 6: Footnotes marked “£” are to be retained in the draft Agreement for Procurement of Power. These Footnotes are for the Guidance of the selected Bidders and shall be omitted before executing the Agreement for Procurement of Power. However, Footnotes marked “\$” or “\$\$” shall be retained in the Agreement for Procurement of Power as a part thereof. (See Appendix-I)

Note 7: the draft agreement for Procurement of Power issued as part of Bidding Document shall retain Notes 4, 5 and 6, to be renumbered as Notes 1, 2 and 3 respectively. The remaining instructions shall be omitted.

² To be modified as per the source of fuel selected by the Utility.

- (B) The Utility had accordingly invited proposals by its Request for Qualification dated *** (the “**Request for Qualification**” or “**RFQ**”) for short listing of Bidders who offer to supply electricity from power generating station, and had shortlisted certain Bidders including, *inter alia*, the selected bidder.
- (C) The Utility had prescribed the technical and commercial terms and conditions, and invited bids in accordance with the Guidelines issued by the Central Government under Section 63 of the Act vide Notification No. dated (the “**Request for Proposals**” or “**RFP**”) from the Bidders shortlisted pursuant to the RFQ for undertaking the Project.
- (D) After evaluation of the Bids received, the Utility had accepted the Bid of the selected bidder and issued its Letter of Award No. dated (hereinafter called the “**LOA**”) to the selected bidder requiring, *inter alia*, the execution of this Agreement for Procurement of Power within 30 (thirty) days of the date of issue thereof.
- (E) [The Utility has obtained the Letter of Assurance, dated [**] issued by [**]³ (“**Coal Supplier**”) in the name of the Supplier for the supply on a linkage basis, [**] tonnes per annum of [**] grade coal for the entire Term of this Agreement (“**Letter of Assurance**” appended herein as **Annexure 1**) for the purposes of the Contracted Capacity;]⁴
- (F) In pursuance of the LOA, the Parties have agreed to enter into this Agreement for Procurement of Power on the terms and conditions set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement for Procurement of Power, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

³ Insert the name of the coal company

⁴ To be retained only if source of fuel is from coal linkage. In case of the commissioned power plants, FSA shall be signed with the Supplier along with the execution of this PPA. In case of the likely to be commissioned power plants, a Letter of Assurance may be issued by CIL/SCCL to the Supplier and FSA shall be signed on commissioning of the power plant.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

The words and expressions beginning with capital letters and defined in this Agreement (including those in Article 26) shall, unless the context otherwise requires, have the meaning ascribed thereto herein, and the words and expressions defined in the Schedules and used therein shall have the meaning ascribed thereto in the Schedules.

1.2 Interpretation

1.2.1 In this Agreement, unless the context otherwise requires,

- (a) references to any legislation or any provision thereof shall include amendment or re-enactment or consolidation of such legislation or any provision thereof so far as such amendment or re-enactment or consolidation applies or is capable of applying to any transaction entered into hereunder;
- (b) references to laws of the State, laws of India or Indian law or regulation having the force of law shall include the laws, acts, ordinances, rules, regulations, bye laws or notifications which have the force of law in the territory of India and as from time to time may be amended, modified, supplemented, extended or re-enacted;
- (c) references to a “**person**” and words denoting a natural person shall be construed as a reference to any individual, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and shall include successors and assigns;
- (d) the table of contents, headings or sub-headings in this Agreement are for convenience of reference only and shall not be used in, and shall not affect, the construction or interpretation of this Agreement;
- (e) the words “**include**” and “**including**” are to be construed without limitation and shall be deemed to be followed by “**without limitation**” or “**but not limited to**” whether or not they are followed by such phrases;
- (f) references to “**construction**” or “**building**” include, unless the context otherwise requires, investigation, design, engineering, procurement, delivery, transportation, installation, processing, fabrication, testing, commissioning and other activities incidental to the construction, and “**construct**” or “**build**” shall be construed accordingly;
- (g) references to “**development**” include, unless the context otherwise requires, construction, renovation, refurbishing, augmentation, upgradation and other activities incidental thereto, and “**develop**” shall be construed accordingly;

- (h) any reference to any period of time shall mean a reference to that according to Indian Standard Time;
- (i) any reference to “hour” shall mean a period of 60 (sixty) minutes commencing either on the hour or on the half hour of the clock, which by way of illustration means 5.00 (five), 6.00 (six), 7.00 (seven) and so on being hours on the hour of the clock and 5.30 (five thirty), 6.30 (six thirty), 7.30 (seven thirty) and so on being hours on the half hour of the clock;
- (j) any reference to day shall mean a reference to a calendar day;
- (k) reference to a “**business day**” shall be construed as reference to a day (other than a Sunday) on which banks in the State where the Power Station is situate are generally open for business;
- (l) any reference to month shall mean a reference to a calendar month as per the Gregorian calendar;
- (m) references to any date, period or Project Milestone shall mean and include such date, period or Project Milestone as may be extended pursuant to this Agreement;
- (n) any reference to any period commencing “**from**” a specified day or date and “**till**” or “**until**” a specified day or date shall include both such days or dates; provided that if the last day of any period computed under this Agreement is not a business day, then the period shall run until the end of the next business day;
- (o) the words importing singular shall include plural and vice versa;
- (p) references to any gender shall include the other and the neutral gender;
- (q) “**kWh**” shall mean kilowatt hour and “**kCal**” shall mean kilo calories;
- (r) “**lakh**” shall mean a hundred thousand (100,000) and “**crore**” shall mean ten million (10,000,000);
- (s) “**indebtedness**” shall be construed so as to include any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (t) references to the “**winding-up**”, “**dissolution**”, “**insolvency**”, or “**reorganisation**” of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, arrangement, protection or relief of debtors;
- (u) save and except as otherwise provided in this Agreement, any reference, at any time, to any agreement, deed, instrument, licence or document of any

description shall be construed as reference to that agreement, deed, instrument, licence or other document as amended, varied, supplemented, modified or suspended at the time of such reference; provided that this Sub-clause (u) shall not operate so as to increase liabilities or obligations of the Utility hereunder or pursuant hereto in any manner whatsoever;

- (v) any agreement, consent, approval, authorisation, notice, communication, information or report required under or pursuant to this Agreement from or by any Party shall be valid and effective only if it is in writing under the hand of a duly authorised representative of such Party, in this behalf and not otherwise;
- (w) the Schedules and Recitals to this Agreement form an integral part of this Agreement and will be in full force and effect as though they were expressly set out in the body of this Agreement;
- (x) references to Recitals, Articles, Clauses, Sub-clauses, Provisos or Schedules in this Agreement shall, except where the context otherwise requires, mean references to Recitals, Articles, Clauses, Sub-clauses, Provisos and Schedules of or to this Agreement; reference to an Annex shall, subject to anything to the contrary specified therein, be construed as a reference to an Annex to the Schedule in which such reference occurs; and reference to a Paragraph shall, subject to anything to the contrary specified therein, be construed as a reference to a Paragraph of the Schedule or Annex, as the case may be, in which such reference appears;
- (y) the damages payable by either Party to the other of them, as set forth in this Agreement, whether on per diem basis or otherwise, are mutually agreed genuine pre-estimated loss and damage likely to be suffered and incurred by the Party entitled to receive the same and are not by way of penalty (the “**Damages**”);
- (z) time shall be of the essence in the performance of the Parties’ respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence; and
- (za) capitalised terms used in the Agreement, but not defined herein, shall have the meaning ascribed to such terms in the Electricity Act, 2003.

1.2.2 Unless expressly provided otherwise in this Agreement, any Documentation required to be provided or furnished by the Supplier to the Utility shall be provided free of cost and in three copies, and if the Utility is required to return any such Documentation with its comments and/or approval, they shall be entitled to retain two copies thereof.

1.2.3 The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply.

1.2.4 Any word or expression used in this Agreement shall, unless otherwise defined or construed in this Agreement, bear its ordinary English meaning and, for these purposes, the General Clauses Act, 1897 shall not apply.

1.3 Measurements and arithmetic conventions

All measurements and calculations shall be in the metric system and calculations done to 2 (two) decimal places, with the third digit of 5 (five) or above being rounded up and below 5 (five) being rounded down.

1.4 Priority of agreements, clauses and schedules

1.4.1 This Agreement, and all other agreements and documents forming part of or referred to in this Agreement are to be taken as mutually explanatory and, unless otherwise expressly provided elsewhere in this Agreement, the priority of this Agreement and other documents and agreements forming part hereof or referred to herein shall, in the event of any conflict between them, be in the following order:

- (a) this Agreement; and
- (b) all other agreements and documents forming part hereof or referred to herein,

i.e. the Agreement at (a) above shall prevail over the agreements and documents at (b) above.

1.4.2 Subject to the provisions of Clause 1.4.1, in case of ambiguities or discrepancies within this Agreement, the following shall apply:

- (a) between two or more Clauses of this Agreement, the provisions of a specific Clause relevant to the issue under consideration shall prevail over those in other Clauses;
- (b) between the Clauses of this Agreement and the Schedules, the Clauses shall prevail and between Schedules and Annexes, the Schedules shall prevail;
- (c) between any two Schedules, the Schedule relevant to the issue shall prevail;
- (d) between the written description on the drawings and the Specifications and Standards, the latter shall prevail;
- (e) between the dimension scaled from the drawing and its specific written dimension, the latter shall prevail; and
- (f) between any value written in numerals and that in words, the latter shall prevail.

Part II
The Procurement Contract

ARTICLE 2
SCOPE OF THE PROJECT

2.1 Scope of the Project

The scope of the Agreement (the “**Scope of the Agreement**”) shall mean and include, during the Contract Period:

- (a) ensure the operation and maintenance of the Power Station, situated at the Site described in Schedule-A and having the principal features stated therein, in accordance with the provisions of this Agreement [utilizing the Coal Linkage/ Allocated Coal Linkage in accordance with the terms contained herein read with the terms and conditions of the Fuel Supply Agreement and the Letter of Assurance]⁵;
- (b) supply of electricity to the Utility in accordance with the provisions of this Agreement; and
- (c) performance and fulfilment of all other obligations of the Supplier and the Utility, as the case may be, in accordance with the provisions of this Agreement and matters incidental thereto or necessary for the performance of any or all of the obligations of the Supplier under this Agreement.

⁵ To be retained only if the coal is being sourced from Linkage Coal under option (b) of Article 12.3.

ARTICLE 3

GRANT OF PROCUREMENT CONTRACT

3.1 The Procurement Contract

3.1.1 Subject to and in accordance with the provisions of this Agreement, Applicable Laws and the Applicable Permits, the Utility hereby awards to the Supplier the procurement contract set forth herein [for producing electricity at the Power Station” if Supplier is NOT a Trading Licensee] for supply thereof to the Utility (the “**Procurement Contract**”) for a period of 5 (Five)⁶ years commencing from the Appointed Date, and the Supplier hereby accepts the Procurement Contract and agrees to implement the same subject to and in accordance with the terms and conditions set forth herein.

Provided that at any time 3 (three) months, prior to the expiry of the Contract Period specified hereinabove, the Parties may with mutual agreement extend the Contract Period for such further period as they may determine, but not exceeding the lower of 25% (twenty five per cent) of initial contract period or one year whichever is lower. [Provided further that the Utility shall arrange for the extension of the Fuel Supply Agreement commensurate to the period of extension of this Agreement to ensure continuous coal supply.]⁷

3.1.2 Subject to and in accordance with the provisions of this Agreement, the Procurement Contract hereby awarded shall oblige or entitle (as the case may be) the Supplier to:

- (a) finance, own, operate and maintain the Power Station in accordance with this Agreement” if Supplier in NOT a Trading Licensee, or ensure that the Developer finances, owns, operates and maintains the Power Station in accordance with this Agreement” if Supplier is a Trading Licensee];
- (b) [procure if Supplier is NOT a Trading Licensee, or ensure that the Developer procures if Supplier is a Trading Licensee] Availability of the Contracted Capacity for production of electricity and supply thereof to the Utility under and in accordance with the provisions of this Agreement, save and except as expressly provided in the Agreement;
- (c) to receive Fixed Charge from the Utility in respect of the Availability of Contracted Capacity;
- (d) to receive Variable Charge in accordance with the provisions of this Agreement;
- (e) perform and fulfil all of the Supplier’s obligations under and in accordance with this Agreement;

⁶ To be fixed between 1 (one) and 5 (five) years. The definition of Contract Period and other timelines may be modified accordingly. While fixing the contract Period, the Utility may take into account the likely availability of transmission corridors in accordance with the extant regulations

⁷ To be retained only if coal is being sourced from Allocated Coal Linkage provided by the Utility.

- [(f) perform and fulfil its obligations under the Fuel Supply Agreement;]⁸
- [(g) not create any lien or Encumbrance on the Fuel Supply Agreement]⁹
- (h) save as otherwise expressly provided in this Agreement, bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Supplier under this Agreement; and
- (i) [neither assign, transfer or sub-let or create any lien or Encumbrance on this Agreement, or the Procurement Contract hereby granted or on the whole or any part of the Power Station nor sell, transfer, exchange, lease or part possession thereof, save and except as expressly permitted by this Agreement” if Supplier is NOT a Trading Licensee, or neither assign, transfer or sub-let or create any lien or Encumbrance on this Agreement, or the Procurement Contract hereby granted or allow the Developer to assign, transfer or sub-let or create any lien or Encumbrance on the whole or any part of the Power Station nor sell, transfer, exchange, lease or part possession thereof, save and except as expressly permitted by this Agreement if Supplier is a Trading Licensee.]

3.2 Extension of Contract Period

Notwithstanding anything to the contrary contained in this Agreement, save and except the extension of Contract Period specified in the Proviso of Clause 3.1.1, in the event that extension of the Contract Period due to the Supplier in accordance with the provisions of this Agreement is not granted by the Utility for any reason, the Utility shall, within 30 (thirty) days of the expiry of this Agreement, pay to the Supplier a lump sum amount computed in accordance with this Clause 3.2 in lieu of the Fixed Charge that would have been payable to the Supplier if the Contract Period shall have been extended in accordance with this Agreement. For computation of the aforesaid lump sum amount payable hereunder, the Fixed Charge due and payable for and in respect of the last month of the Contract Period shall be deemed as the base and the amount so determined shall be reduced by 10% (ten per cent) for the following month and the same computation shall be repeated for every subsequent month for the purposes hereof. For the avoidance of doubt and by way of illustration, if the Fixed Charge for the last month of the Contract Period is Rs. 1 crore (Rupees one crore) and the period of foregone extension is 2 (two) months, the amount payable for and in respect of the first and second months shall be a sum of Rs. 90,00,000/- (Rupees ninety lakh) and Rs. 81,00,000/- (Rupees eighty one lakh) respectively. It is further clarified that payment for a part month shall be computed on a proportionate basis. The Parties further agree that the payment of such amount shall be deemed to form part of the Secured Obligations and may be recovered by the Supplier under and in accordance with Article 13.

3.3 Substitution of the Utility

The Parties expressly agree that the Utility may, in pursuance of any re-organisation or restructuring undertaken in pursuance of Applicable Laws, or if it

⁸ To be retained only if the coal is being sourced from Linkage Coal under option (b) of Article 12.3.

⁹ To be retained only if the coal is being sourced from Allocated Coal Linkage arranged by the Utility.

is unable to discharge its liabilities and obligations under this Agreement, substitute itself by another Distribution Licensee(s) and upon such substitution, all the functions, rights and obligations of the Utility under this Agreement shall be deemed to be transferred to the substituted entity in accordance with and subject to Applicable Laws. Provided, however, that prior to any substitution hereunder, the Parties shall, on a best endeavour basis, make such arrangements and enter into such further agreements as may be necessary for performance of their respective obligations hereunder, including the rights and obligations arising out of the provisions of Article 13. Provided further that the creditworthiness of the substituted entity shall be substantially similar or greater as compared to the Utility and in the event of any shortfall therein, credit enhancement shall be provided by the substituted entity to bridge the gap.

ARTICLE 4

CONDITIONS PRECEDENT

4.1 Conditions Precedent

- 4.1.1 Save and except as expressly provided in Articles 4, 5, 6, 7, 8, 9, 17, 19, 23 and 25, or unless the context otherwise requires, the respective rights and obligations of the Parties under this Agreement shall be subject to the satisfaction in full of the conditions precedent specified in this Clause 4.1 (the “**Conditions Precedent**”). Provided, however, that a Party may grant waiver from satisfaction of any Condition Precedent by the other Party in accordance with the provisions of Clauses 4.1.2 or 4.1.3, as the case may be, and to the extent of such waiver, that Condition Precedent shall be deemed to be fulfilled for the purposes of this Clause 4.1.1.
- 4.1.2 The Supplier may, upon providing the Performance Security to the Utility in accordance with Article 9, at any time after 15 (fifteen) days from the date of this Agreement or on an earlier day acceptable to the Utility, by notice require the Utility to satisfy any or all of the Conditions Precedent set forth in this Clause 4.1.2 within a period of 30 (thirty) days of the notice, and the Conditions Precedent required to be satisfied by the Utility shall be deemed to have been fulfilled when the Utility shall have:
- (a) executed and procured execution of the Default Escrow Agreement in accordance with the provisions of Clause 13.1;
 - (b) executed the Deed of Hypothecation in accordance with the provisions of Clause 13.1.2;
 - (c) procured approval of the Commission for payment of Tariff by the Utility to the Supplier in accordance with the provisions of this Agreement; and
 - [(d) Obtained the letter of assurance, dated [**] issued by [**]¹⁰ (“**Coal Supplier**”) in the name of the Supplier for the supply on a linkage basis, [**] tonnes per annum of [**] grade coal for the entire Term of this Agreement (“**Letter of Assurance**” appended herein as **Annexure 1**) for the purposes of the Project.
 - (e) Surrender the proportionate quantity of any existing Letter of Assurance /Fuel Supply Agreement, not being the Letter of Assurance/ Fuel Supply Agreement arranged by the Utility, corresponding to the tenure of the Letter of Assurance /Fuel Supply Agreement arranged by the Utility]¹¹

¹⁰ Insert the name of the coal company

¹¹ To be retained only if source of fuel is from Linkage Coal or Allocated Coal Linkage. In case of the commissioned power plants, FSA shall be signed with the Supplier along with the execution of this APP. In case of the likely to be commissioned power plants, a Letter of Assurance may be issued by CIL/SCCL to the Supplier and FSA shall be signed on commissioning of the power plant.

Provided that upon request in writing by the Utility, the Supplier may, in its discretion, grant extension of time, not exceeding 180 (one hundred and eighty) days, for fulfilment of the Conditions Precedent set forth in this Clause 4.1.2.

- 4.1.3 The Conditions Precedent required to be satisfied by the Supplier within a period of 90 (ninety) days from the date of this Agreement shall be deemed to have been fulfilled when the Supplier shall have:
- (a) provided Performance Security to the Utility;
 - (b) delivered to the Utility a legal opinion from the legal counsel of the Supplier with respect to the authority of the Supplier to enter into this Agreement and the enforceability of the provisions thereof;
 - (c) deposited a certified true copy of this Agreement with the RLDC and SLDC having jurisdiction and obtained a receipt thereof, in accordance with the provisions of Clauses 14.3.3 and 19.4.1;
 - (d) submitted the Capacity Certificate and evidence of the capacity of the Power Station;
 - (e) [The Supplier shall have executed the Fuel Supply Agreement upon the fulfillment of all the conditions laid down in the Letter of Assurance;]¹² and
 - (f) procured access to the transmission system required for carrying electricity from the Power Station to the Delivery Point.

Provided that upon request in writing by the Supplier, the Utility may, in its discretion, waive any of the Conditions Precedent set forth in this Clause 4.1.3 or grant extension of time, not exceeding 90 (ninety) days, for fulfilment thereof, as the case may be. For the avoidance of doubt, the Utility may, in its sole discretion, grant any waiver hereunder, with such conditions as it may deem fit.

- 4.1.4 Each Party shall make all reasonable endeavours to satisfy the Conditions Precedent within the time stipulated and shall provide the other Party with such reasonable cooperation as may be required to assist that Party in satisfying the Conditions Precedent for which that Party is responsible.
- 4.1.5 The Parties shall notify each other in writing at least once a fortnight on the progress made in satisfying the Conditions Precedent. Each Party shall promptly inform the other Party when any Condition Precedent for which it is responsible has been satisfied.

4.2 Damages for delay by the Utility

In the event that (i) the Utility does not procure fulfilment or waiver of any or all of the Conditions Precedent set forth in Clause 4.1.2 within the period specified in respect thereof, and (ii) the delay has not occurred as a result of breach of this Agreement by the Supplier or due to Force Majeure, the Utility shall pay to the Supplier Damages in an amount calculated at the rate of 0.1% (zero point one per cent) of the Performance Security for each day's delay until the fulfilment of such

¹² To be retained only if source of fuel is from Linkage Coal or Allocated Coal Linkage.

Conditions Precedent, subject to a maximum of 20% (twenty per cent) of the Performance Security.

4.3 Damages for delay by the Supplier

In the event that (i) the Supplier does not procure fulfilment or waiver of any or all of the Conditions Precedent set forth in Clause 4.1.3 within the period specified in that Clause and (ii) the delay has not occurred as a result of failure to fulfil the obligations under Clause 4.1.2 or other breach of this Agreement by the Utility or due to Force Majeure, the Supplier shall pay to the Utility Damages in an amount calculated at the rate of 0.3% (zero point three per cent) of the Performance Security for each day's delay until the fulfilment of such Conditions Precedent, subject to a maximum amount equal to the Bid Security, and upon reaching such maximum, the Utility may, in its sole discretion, terminate the Agreement. Provided that in the event of delay by the Utility in procuring fulfilment of the Conditions Precedent specified in Clause 4.1.2, no Damages shall be due or payable by the Supplier under this Clause 4.3 until the date on which the Utility shall have procured fulfilment of the Conditions Precedent specified in Clause 4.1.2.

4.4 Deemed Termination upon delay

Without prejudice to the provisions of Clauses 4.2 and 4.3, and subject to the provisions of Clause 9.2, the Parties expressly agree that in the event the Appointed Date does not occur, for any reason whatsoever, 120 (one hundred twenty) days from the date of this Agreement or the extended period provided in accordance with this Agreement, all rights, privileges, claims and entitlements of the Supplier under or arising out of this Agreement shall be deemed to have been waived by, and to have ceased with the concurrence of the Supplier, and the Agreement for Procurement of Power shall be deemed to have been terminated by mutual agreement of the Parties. Provided, however, that in the event the delay in occurrence of the Appointed Date is for reasons attributable to the Supplier, the Performance Security of the Supplier shall be encashed and appropriated by the Utility as Damages thereof.

ARTICLE 5

OBLIGATIONS OF THE SUPPLIER

5.1 Obligations of the Supplier

- 5.1.1 Subject to and on the terms and conditions of this Agreement, the Supplier shall, [at its own cost and expense” if Supplier is NOT a Trading Licensee, or insert “through the Developer” if Supplier is a Trading Licensee], procure finance for and undertake the development, operation and maintenance of the Power Station and observe, fulfil, comply with and perform all its obligations set out in this Agreement or arising hereunder. [further in case Supplier is a Trading Licensee; The Supplier shall further ensure that the Developer maintains all consents, clearances and permits as required under Applicable Law for the operation and maintenance of Power Station and production of power, in full force and effects during the Term of this Agreement]
- 5.1.2 The Supplier shall comply [and shall cause the Developer to comply if Supplier is a Trading Licensee] with all Applicable Laws and other Applicable Permits (including renewals as required) in the performance of its obligations under this Agreement.
- 5.1.3 Save and except as otherwise provided in this Agreement or Applicable Laws, as the case may be, the Supplier shall, in discharge of all its obligations under this Agreement, conform with and adhere to Good Industry Practice at all times.
- 5.1.4 The Supplier shall [ensure that the Developer shall if Supplier is a Trading Licensee] operate and maintain the Power Station in accordance with the Specifications and Standards and the Maintenance Requirements such that the Availability of the Contracted Capacity of the Power Station is at least [85% (eighty five per cent) thereof during [Peak Hours of]¹³ each year of the Contract Period (the “**Normative Availability**”).

Explanation:

Availability of the Power Station to its full capacity shall, in respect of any hour, mean the capacity of the Power Station to the extent it is offered by the Supplier for producing and supplying electrical energy equal to []* kWh per mega watt of Contracted Capacity over a period of one hour, after accounting for auxiliary consumption, and transmission losses upto the Point of Grid Connection, and for any month or year, as the case may be, the hours during that month or year when the Contracted Capacity of the Power Station is fully available for production of electricity shall be expressed as a percentage of total hours in that month or year, as the case may be, (the “**Availability**”). For the avoidance of doubt, the Parties agree that Availability shall, during the months when Appointed Date or the date of Termination occurs, be determined with reference to the number of days when the Power Station was in operation, and shall be determined likewise for any single day of operation. The Parties further agree that if the Contracted Capacity

¹³ The words in square parenthesis may be omitted if the procurement of electricity is not to be confined to Peak hours.

* To be filled up by Utility before calling the Bids. This figure to be specified considering type of fuel source for power generation and prevailing CERC Regulations

of the Power Station is not Available for production of electricity to its full capacity during any hour, or part thereof, not being less than a quarter of an hour, such hour or part thereof shall, in the computation of Availability, be reduced proportionate to the Non-Availability during that hour. The Parties also agree that the determination of Availability hereunder shall be solely for the purposes of this Agreement and shall not in any manner affect the rights and obligations of the Supplier for and in respect of scheduling and despatch of electricity under Applicable Laws and the rules and regulations thereunder.

5.1.5 The Supplier shall, at its own cost and expense, in addition to and not in derogation of its obligations elsewhere set out in this Agreement:

- (a) make, or cause to be made, necessary applications to the relevant Government Instrumentalities with such particulars as may be required for obtaining Applicable Permits, and obtain and keep in force and effect such Applicable Permits in conformity with Applicable Laws; Non-grant of long term open access shall be mutually decided by the Utility and Supplier;
- (b) procure, or cause to be procured, as required, the appropriate proprietary rights, licences, agreements and permissions for materials, methods, processes, know-how and systems used or incorporated into the Power Station;
- (c) [perform and fulfil its obligations in respect of debt service for the Project” if Supplier is NOT a Trading Licensee, “ensure performance and fulfilment of Developer’s obligation in respect of debt service for the Project” if Supplier is a Trading Licensee];
- (d) [make reasonable efforts to maintain harmony and good industrial relations among the personnel employed by it or its Contractors in connection with the performance of its obligations under this Agreement if Supplier is NOT a Trading Licensee];
- (e) ensure and procure that its [Contractors” if Supplier is NOT a Trading Licensee, or insert “Developer” if Supplier is a Trading Licensee] comply with all Applicable Permits and Applicable Laws in the performance by them of any of the Supplier’s obligations under this Agreement;
- (f) always act in a manner consistent with the provisions of this Agreement and not cause or fail to do any act, deed or thing, whether intentionally or otherwise, which may in any manner be violative of any of the provisions of this Agreement or Applicable Laws;
- (g) [procure that all equipment and facilities comprising the Power Station are operated and maintained in accordance with Good Industry Practice if Supplier is NOT a Trading Licensee];
- (h) support, cooperate with and facilitate the Utility in the implementation of this Agreement;

- (i) comply with the provisions of Applicable Laws with regard to metering of supply of electricity;
- (j) comply with the directions of the Commission issued from time to time under the Act[;
- (k) perform and fulfil its obligations under the Fuel Supply Agreement].

5.2 Obligations relating to Project Agreements

It is expressly agreed that the Supplier shall, at all times, be responsible and liable for all its obligations under this Agreement notwithstanding anything contained in the Project Agreements or any other agreement, and no default under any Project Agreement or agreement shall excuse the Supplier from its obligations or liability hereunder.

5.3 Obligations relating to Change in Ownership

The Supplier shall not undertake or permit any Change in Ownership, except with the prior written approval of the Utility.

[*In case the Supplier is a Trading Licensee* “The provisions of Clause 5.3 shall be applicable if the Supplier is a Trading Licensee. In addition, the Supplier in such case shall also ensure that similar provisions as contained in Clause 5.3 are incorporated in the exclusive Power Purchase Agreement submitted by the Supplier. In such case, the aforesaid provisions shall be applicable with respect to (name of the majority investor in the Developer as specified in the Power Purchase Agreement submitted by the Supplier as a part of the Bid). The Supplier shall ensure the compliance of the provisions mentioned in this Clause 5.3. and any default on the part of the Supplier in compliance of the same shall be a Supplier Default in terms of Article 19.1. The Utility(s) shall have the right to verify the compliance of the provision as mentioned in this Clause 5.3.”]

5.4 Obligations relating to operation of the Power Station

5.4.1 The Supplier shall [ensure that the Developer shall if Supplier is a Trading Licensee] at all times operate the Power Station in accordance with Applicable Laws and the provisions of the Grid Code and shall comply with such directions as the SLDC may give from time to time in accordance with the provisions of the Act.

5.4.2 The Supplier shall [enter if Supplier is NOT a Trading Licensee, or cause the Developer to enter if Supplier is a Trading Licensee] into and comply with agreements for interconnection of the Power Station to the grid, sub-stations, licensees or consumers, as the case may be, under and in accordance with Applicable Laws.

5.5 Obligations relating to transmission charges

The Supplier shall be liable for payment of all charges, due and payable under Applicable Laws, for inter-state and intra-state transmission of electricity from the

Point of Grid Connection to the Delivery Point. For the avoidance of doubt, the Parties expressly agree that inter-state and intra-state transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any failure of inter-state and intra-state transmission shall, subject to the provisions of Clause 11.4.4, be borne by the Supplier. The Parties further agree that the obligation of the Supplier to pay the regulated charges for transmission of electricity shall be restricted to the tariffs and rates applicable on the Bid Date for and in respect of the Contracted Capacity and any differential arising from revision of the regulated tariffs and rates thereafter shall be payable or recoverable, as the case may be, by the Utility. The Parties also agree that the regulated charges applicable for transmission of electricity referred to hereinabove as on the Bid Date shall be deemed to be Rs. (Rupees) for and in respect of the Contracted Capacity⁵, which charges shall at all times be due and payable by the Supplier.

5.6 Obligations relating to transmission losses

5.6.1 The Supplier shall be liable for the transmission losses in all inter-state and intra-state transmission of electricity from the Point of Grid Connection to the Delivery Point. For the avoidance of doubt, the Parties expressly agree that transmission of electricity shall be undertaken solely at the risk and cost of the Supplier and all liabilities arising out of any transmission losses on inter-state and intra-state transmission lines shall be borne by the Supplier. The Parties further agree that the obligation of the Supplier to bear the transmission losses shall be restricted to the level of losses determined by the Central Commission as on the Bid Date for this Project and any differential (higher or lower) arising from revision in the level of losses thereafter by the Central Commission shall be borne by the Utility.

5.6.2 The Supplier represents and warrants that it has ascertained and assessed the applicable transmission losses from the Point of Grid Connection to the Delivery Point as determined by the Appropriate Commission for and in respect of the Bid Date, and expressed in the form of their proportion to the electricity supplied hereunder at the Point of Grid Connection. The Supplier acknowledges, agrees and undertakes that the product of such transmission losses (expressed in kWh) and the Tariff shall be due and payable by the Supplier to the Utility and shall be adjusted in the relevant Monthly Invoice. For the avoidance of doubt and by way of illustration, the Parties agree that if the transmission losses in any month are equivalent to 1 (one) lakh units and the Tariff payable for that month is Rs. 3 (Rupees three) per kWh, an amount of Rs. 3,00,000/- (Rupees three lakh) shall be due and payable by the Supplier to the Utility and shall be adjusted in the Monthly Invoice for that month.

5.7 Obligations relating to SLDC and RLDC charges

The Supplier shall be liable for payment of all the charges, due and payable under Applicable Laws by the Supplier to the SLDC and RLDC for and in respect of all its supplies to the Utility.

⁵ This amount shall be determined in accordance with the regulated rates and charges for inter-state and intra-state transmission of electricity from the point of Grid Connection to the Delivery point as on the Bid Date.

5.8 Omitted.

5.9 Obligations relating to taxes

The Supplier shall pay, at all times during the subsistence of this Agreement, all taxes, levies, duties, cesses and all other statutory charges payable in respect of the Power Station. Provided, however, that all payments made by the Supplier with respect to service tax, value added tax, general sales tax or electricity duty, if any, levied on or in respect of the supply of electricity to the Utility under this Agreement shall be reimbursed by the Utility upon receipt of particulars thereof.

5.10 Obligations relating to reporting requirements

All information provided by the Supplier to the SLDC and RLDC as a part of its operating and reporting requirements under Applicable Laws, including the Grid Code, shall also be provided by it to the Utility simultaneously.

[The Trading Licensee shall ensure that wherever applicable, the obligations of the Supplier shall be fulfilled through the Developer.]¹⁴

¹⁴ Insert if the Supplier is a Trading Licensee

ARTICLE 6

OBLIGATIONS OF THE UTILITY

6.1 Obligations of the Utility

- 6.1.1 The Utility shall, at its own cost and expense undertake, comply with and perform all its obligations set out in this Agreement or arising hereunder.
- 6.1.2 The Utility agrees to provide support to the Supplier and undertakes to observe, comply with and perform, subject to and in accordance with the provisions of this Agreement and Applicable Laws, the following:
- (a) upon written request from the Supplier, and subject to the Supplier complying with Applicable Laws, provide reasonable support and assistance to the Supplier in procuring the Applicable Permits required from any Government Instrumentality for operation of the Project; Non-grant of long term open access shall be mutually decided by the Utility and Supplier;
 - (b) not do or omit to do any act, deed or thing which may in any manner be violative of any of the provisions of this Agreement;
 - (c) support, cooperate with and facilitate the Supplier in the implementation and operation of the Project in accordance with the provisions of this Agreement and Applicable Laws.
- 6.1.3 The Utility shall provide and facilitate non-discriminatory open access to its network for enabling the Supplier to supply electricity to Buyers in the licence area of the Utility in accordance with the provisions of sections 42 and 49 of the Act.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Representations and warranties of the Supplier

The Supplier represents and warrants to the Utility that:

- (a) it is duly organised and validly existing under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement and to carry out the transactions contemplated hereby;
- (b) it has taken all necessary corporate and other actions under Applicable Laws to authorise the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;
- (c) along with its Associates, [it if Supplier is NOT a Trading Licensee, or insert the Developer if Supplier is a Trading Licensee] has the financial standing and capacity to operate the Project in accordance with the terms of this Agreement;
- (d) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with the terms hereof, and its obligations under this Agreement will be legally valid, binding and enforceable obligations against it in accordance with the terms hereof;
- (e) it is subject to the laws of India, and hereby expressly and irrevocably waives any immunity in any jurisdiction in respect of this Agreement or matters arising thereunder including any obligation, liability or responsibility hereunder;
- (f) the information furnished in the Bid and as updated on or before the date of this Agreement is true and accurate in all respects as on the date hereof;
- (g) the execution, delivery and performance of this Agreement will not conflict with, result in the breach of, constitute a default under, or accelerate performance required by any of the terms of its Memorandum and Articles of Association or any Applicable Laws or any covenant, contract, agreement, arrangement, understanding, decree or order to which it is a party or by which it or any of its properties or assets is bound or affected;
- (h) there are no actions, suits, proceedings, or investigations pending or, to its knowledge, threatened against it at law or in equity before any court or before any other judicial, quasi-judicial or other authority, the outcome of which may result in the breach of this Agreement or which individually or in the aggregate may result in any material impairment of its ability to perform any of its obligations under this Agreement;
- (i) it has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any court or Government Instrumentality

which may result in any material adverse effect on its ability to perform its obligations under this Agreement and no fact or circumstance exists which may give rise to such proceedings that would adversely affect the performance of its obligations under this Agreement;

- (j) it has complied with Applicable Laws in all material respects and has not been subject to any fines, penalties, injunctive relief or any other civil or criminal liabilities which in the aggregate have or may have a material adverse effect on its ability to perform its obligations under this Agreement;
- (k) it shall at no time undertake or permit any Change in Ownership except in accordance with the provisions of Clause 5.3; and that its promoters together with their Associates, hold not less than 51% (fifty one per cent) of its issued and paid up Equity as on the date of this Agreement;
- (l) the selected bidder and [its Associates if Supplier is NOT a Trading Licensee, or the Developer if Supplier is a Trading Licensee] have the financial standing and resources to fund the required Equity and to raise the debt necessary for undertaking and implementing the Project in accordance with this Agreement;
- (m) the selected bidder is duly organised and validly existing under the laws of the jurisdiction of its incorporation or registration, as the case may be, and has requested the Utility to enter into this Agreement with {itself/the Supplier} pursuant to the Letter of Award, and has agreed to and unconditionally accepted the terms and conditions set forth in this Agreement;
- (n) [it has entered into a Fuel Supply Agreement for assured supply of Fuel required for meeting obligations under this Agreement if Supplier is NOT a Trading Licensee, or the Developer has entered into a Fuel Supply Agreement for assured supply of Fuel required for meeting obligations under this Agreement if Supplier is a Trading Licensee];
- (o) Omitted.
- (p) [it has a good and valid right to the Station Premises if Supplier is NOT a Trading Licensee, or the Developer has a good and valid right to the Station Premises and the Power Purchase Agreement executed between the Supplier and the Developer is valid and shall remain valid during the Contract Period” if Supplier is a Trading Licensee];
- (q) no representation or warranty by it contained herein or in any other document furnished by it to the Utility or to any Government Instrumentality in relation to Applicable Permits contains or will contain any untrue or misleading statement of material fact or omits or will omit to state a material fact necessary to make such representation or warranty not misleading;

- (r) no sums, in cash or kind, have been paid or will be paid, by it or on its behalf, to any person by way of fees, commission or otherwise for securing the Supply Contract or entering into this Agreement or for influencing or attempting to influence any officer or employee of the Utility in connection therewith;
- (s) all information provided by the selected bidder in response to the Request for Qualification and Request for Proposals or otherwise, is to the best of its knowledge and belief, true and accurate in all material respects; and
- (t) all undertakings and obligations of the Supplier arising from the Request for Qualification and Request for Proposals or otherwise shall be binding on the Supplier as if they form part of this Agreement.

7.2 Representations and warranties of the Utility

The Utility represents and warrants to the Supplier that:

- (a) it has full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated herein and that it has taken all actions necessary to execute this Agreement, exercise its rights and perform its obligations, under this Agreement;
- (b) it has taken all necessary actions under Applicable Laws to authorise the execution, delivery and performance of this Agreement;
- (c) it has the financial standing and capacity to perform its obligations under this Agreement;
- (d) this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with the terms hereof;
- (e) it has no knowledge of any violation or default with respect to any order, writ, injunction or any decree of any court or any legally binding order of any Government Instrumentality which may result in any material adverse effect on the Utility's ability to perform its obligations under this Agreement; and
- (f) it has complied with Applicable Laws in all material respects.

7.3 Disclosure

In the event that any occurrence or circumstance comes to the attention of either Party that renders any of its aforesaid representations or warranties untrue or incorrect, such Party shall immediately notify the other Party of the same. Such notification shall not have the effect of remedying any breach of the representation or warranty that has been found to be untrue or incorrect nor shall it adversely affect or waive any right, remedy or obligation of either Party under this Agreement.

ARTICLE 8
DISCLAIMER

8.1 Disclaimer

- 8.1.1 The Supplier acknowledges that prior to the execution of this Agreement, the Supplier has, after a complete and careful examination, made an independent evaluation of the Request for Qualification, Request for Proposals, Scope of the Agreement, Specifications and Standards, transmission network, Site, existing structures, local conditions, and any information provided by the Utility or obtained, procured or gathered otherwise, and has determined to its satisfaction the accuracy or otherwise thereof and the nature and extent of difficulties, risks and hazards as are likely to arise or may be faced by it in the course of performance of its obligations hereunder. The Utility makes no representation whatsoever, express, implicit or otherwise, regarding the accuracy, adequacy, correctness, reliability and/or completeness of any assessment, assumption, statement or information provided by it and the Supplier confirms that it shall have no claim whatsoever against the Utility in this regard.
- 8.1.2 The Supplier acknowledges and hereby accepts the risk of inadequacy, mistake or error in or relating to any of the matters set forth in Clause 8.1.1 above and hereby acknowledges and agrees that the Utility shall not be liable for the same in any manner whatsoever to the Supplier, and its Associates or any person claiming through or under any of them.
- 8.1.3 The Parties agree that any mistake or error in or relating to any of the matters set forth in Clause 8.1.1 above shall not vitiate this Agreement, or render it voidable.
- 8.1.4 In the event that either Party becomes aware of any mistake or error relating to any of the matters set forth in Clause 8.1.1 above, that Party shall immediately notify the other Party, specifying the mistake or error; provided, however, that a failure on part of the Utility to give any notice pursuant to this Clause 8.1.4 shall not prejudice the disclaimer of the Utility contained in Clause 8.1.1 and shall not in any manner shift to the Utility any risks assumed by the Supplier pursuant to this Agreement.
- 8.1.5 Except as otherwise provided in this Agreement, all risks relating to the Project shall be borne by the Supplier and the Utility shall not be liable in any manner for such risks or the consequences thereof.

Part III
Operations

ARTICLE 9

PERFORMANCE SECURITY

9.1 Performance Security

- 9.1.1 The Supplier shall, for the performance of its obligations hereunder, provide to the Utility no later than 30 (thirty) days from the date of this Agreement, an irrevocable and unconditional guarantee from a Schedule Bank for a sum equivalent to Rs. ***** crore (Rupees ***** crore)¹⁵ in the form set forth in Schedule-B (the “**Performance Security**”) for a period of 6 (six) months.
- 9.1.2 Until such time the Performance Security is provided by the Supplier pursuant hereto and the same comes into effect, the Bid Security shall remain in force and effect, and upon such provision of the Performance Security pursuant hereto, the Utility shall release the Bid Security to the Supplier.
- 9.1.3 Notwithstanding anything to the contrary contained in this Agreement, in the event Performance Security is not provided by the Supplier within a period of 30 (thirty) days from the date of this Agreement, the Utility may encash the Bid Security and appropriate the proceeds thereof as Damages, and thereupon all rights, privileges, claims and entitlements of the Supplier under or arising out of this Agreement shall be deemed to have been waived by, and to have ceased with the concurrence of the Supplier, and this Agreement, shall be deemed to have been terminated with the consent of the Supplier.

9.2 Appropriation of Performance Security

Upon occurrence of a Supplier Default or failure to meet any Condition Precedent, the Utility shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to encash and appropriate from the Performance Security the amounts due to it for and in respect of such Supplier Default or for failure to meet any Condition Precedent. Upon such encashment and appropriation from the Performance Security, the Supplier shall, within 15 (fifteen) days thereof, replenish, in case of partial appropriation, to the original level of the Performance Security, and in case of appropriation of the entire Performance Security provide a fresh Performance Security, as the case may be, failing which the Utility shall be entitled to terminate this Agreement in accordance with Article 19. Upon such replenishment or furnishing of a fresh Performance Security, as the case may be, the Supplier shall be entitled to an additional Cure Period of 120 (one hundred and twenty) days for remedying the Supplier Default or to meet any Condition Precedent, and in the event of the Supplier not curing its default or meeting such Condition Precedent within such Cure Period, the Utility shall be entitled to encash and appropriate the Performance Security as Damages, and to terminate this Agreement in accordance with Article 19.

¹⁵ To be calculated @ Rs. 10,00,000 (Rs. ten lakh) per MW of Contracted Capacity. This may be increased to Rs. 15,00,000 (Rs. Fifteen lakh) per MW of Contracted Capacity if Contracted Capacity is less than 500 MW and Rs. 8,00,000 (Rs. eight lakh) per MW of Contracted Capacity if Contracted Capacity is more than 1000 MW.

9.3 Release of Performance Security

The Performance Security shall remain in force and effect until expiry of 6 (six) months after the Appointed Date, and shall be released upon the Deemed Performance Security taking effect in accordance with the provisions of Clause 9.4.

9.4 Deemed Performance Security

The Parties expressly agree that upon release of Performance Security in accordance with the provisions of Clause 9.3, a substitute Performance Security for a like amount shall be deemed to be created under this clause 9.4, as if it is a Performance Security under clause 9.1 for and in respect of the entire Contract Period (the “**Deemed Performance Security**”). The Deemed Performance Security shall be unconditional and irrevocable, and shall constitute the first and exclusive charge on all amounts due and payable by the Utility to the Supplier, and the Utility shall be entitled to enforce the Deemed Performance Security by making a deduction from the amounts due and payable by it to the Supplier in accordance with the provisions of Clause 9.5. For the avoidance of doubt, the Parties agree that no amounts shall be earmarked, frozen or withheld in the Escrow Account for securing payment of any potential Damages that may fall due at a subsequent date, and only the amounts which shall have become due and payable by the Supplier upon occurrence of Supplier Default shall be liable to appropriation hereunder.

9.5 Appropriation of Deemed Performance Security

Upon occurrence of a Supplier Default, the Utility shall, without prejudice to its other rights and remedies hereunder or in law, be entitled to appropriate the relevant amounts from the Deemed Performance Security as Damages for such Supplier Default. For the avoidance of doubt, the Parties expressly agree that upon the Deemed Performance Security being appropriated, in whole or in part, it shall be deemed to be replenished to the extent of such appropriation.

9.6 References to Performance Security

References to Performance Security occurring in this Agreement for and in respect of any period prior to the delivery of the Performance Security by the Supplier to the Utility, or in respect of any period subsequent to the expiry or release thereof, as the case may be, shall be construed solely for the purposes of calculating the amount of Damages payable by the Supplier, and the amount so determined shall be appropriated from the Bid Security or Deemed Performance Security, as the case may be.

ARTICLE 10
ALLOCATION OF CAPACITY

10.1 Contracted Capacity

Pursuant to the provisions of this Agreement, the Supplier shall dedicate a generating capacity of *****MW to the Utility as the capacity contracted hereunder [for and in respect of Peak Hours] (the “**Contracted Capacity**”)¹⁶ and the Contracted Capacity shall at all times be operated and utilised in accordance with the provisions of this Agreement.

10.2 Dispatch of unutilised Contracted Capacity

10.2.1 In the event that the Utility does not require the supply of the whole or part of the Contracted Capacity for a continuous period of 24 (twenty four) hours or more, it may, by a notice of at least 72 (seventy two) hours prior to such period, specify the reduction in dispatch of the Contracted Capacity and for such reduction in supply, it shall be entitled to a rebate equal to 25% (twenty five percent) of the Fixed Charge payable for Availability thereof and the waived Fixed Charge under Clause 10.2.2. Provided, however, that any reduction in supply under Clause 10.2.1 shall be uniform for a block of at least 24 (twenty four) hours and shall not vary between Peak Hours and Off-Peak Hours.

10.2.2 In the event that any part of the Contracted Capacity, which is not utilised by the Utility or its nominees, and is, therefore, utilised for production of electricity and sale thereof to any Buyer, the Fixed Charge due and payable for and in respect of such Contracted Capacity shall be deemed to be waived and accordingly, no Fixed Charge shall be due or payable by the Utility in respect thereof; provided that Utility may, in its sole discretion, agree to pay to the Supplier such proportion of the waived Fixed Charge, and in such manner, as it may determine from time to time. For the avoidance of doubt, the Parties agree that supply of electricity to a nominee of the Utility shall be subject to provisions of adequate payment security either by the nominee or by the Utility.

10.3 Substitute Supply

In the event the Availability of the Power Station is reduced on account of scheduled maintenance, unscheduled maintenance, shortage of Fuel or Force Majeure, the Supplier may, with prior consent of the Utility, which consent the Utility may deny in its sole discretion or convey acceptance with such conditions as it may deem fit, supply electricity from any alternative source, and such supply shall, for payment of Fixed Charge and Variable Charge, be deemed to be supply under and in accordance with the provisions of this Agreement. For the avoidance of doubt, the Parties agree that in the event the Utility rejects any supply of electricity offered hereunder from an alternative source, the Supplier shall be deemed to be in compliance with this Agreement for the purpose of determination of Availability and payment of Fixed Charge.

¹⁶ The words enclosed in square parenthesis in clause 10.1, the entire Clause 10.4 and the definition of Peak Hours in Article 26 may be omitted if the procurement of electricity is not confined to Peak Hours.

10.4 Supply during Peak Hours¹⁷

The Supplier shall procure the Availability of the Power Station during peak hours of the day comprising [2 (two) hours upto or before 10:00 (ten hundred) hours] in the morning and [4 (four) hours from or after 17:00 (seventeen hundred) hours] in the evening, at the timing to be specified by the Utility with a notice of 30 (thirty) days to the Supplier (the “**Peak Hours**”), and shall be entitled to payment of Fixed Charge for such Availability. Provided, however, that in the event the Utility does not Despatch the full capacity comprising the Availability during any hour or part thereof and the whole or part thereof is sold to Buyers, the provisions of Clause 10.2 shall apply.

10.5 Supply during Off-Peak Hours¹⁸

The Supplier shall procure a reduced Availability of the Power Station during Off-Peak hours at night comprising [8 (eight) hours between 20:00 (twenty hundred) hours and 06:00 (zero six hundred) hours] (the “**Off-Peak Hours**”), and shall be entitled to payment of Fixed Charge only for such reduced Availability. The Parties expressly agree that Normative Availability for and in respect of Off-Peak hours shall be deemed to be equal to [42.5% (forty two point five percent)] of the Contracted Capacity. Provided However, that the Utility may, with a notice of 30 (thirty) days, require the Supplier to increase the Availability during Off-Peak hours upto a level not exceeding 85% (eighty five per cent) of the Contracted Capacity on payment of Fixed Charge as specified in Clause 11.4 or at such reduced Fixed Charge as the Parties may mutually determine.

¹⁷ Clause 10.4 may be omitted if the procurement of electricity is not to be confined to Peak Hours.

¹⁸ Clause 10.5 may be omitted if supply during Off-Peak hours is not to be reduced. This Clause may also be omitted if the Procurement of the electricity is confined to Peak Hours.

Part IV

Financial Covenants

ARTICLE 11

TARIFF

11.1 Tariff

- 11.1.1 The Utility shall pay to the Supplier tariff comprising the sum of Fixed Charge and Variable Charge payable by the Utility to the Supplier for Availability and for supply of electricity, as the case may be, in accordance with the provisions of this Agreement (the “**Tariff**”).
- 11.1.2 As a part of the Tariff, the Utility shall pay to the Supplier an amount, determined in accordance with the provisions of this Article 11, as the Fixed Charge for Availability of the Power Station to the extent of Normative Availability thereof (the “**Fixed Charge**”).

11.2 Base Fixed Charge

The Parties agree that the fixed charge payable for Availability [during Peak Hours]¹⁹ shall, in accordance with the offer of the Supplier for the Base Year, be Rs. (Rupees)⁵ per kWh (the “**Base Fixed Charge**”), which shall be revised annually in accordance with the provisions of Clause 11.3 to determine the Fixed Charge for the relevant Accounting Year.

11.3 Fixed Charge

For determining the Fixed Charge due and payable to the Supplier, the Base Fixed Charge shall be revised annually to reflect 20% (twenty per cent) of the variation in WPI occurring between January 31 immediately preceding the Bid Date and January 31 immediately preceding the Accounting Year for which such revision is undertaken. For the avoidance of doubt and by way of illustration, if (a) the Bid Date occurs in March 2015; (b) the appointed date occurs in May 2019; and (c) WPI increases by 20% (twenty per cent) between January 31, 2015 and January 31, 2019, the Fixed Charge for the Accounting Year commencing from April 1, 2019 shall be 104% (one hundred and four per cent) of the Base Fixed Charge.

11.4 Computation of Fixed Charge

- 11.4.1 Subject to the provisions of this Clause 11.4, the Base Fixed Charge, as corrected for variation in WPI Index in accordance with Clause 11.3 shall be the Fixed Charge payable for Availability in each month of the relevant Accounting Year.
- 11.4.2 The obligations of the Utility to pay Fixed Charges in any Accounting Year shall in no case exceed an amount equal to the Fixed Charge due and payable for and in respect of the Normative Availability of 85% (eighty five per cent) [during Peak Hours]²⁰ computed with reference to the Contracted Capacity (the “**Capacity Charge**”). Provided, however, that in the event of Despatch of the Power Station

¹⁹ The words in square parenthesis may be omitted if the procurement of electricity is not to be confined to Peak Hours.

⁵ This amount shall be the amount specified in the Bid, which shall not less than Re. 1 (Rupee one) per kWh in any case or such minimum amount as may be specified in the RFP.

²⁰ The words in square parenthesis in Clauses 11.4.2 and 11.4.3 may be added if procurement of electricity is to be confined to Peak Hours.

beyond such 85% (eighty five per cent) [during Peak Hours], Incentive shall be payable in accordance with the provisions of Clause 11.6.1.

11.4.3 Pursuant to the provisions of Clause 11.4.4, the Supplier shall not, for and in respect of any day, be entitled to receive payment of Fixed Charge for Availability exceeding 85% (eighty five per cent) thereof [during Peak Hours], and in the event it supplies electricity to the Utility in excess of such 85% (eighty five per cent), such excess supply shall be eligible only for payment of Variable Charge, save and except the payment of Incentive due under the provisions of Clause 11.4.2.

11.4.4 In the event that any shortfall in supply of electricity to the Utility occurs on account of deficiency in transmission between the Point of Grid Connection and Delivery Point, Availability shall be deemed to be reduced in accordance with the provisions of Clause 11.5.2 and the Non-Availability arising as a consequence thereof shall, for the purposes of payment of Fixed Charge, be deemed to be Availability to the extent of 50% (fifty per cent) of the Non-Availability hereunder. Provided, however, that the Supplier may, in its sole discretion, Despatch the Power Station to the extent of full or part Non-Availability hereunder for supply to other Buyers, and to the extent of full or part Non-Availability hereunder for supply to other Buyers, and to the extent of such Despatch, the Utility shall not be liable to payment of any Fixed Charge due and payable in accordance with the provisions of this Clause 11.4.4. For the avoidance of doubt, the Parties expressly agree that if such deficiency in transmission is caused by an action or omission attributable to the Supplier, it shall not be reckoned for the purposes of computing Availability hereunder. The Parties further agree that any and all revenues received from Buyers shall be applied first towards reduction of Fixed Charge payable by the Utility hereunder and only the balance remaining shall be appropriated by the Supplier.

11.4.5 In the event that any shortfall in supply of electricity to the Utility occurs on account of shortage of Fuel, Availability shall be deemed to be reduced in accordance with the provisions of Clause 11.5.3. Provided, however, that the Non-Availability arising as a consequence of shortage of Fuel caused by any event of Force Majeure shall, for the purpose of payment of Fixed Charge, be deemed to be availability to the extent of 30% (thirty per cent) of the Non-Availability hereunder.

11.5 Declaration of Availability

11.5.1 Unless otherwise notified by the [Supplier *if Supplier is NOT a Trading Licensee, or Developer through the Supplier if Supplier is a Trading Licensee*], the declared Availability shall, be deemed to be 100% (one hundred per cent) thereof at all times.

11.5.2 In the event that any shortfall in supply of electricity to the Utility occurs on account of any deficiency in transmission between the Point of Grid Connection and Delivery Point, the Availability shall be deemed to be reduced to the extent of reduction in transmission of electricity, and the reduction referred to hereinabove shall be deemed as Non-Availability on account of deficiency in transmission. For the avoidance of doubt and by way of illustration, the Parties agree that if such

deficiency in transmission is equal to 20% (twenty per cent) of the Contracted Capacity, the Availability shall be deemed to be 80% (eighty per cent) and the Non-Availability hereunder shall be notified by the [Supplier *if Supplier is NOT a Trading Licensee, or Developer* through the Supplier *if Supplier is a Trading Licensee*] to the Utility forthwith.

- 11.5.3 In the event that any shortfall in supply of electricity to the Utility occurs on account of shortage of Fuel, the Availability shall be deemed to be reduced to the extent of reduction in generation of electricity, and such reduction shall be deemed as Non-Availability on account of shortage of Fuel. For the avoidance of doubt and by way of illustration, the Parties agree that if the deficiency in generation is equal to 20% (twenty per cent) of the Contracted Capacity, the Availability shall be deemed to be 80% (eighty per cent) and the Non-Availability hereunder shall be notified by the [Supplier *if Supplier is NOT a Trading Licensee, or Developer* through the Supplier *if Supplier is a Trading Licensee*] to the Utility forthwith.
- 11.5.4 The Supplier shall notify, no later than 15 (fifteen) days prior to the commencement of a month, [its *if Supplier is NOT a Trading Licensee, or Developer's if Supplier is a Trading Licensee*] maintenance schedule for that month and any reduction in Availability arising as a result thereof. The Supplier shall, as soon as may be, notify any modifications of [its *if Supplier is NOT a Trading Licensee, or Developer's if Supplier is a Trading Licensee*] maintenance schedule and shall confirm, with or without modifications, the reduction in Availability no later than 48 (forty eight) hours prior to its occurrence.
- 11.5.5 In the event that the Availability at any time is determined to be lower than 100% (one hundred per cent) of the Contracted Capacity or the reduced Availability notified hereunder, an event of mis-declaration of Availability (the “**Mis-declaration**”) shall be deemed to have occurred. In such an event, the Availability for the relevant month shall, for the purposes of payment of Fixed Charge, be deemed to be reduced by the same proportion that Availability bears to Mis-declaration, as if the Mis-declaration had occurred for a period of one month. For the avoidance of doubt, the Parties agree that deductions on account of Mis-declaration shall be made from the subsequent payments due to the Supplier under this Agreement.
- 11.5.6 Notwithstanding the provisions of Clause 11.5.5, any reduction in Availability arising out of de-commissioning due to Emergency or a Force Majeure Event shall not be deemed to be Mis-declaration if the Supplier shall have notified the Utility in accordance with the provisions of Clauses 17.5.

11.6 Incentive and Damages

- 11.6.1 In the event that the Availability in any month exceeds the Normative Availability, the Supplier shall, in lieu of a Fixed Charge, be entitled to an Incentive which shall be calculated and paid at the rate of 50 % (fifty per cent) of the Fixed Charge for Availability in excess of Normative Availability. Provided, however, that any Incentive hereunder shall be due and payable only to the extent of Despatch of the Power Station. For the avoidance of doubt and by way of illustration, in the event the Availability in any month shall exceed the Normative

Availability by 3% (three per cent) of the Contracted Capacity but the Despatch during that month shall exceed 1% (one per cent) of the Contracted Capacity, the Incentive payable hereunder shall be restricted to such 1% (one per cent) only.

11.6.2 In the event that Availability in any month is less than the Normative Availability, the Fixed Charge for such month shall be reduced to the extent of shortfall in Normative Availability and in addition, any reduction below the Normative Availability shall be multiplied by a factor of 0.25 (zero point two five) to determine the Damages payable for such reduction in Availability. For the avoidance of doubt, the Parties agree that the Damages to be deducted for any reduction in Normative Availability shall be 25% (twenty five per cent) of the Fixed Charge which is reduced on account of shortfall in Availability below Normative availability.

11.6.3 The Parties expressly agree that within 30 (thirty) days of the close of every Accounting Year, the cumulative monthly Availability for such year shall be determined and the Incentive or Damages, as the case may be, shall be computed with reference to the Normative Availability for that year. The amount so arrived at shall be adjusted against the Incentives or Damages determined for the respective months of the year and the balance remaining shall be adjusted in the following Monthly Invoice.

11.7 Variable Charge

The Utility shall pay to the Supplier, as part of Tariff, a Variable Charge to be determined in accordance with the provisions of Article 12.

11.8 Taxes and duties

11.8.1 The Parties expressly agree that the Tariff shall be inclusive of all taxes and duties, save and except the taxes and duties specified in Clause 11.8.2. It is further agreed that the Supplier shall pay all taxes and duties, including the taxes and duties specified in Clauses 11.8.2, in accordance with Applicable Laws.

11.8.2 The Tariff and Incentives payable by the Utility under this Article 11 shall be exclusive of Service Tax, Electricity Duty, Value Added Tax or General Sales Tax, Custom Duty on Fuel or any replacement thereof, if applicable, and any Service Tax, Electricity Duty, Value Added Tax or General Sales Tax and Custom Duty on fuel thereon shall be paid by the Supplier and reimbursed by the Utility upon submission of necessary particulars by the Supplier.

11.8.3 Any payment to be made by the Utility shall be subject to any tax deduction at source, if required to be made by the Utility as per Applicable Laws.

11.9 Billing and Payment

11.9.1 Commencing from the month following the month in which the Appointed Date occurs, the Supplier shall, by the 5th (fifth) day of such and each succeeding month (or, if such day is not a Business Day, the immediately following Business Day), submit in triplicate to the Utility, an invoice in the agreed form (the “**Monthly Invoice**”) signed by the authorised signatory of the Supplier setting out the computation of the Fixed Charge and Variable Charge to be paid by the Utility

to the Supplier in respect of the immediately preceding month in accordance with the provisions of this Agreement.

11.9.2 The Supplier shall, with each Monthly Invoice submit, (a) a certificate that the amounts claimed in the invoice are correct and in accordance with the provisions of the Agreement; (b) proof of Availability for the period billed, comprising evidence of communications regarding the extent of Non-Availability from time to time; (c) official documents in support of the variation in WPI as specified in Clause 11.3; (d) detailed calculations of the Fixed Charge for Availability in accordance with this Article 11; (e) detailed calculations of the Variable Charge, in respect of the electricity dispatched, computed in accordance with Article 12; (f) detailed calculations of the Incentives and/or Damages in accordance with the provisions of Clause 11.6; (g) details in respect of taxes/duties payable/reimbursable in accordance with the provisions of this Agreement; (h) details of the Fixed Charge to be adjusted by the Supplier in respect of sale of power to Buyers; (i) details in respect of Damages or Incentives payable in accordance with the provisions of this Agreement; (j) adjustments, if any, on account of revision of the transmission charges referred to in Clause 5.5; (k) proportionate adjustment on account of transmission losses to be determined in accordance with Clause 5.6; and (l) the net amount payable under the Monthly Invoice.

11.9.3 The Utility shall, within 30 (thirty) days of receipt of a Monthly Invoice in accordance with Clause 11.9.1 (the “**Payment Due Date**”), make payment of the amount claimed directly, through electronic transfer, to the nominated bank account of the Supplier, save and except any amounts which it determines as not payable or disputed (the “**Disputed Amounts**”).

11.9.4 All Damages and any other amounts due and payable by the Supplier in accordance with the provisions of this Agreement may be deducted from the Tariff due and payable to the Supplier and in the event the deductions hereunder exceed the Tariff in that month, the balance remaining shall be deducted from the Tariff due and payable to the Supplier for the immediately following month.

11.10 Disputed Amounts

11.10.1 The Utility shall, within 10 (ten) days of receiving an invoice, notify the Supplier of the Disputed Amounts, with particulars thereof. Within 7 (seven) days of receiving such notice, the Supplier shall present any information or evidence as may reasonably be required for determining that such Disputed Amounts are payable. The Utility may, if necessary, meet a representative of the Supplier for resolving the dispute and in the event that the dispute is not resolved amicably, the Dispute Resolution Procedure shall apply. For the avoidance of doubt, even if a dispute is resolved amicably, any amount paid after the Payment Due Date shall be deemed as delayed payment for the purposes of payment of interest thereon. For the avoidance of doubt, the Utility shall be entitled to raise a dispute regarding any Disputed Amounts, whether due or already paid in accordance with this Agreement, at any time.

11.10.2 If any amount is payable by either Party to the other Party upon determination of a dispute regarding any Disputed Amount under the Dispute Resolution Procedure, such amount shall be deemed to be payable on the date when it first

became due under this Agreement, and interest for the period of delay shall be due and payable at the rate specified in Clause 25.4.

11.11 Discount for early payment

The Parties expressly agree that in the event the Utility pays the Tariff within 5 (five) days of the date of submission of the invoice thereof, it shall be entitled to deduct 1% (one per cent) of the amount comprising the Tariff by way of discount for early payment.

ARTICLE 12
Variable CHARGE

12.1 Variable Charge

As part of the Tariff, the Utility shall pay to the Supplier for and in respect of the Fuel utilised for supply of a kWh of electricity to the Utility, a Variable Charge determined from time to time in accordance with the provisions of this Article 12 and expressed in Rupees per kWh (the “**Variable Charge**”).

12.2 Base Variable Charge

The Parties agree that the variable charge, in accordance with the offer of the Supplier for the Base Year, shall be Rs. (Rupees)⁵ per kWh, [comprising Rs....(Rupees...)²¹ per kWh as the cost of Fuel/generating cost and Rs....(Rupees....) per kWh as the cost of transportation of which Rs.....(Rupees....) per kWh shall be in respect of domestic transportation, Rs....(Rupees.....) per kWh as the cost of transmission charges and Rs.....(Rupees.....) per kWh as the cost of transmission loss]²² (the “**Base Variable Charge**”) which shall be revised in accordance with the provisions of Clause 12.3 to determine the Variable Charge for the relevant period. For the avoidance of doubt, the Parties expressly agree that the Variable Charge shall include the transmission charges and transmission losses as on Bid Date upto the Delivery Point.

12.3 Computation of Variable Charge²³

[Option a: Coal from Domestic market other than Coal Mine/Blocks

12.3.1 The Supplier represents and warrants that it shall procure Fuel from the domestic market at the prevailing price. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the monthly average of the auction price of CIL for such Fuel, or such other index as the Parties may mutually agree upon (the “**Fuel Price Index**”). The cost of Fuel specified in Clause 12.2 shall be deemed to be based on the average Fuel Price Index of the month preceding the Bid Date and the cost of Fuel payable for and in respect of any month during the Supply Period shall be revised in the same proportion that the average Fuel Price Index of the month preceding the Bid Date bears to the average Fuel Price Index for the month preceding the month in which electricity is supplied.

12.3.2 The Supplier represents and warrants that it shall transport Fuel from the collieries situate at The Parties agree that the cost of transportation to be paid by the

⁵ The amount shown as blank in clause 12.2 shall be specified in the Bid.

²¹ In case electricity is procured through Option f, g, I, h, i of Clause 12.3, the cost of Fuel may be specified in US Cents.

²² In case electricity is procured through Option g or i of Clause 12.3 pertaining to imported Gas, the cost of Transportation may be specified separately for shipping cost and for domestic transportation cost of Gas as per the Bid submitted by the Supplier. The Domestic Transportation cost of Gas specified in US cents shall be converted from US Cents to Indian rupees using the exchange rate prevailing one day prior to the Bid date. The exchange rate for this purpose shall be the mean of the buying and selling rate as notified by the State Bank of India or any substitute thereof.

²³ The Utility may retain one of the ten Options specified herein and omit the rest. However, the Utility may retain Option f or g in addition to another relevant Option if only a part of the Fuel is to be imported at market prices. The proportion of electricity to be generated from imported Fuel under Option f or g may also be specified in the Bidding Documents.

Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the notified freight of Indian Railways and in the event of any revision in the notified freight after the Bid Date, the cost of transportation specified in Clause 12.2 shall be revised in the same proportion that the notified freight, as on the Bid Date, bears to be revised freight, as and when notified, and such revision in cost of transportation shall take effect for and in respect of the electricity supplied from the 1st (first) day of the month following the date of revision in notified freight. For the avoidance of doubt, the Parties agree that the provisions of this Clause 12.3.2 shall apply even if the Fuel is transported by road instead of rail, and the cost of transportation hereunder shall always be computed as if the fuel was transported by rail. The Parties further agree that in the event Fuel is transported from a shorter distance compared to the location specified hereinabove, the cost of transportation will be reduced in proportion to the reduction in railway freight on account thereof. The Parties further agree that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.]

[Option (b): Coal from Linkage Coal

12.3.1. For the Fuel supplied by CIL/SCCL [through Letter of Assurance/ FSA arranged by the Utility], the price of Fuel shall be deemed to be the lower of, (i) the indicative price of Fuel which shall be computed from the Variable Charge, as specified in the Bid; and (ii) 101% (one hundred and one per cent)²⁴ of the price payable by the Supplier to CIL/SCCL, For the avoidance of doubt, the Parties agree that if the indicative price as computed hereunder from the Variable Charge specified in the Bid shall be lower than 101% (one hundred and one per cent) of the price payable by the Supplier to CIL/SCCL, the proportion by which the amount computed from the Bid is lower than the aforesaid 101% (one hundred and one per cent) of CIL/SCCL price shall apply at all times for determining the price of Fuel.] The Parties further agree that the amount specified in Bid is equivalent to or less than the aforesaid 101% (one hundred and one per cent) of the amount payable to CIL. The Supplier accordingly represents and warrants that the aforesaid amount has been derived from CIL/SCCL's notified price of Rs. (Rupees) .per tonne and GCV of ... kCal/kg as on the Bid Date and the cost of Fuel shall be revised only in proportion to the revision in CIL/SCCL price as compared to the rate specified hereinabove.

12.3.2 The total cost of transportation of domestic Fuel shall be the lower of, (a) [110% (one hundred and ten per cent)]²⁵ of the freight payable to the Indian Railways for transportation by rail, and (b) the actual cost of transportation. For the avoidance of doubt, the Parties agree that the amount specified in Clause 12.2 is equivalent to or less than the aforesaid 110% (one hundred and ten per cent) of the amount payable to the Indian Railways. The Supplier represents and warrants that the aforesaid amount has been derived from the railway freight rate of Rs..... (Rupees) per tonne as on the Bid Date and the transportation charge specified in Clause 12.2 shall be revised only in proportion to the revision in rail

²⁴ 1% (one per cent) has been added to cover transit losses in transportation of Fuel.

²⁵ 10% (ten per cent) has been added to reflect the estimated cost of loading, unloading and local transportation. This may be modified by the Utility as per project-specific requirements.

freight as compared to the rate specified hereinabove.]

[Option c: Coal from Coal Mine/Blocks allocated through auction by Governmental Instrumentality²⁶

12.3.1 The Supplier represents and warrants that it shall procure Fuel from Coal Mine/Blocks allocated through auction by Governmental Instrumentality. The price of Fuel procured from Coal Mine/Blocks shall be the indicative price of Fuel in Rs./tonne which shall be derived from the cost of Fuel in Rs./kWh forming part of the Fuel Charge specified in the Bid. The price of Fuel so determined²⁷ hereunder shall be increased for every Accounting Year subsequent to COD, at a compounded annual rate of 2% (two percent), and the amount so arrived at shall be revised annually to reflect 60% (sixty per cent) of the variation in WPI occurring between January 31 immediately preceding the Bid Date and January 31 immediately preceding the Accounting Year for which such revision is undertaken²⁸. For the avoidance of doubt, the Parties agree that the price of Fuel referred to hereinabove shall include all costs for and in respect of Fuel, including taxes, royalties, applicable reserve price, or any other charges in connection with procurement or production of Fuel. By way of illustration, if (i) the price of Fuel specified hereinabove is assumed as 80 paise (eighty paise), (ii) the WPI between the two aforesaid dates, the latter being 5 (five) years after the first such date increases by 30% (thirty per cent), and (iii) the relevant Accounting Year falls immediately after the Accounting Year in which COD occurred, the price of Fuel in the aforesaid relevant Accounting Year following COD shall be 96.29 paise (ninety six point two nine paise).

12.3.2 The cost of transportation shall be the lower of (a) the benchmark cost of transportation specified by the Utility in the RFQ and (b) the cost of transportation specified by the Bidder in the Bid. The cost of transportation shall be revised in proportion to the increase in the cost of transportation by rail, road and other modes as applicable, by Indian Railways, concerned authorities as compared to applicable cost of transportation of Indian Railways, concerned authorities as on Bid Due Date. The Parties further agree that the cost of washing shall be the lower of, (a) the benchmark washery charges as specified by the Utility in the RFQ, and (b) the washery charges specified by the Bidder in the Bid; and the washing charge shall be revised only in proportion to the increase in the average CIL cost as compared to the average CIL cost as on Bid Due Date. The Parties also agree that the cost of crushing shall be the lower of (a) the benchmark crushing charges, as specified by the Utility in the RFQ and (b) the crushing charges, specified by the Bidder in the Bid. The Crushing charge shall be revised only in proportion to the increase in the average CIL cost as compared to the average CIL cost as on Bid Due Date. The Parties mutually agree that the cost

²⁶ This option may be used when the Supplier is sourcing Fuel from Coal Mine/Blocks. In this case, the Bidders may be asked to indicate the break-up of their bid price into Fixed Charge and Variable Charge. This option may be used only if it conforms with the extant policy of the Central Government in respect of use of coal from such Coal Mine/Blocks.

²⁷ The price of Fuel so arrived shall not be more than Ron-of-Mine (ROM) price of coal quoted for the said block during the Coal Mine/Block auction plus Rs. 100 per metric tonne as basis on which the Coal Mine/Block has been awarded to the Bidder along with escalation as per prescribed formula.

²⁸ For the purposes for revision the reference made to captive mines in the Coal Mine/Blocks Tender Document shall be constituted as reference to Coal Mine/Blocks.

of each of the other charges shall be the lower of (a) the benchmark of each of the other charges, as specified by the Utility in the RFQ and (b) the charges of each of the other charges, specified by the Bidder in the Bid. The charges of each of the Other Charges shall be revised in proportion to the increase in the charges by the CIL/CERC/SERC/Appropriate Authority, as the case may be, as compared to charges as on Bid Due Date.]

[Option d: Gas from domestic market

12.3.1 The Supplier represents and warrants that it shall procure Fuel from the domestic market at the prevailing price. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to price thereof, based on monthly average of the applicable index of such Fuel, as the Parties may mutually agree upon (the “**Fuel Price Index**”). The cost of Fuel specified in Clause 12.2 shall be deemed to be based on the average Fuel Price Index of the month preceding the Bid Date and the cost of Fuel payable for and in respect of any month during the Supply Period shall be revised in the same proportion that the average Fuel Price Index of the month preceding the Bid Date bears to the average Fuel Price Index for the month preceding the month in which electricity is supplied.

12.3.2 The Supplier represents and warrants that it shall transport Fuel from the gas fields/LNG terminal situate at The Parties agree that the cost of transportation to be paid by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the charge notified by the Petroleum and Natural Gas Regulatory Board and in the event of any revision in the notified charged after the Bid Date, the cost of transportation specified in Clause 12.2 shall be revised in the same proportion that the notified freight, as on the Bid Date, bears to be revised freight, as and when notified, and such revision in cost of transportation shall take effect for and in respect of the electricity supplied from the 1st (first) day of the month following the date of revision in notified freight. For the avoidance of doubt, the Parties agree that the provisions of this Clause 12.3.2 shall apply even if the Fuel is transported by rail or road instead of pipelines, and the cost of transportation hereunder shall always be computed as if the fuel was transported by pipelines. The Parties further agree that in the event Fuel is transported from a shorter distance compared to the location specified hereinabove, the cost of transportation will be reduced in proportion to the reduction in charges on account thereof. The Parties further agree that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.]

[Option e: Gas from ONGC/GAIL

12.3.1 The Supplier represents and warrants that it has entered into an agreement with ONGC/GAIL for supply of Fuel at the notified price from its gas fields/LNG terminal situate at...., or any substitute thereof. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the price notified by ONGC/GAIL for that Fuel and in the event of any revision in the notified price after the Bid Date, the cost of Fuel specified in Clause 12.2 shall be revised in the same proportion that the notified price of ONGC/GAIL, as on the Bid Date, bears to the revised price, as and when notified,

and such revision in the cost of Fuel shall take effect for and in respect of the electricity supplied from the date of such revision in the notified price.

- 12.3.2 The Supplier represents and warrants that it shall transport Fuel from the gas field/LNG terminal specified in Clause 12.3.1. The Parties agree that the cost of transportation to be paid by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the notified charge for pipelines and in the event of any revision in the notified charge after the Bid Date, the cost of transportation specified in Clause 12.2 shall be revised in the same proportion that the notified freight, as on the Bid Date, bears to the revised freight, as and when notified, and such revision in cost of transportation shall take effect for and in respect of the electricity supplied from the 1st (first) day of the month following the date of revision in the notified freight. For the avoidance of doubt, the Parties agree that the provisions of this Clause 12.3.2 shall apply even if the Fuel is transported by rail or road instead of pipelines, and the cost of transportation hereunder shall always be computed as if the Fuel was transported by pipelines. The Parties further agree that in the event Fuel is transported from a shorter distance compared to the location specified hereinabove, the cost of transportation will be reduced in proportion to the reduction in charges on account thereof. The Parties further agree that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.]

[Option f: Supply from Hydro-electric Power Station

- 12.3.1 The Supplier represents and warrants that it shall supply electricity to the Utility at the Delivery Point for a lumpsum Tariff which shall comprise: (a) a Base Variable Charge referred to in Clause 12.2, which shall include the generating cost of electricity, the transmission charges thereof and the transmission losses, and (b) a Base Fixed Charge which shall be equal to the Base Variable Charge excluding transmission charges and transmission losses specified in Clause 12.2. For the avoidance of doubt, the Parties agree that the Base Fixed Charge and Base Variable Charge shall be revised in accordance with the provisions of Clauses 11.3 and 12.3.2 respectively.
- 12.3.2 The Parties agree that the generating cost component of Base Variable Charge specified in Clause 12.2 shall be increased for every Accounting Year following the Base Year so as to reflect 20% (twenty per cent) of the variation in WPI occurring between January 31 immediately preceding the Base Year and January 31 immediately preceding the Accounting Year for which such revision is undertaken. For the avoidance of doubt and by way of illustration, if (a) the Variable Charge specified hereinabove is assumed as 80 paise (eighty paise) and (b) WPI between the two aforesaid dates, the latter being 1 (one) year after the first such date, increase by 6.25% (six point two five per cent), the Variable Charge in the Accounting Year following first Accounting Year shall be 81 paise (eighty one paise).]

[Option g: Coal imported from international market

- 12.3.1 The Supplier represents and warrants that it shall import Fuel under its own arrangements. The Parties agree that the cost of Fuel payable by the Utility to the

Supplier under the provisions of Clause 12.2 shall be linked to the price thereof, Free on Board (FOB), as specified in US cents, based on the monthly arithmetic mean of coal price indices, namely, (a) AP14 (South Africa), (b) Coal fax (Australia), and (c) Global Coal (Australia)²⁹, or any substitute thereof, which the Parties may mutually agree upon (the “**Fuel Price Index**”). The cost of Fuel specified in Clause 12.2 shall be deemed to be based on the average Fuel Price Index of the month preceding the Bid Date and the cost of Fuel payable for and in respect of any month during the Supply Period shall be revised in the same proportion that the average Fuel Price Index of the month preceding the Bid Date bears to the average Fuel Price Index for the month preceding the month in which the Fuel is loaded at the port of origin, as evidenced by the documents to be furnished by the relevant shipping company. The Parties further agree that the cost of Fuel shall be converted from US cents to Indian rupees at the commencement of every month and the exchange rate used for this purpose shall be the mean of the buying and selling rate at the beginning of such month, as notified by the State Bank of India or any substitute thereof.

12.3.2 The total cost of transportation of imported Fuel, shall be the lower of , (a) the indicative cost of transportation as specified in the Bid, in US cents, and (b) [20% (twenty percent)] of the price of Fuel, as specified in the Bid in US cents, to which 110% (one hundred and ten percent) of the freight payable to the Indian Railways shall be added for inland transportation, if any, and the total freight charges so determined as on the Bid Date shall be revised from time to time to reflect the variation occurring in the Freight Index:

Provided that the Supplier shall normally undertake shipment of Fuel, comprising no less than 90% (ninety percent) of its annual import, under long term contracts which have a duration of one year or more, and the cost of transportation hereunder shall be computed and paid at the rate specified in such contracts.

Provided further that the freight charges payable under such long term contracts shall not exceed the lower of, (i) the freight charge determined as on the Bid Date and adjusted to reflect the variation in Freight Index from time to time, and (ii) the average freight payable under similar contracts entered into during a period of 180 (one hundred and eighty) days preceding the date of that contract, and where information relating to such contracts is not available, then 90% (ninety percent) of the amount computed under sub-clause (i) hereinabove.

Provided also that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.

Explanation:

For the purposes of this Clause 12.3.2, Freight Index for shipping shall be computed by assigning a weigh age of [40% (forty per cent) and 60% (sixty per cent) respectively] or such relative weight age as the Parties may with mutual agreement determine from time to time, to the Baltic Dry Index and the Singapore 380 CST Bunker Fuel Price Index, or any substitute thereof as the Parties may

²⁹ The Utility may either specify the aforesaid indices or substitute the same by other indices. It may, in its discretion, also specify a single index in the Bid documents. The same approach may be followed in respect of indices relating to gas price.

mutually agree, and determining the arithmetic mean of such indices for a period of 3 (three) calendar months preceding the month in which Fuel is loaded on a ship, and in the case of transportation by rail, the freight charges shall always be deemed to be equal to 110% (one hundred and ten per cent) of the freight payable to the Indian Railways.]

[Option h: Gas imported from international market

12.3.1 The Supplier represents and warrants that it shall import Fuel under its own arrangements. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the price thereof, Free on Board (FOB), as specified in US cents, based on the monthly average of price indices namely: (a) Henry Hub (USA), (b) NBP (UK), and (c) JCC (Japan)³⁰, or any substitute thereof, which the parties may mutually agree upon (the “**Fuel Price Index**”). The cost of Fuel specified in Clause 12.2 shall be deemed to be based on the average Fuel Price Index of the month preceding the Bid Date and in the event of any revision in the average Fuel Price Index during any subsequent month, the cost of Fuel specified in Clause 12.2 shall be revised in the same proportion that the average Fuel Price Index of the month preceding the Bid Date bears to the revised average Fuel Price Index for any subsequent month, and such revision shall take effect for and in respect of the electricity supplied on and after the 21st (twenty first) day of the month following the subsequent month referred to hereinabove. The Parties further agree that the cost of Fuel shall be converted from US cents to Indian rupees at the commencement of every month and the exchange rate used for this purpose shall be the mean of the buying and selling rate at the beginning of such month, as notified by the State Bank of India or any substitute thereof.

12.3.2 The cost of transportation of imported Fuel would include the cost of shipping and domestic transportation by pipeline. The cost of shipping of imported Fuel, shall be the lower of, (a) the indicative cost of shipping as specified in the Bid, in US cents, and (b) [20% (twenty percent)] of the price of Fuel, as specified in the Bid in US cents and the freight charges so determined as on the Bid Date shall be revised from time to time to reflect the variation occurring in the Freight Index:

Provided that the Supplier shall normally undertake shipment of Fuel, comprising no less than 90% (ninety per cent) of its annual import, under long term contracts which have duration of one year or more, and the cost of transportation hereunder shall be computed and paid at the rate specified in such contracts.

Provided further that the freight charges payable under such long term contracts shall not exceed the lower of, (i) the freight charge determined as on the Bid Date and adjusted to reflect the variation in Freight Index from time to time, and (ii) the average freight payable under similar contracts entered into during a period of 180 (one hundred and eighty) days preceding the date of that contract, and where information relating to such contracts is not available, then 90% (ninety per cent) of the amount computed under sub-clause (i) hereinabove.

³⁰ The Utility may specify the index/indices prior to bidding.

Provided also that the cost of shipping due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.

Explanation:

For the purposes of this Clause 12.3.2, Freight Index for shipping shall be computed by assigning a weightage of [40% (forty percent) and 60% (sixty per cent) respectively] or such relative weightage as the Parties may with mutual agreement determine from time to time, to the Baltic Dry Index and the Singapore 380 CST Bunker Fuel Price Index, or any substitute thereof as the Parties may mutually agree, and determining the arithmetic mean of such indices for a period of 3 (three) calendar months preceding the month in which Fuel is loaded on a ship.

- 12.3.3 The Supplier represents and warrants that it shall transport Fuel from the port of import situate at, or any substitute thereof. The Parties agree that the cost of domestic transportation to be paid by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the charges notified by the Petroleum and Natural Gas Regulatory Board and in the event of any revision in the notified charges after the Bid Date, the cost of domestic transportation specified in Clause 12.2 shall be revised in the same proportion that the notified charges, as on the Bid Date, bears to be revised charges, as and when notified, and such revision in cost of transportation shall take effect for and in respect of the electricity supplied from the 1st (first) day of the month following the date of revision in notified charges. For the avoidance of doubt, the Parties agree that the provisions of this Clause 12.3.2 shall apply even if the Fuel is transported by rail and road, instead of pipelines, and the cost of transportation hereunder shall always be computed as if the fuel was transported by pipelines. The Parties further agree that in the event Fuel is transported from a shorter distance compared to the location specified hereinabove, the cost of transportation will be reduced in proportion to the reduction in charges on account thereof. The parties further agree that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.]

[Option i: Coal from Captive Mines abroad

- 12.3.1 The Supplier represents and warrants that it shall procure Fuel from Captive Mines situate outside India. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the price thereof, Free on Board (FOB), as specified in US cents, which shall be increased every year at a compounded annual rate of 2% (two per cent), commencing from the Accounting Year following the Base Year. The parties further agree that the cost of Fuel shall be converted from US cents to Indian rupees at the commencement of every month and the exchange rate used for this purpose shall be the mean of the buying and selling rate at the beginning of such month, as notified by the State Bank of India or any substitute thereof. The parties also agree that the supplier of Fuel shall be deemed to be a Contractor for the purposes of Article 17, and any change in law or taxes occurring in the jurisdiction where the Captive Mines are situate shall be deemed to be a Change

in Law affecting the Supplier and its Associate, if any, under the provisions of Article 21.

- 12.3.2 The total cost of transportation of imported Fuel, shall be the lower of, (a) the indicative cost of transportation as specified in the Bid, in US cents, and (b) 20% (twenty percent)] of the price of Fuel, as specified in the Bid in US cents, to which 110% (one hundred and ten percent) of the freight payable to the Indian Railways shall be added for inland transportation., if any, and the total freight charges so determined as on the Bid Date shall be revised from time to time to reflect the variation occurring in the Freight Index:

Provided that the Supplier shall normally undertake shipment of Fuel, comprising no less than 90% (ninety per cent) of its annual import, under long term contracts which have duration of one year or more, and the cost of transportation hereunder shall be computed and paid at the rate specified in such contracts.

Provided further that the freight charges payable under such long term contracts shall not exceed the lower of, (i) the freight charge determined as on the Bid Date and adjusted to reflect the variation in Freight Index from time to time, and (ii) the average freight payable under similar contracts entered into during a period of 180 (on hundred and eighty) days preceding the date of that contract, and where information relating to such contracts is not available, then 90% (ninety per cent) of the amount computed under sub-clause (i) hereinabove.

Provided also that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.

Explanation:

For the purposes of this Clause 12.3.2, Freight Index for shipping shall be computed by assigning a weightage of [40% (forty per cent) and 60% (sixty per cent) respectively] or such relative weightage as the Parties may with mutual agreement determine from time to time, to the Baltic Dry Index and the Singapore 380 CST Bunker Fuel Price Index, or any substitute thereof as the Parties may mutually agree, and determining the arithmetic mean of such indices for a period of 3 [three] calendar months preceding the month in which Fuel is loaded on a ship and in the case of transportation by rail, the freight charges shall always be deemed to be equal to 110% (one hundred and ten per cent) of the freight payable to the Indian Railways.]

[Option j: Fuel imported under fixed-price gas contract

- 12.3.1 The Supplier represents and warrants that it shall procure Fuel under a fixed-price contract for supply of gas from outside India. The Parties agree that the cost of Fuel payable by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the price thereof, Free on Board (FOB), as specified in US cents. The Parties further agree that the cost of Fuel shall be converted from US cents to Indian rupees at the commencement of every month and the exchange rate used for this purpose shall be the mean of the buying and selling rate at the beginning of such month, as notified by the State Bank of India or any substitute thereof.

12.3.2 The total cost of transportation of imported Fuel would include the cost of shipping and domestic transportation by pipeline. The cost of shipping of imported Fuel, shall be the lower of, (a) the indicative cost of transportation as specified in the Bid, in US cents, and (b) [20% (twenty percent)] of the price of Fuel, as specified in the Bid in US cents and the freight charges so determined as on the Bid Date shall be revised from time to time to reflect the variation occurring in the Freight Index:

Provided that the Supplier shall normally undertake shipment of Fuel, comprising no less than 90% (ninety per cent) of its annual import, under long term contracts which have duration of one year or more, and the cost of transportation hereunder shall be computed and paid at the rate specified in such contracts.

Provided further that the freight charges payable under such long term contracts shall not exceed the lower of, (i) the freight charge determined as on the Bid Date and adjusted to reflect the variation in Freight Index from time to time, and (ii) the average freight payable under similar contracts entered into during a period of 180 (one hundred and eighty) days preceding the date of that contract, and where information relating to such contracts is not available, then 90% (ninety per cent) of the amount computed under sub-clause (i) hereinabove.

Provided also that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.

Explanation:

For the purposes of this Clause 12.3.2, Freight Index for shipping shall be computed by assigning a weightage of [40% (forty per cent) and 60% (sixty per cent) respectively] or such relative weightage as the Parties may with mutual agreement determine from time to time, to the Baltic Dry Index and the Singapore 380 CST Bunker Fuel Price Index, or any substitute thereof as the Parties may mutually agree, and determining the arithmetic mean of such indices for a period of 3 (three) calendar months preceding the month in which Fuel is loaded on a ship.

12.3.3 The Supplier represents and warrants that it shall transport Fuel by pipeline from the port of import situate at....., or any substitute thereof. The Parties agree that the cost of domestic transportation to be paid by the Utility to the Supplier under the provisions of Clause 12.2 shall be linked to the charges notified by the Petroleum and Natural Gas Regulatory Board, and in the event of any revision in the notified charges after the Bid Date, the cost of domestic transportation specified in Clause 12.2 shall be revised in the same proportion that the notified charges, as on the Bid Date, bears to the revised charges, as and when notified, and such revision in cost of transportation shall take effect for and in respect of the electricity supplied from the 1st (first) day of the month following the date of revision in notified charges. For the avoidance of doubt, the Parties agree that the provisions of this Clause 12.3.2 shall apply even if the Fuel is transported by rail or road, instead of pipelines, and the cost of transportation hereunder shall always be computed as if the Fuel was transported by pipelines. The parties further agree that in the event Fuel is transported from a shorter distance compared to the location specified hereinabove, the cost of transportation will be reduced in

proportion to the reduction in charges on account thereof. The Parties further agree that the cost of transportation due and payable by the Utility to the Supplier shall in no case exceed the actual cost incurred by the Supplier.]

[Option k: Lumpsum Tariff³¹

- 12.3.1 The Supplier represents and warrants that it shall supply electricity to the Utility at the Delivery Point for a lumpsum Tariff that shall comprise: (a) a Base Variable Charge referred to in Clause 12.2, which shall include the entire generating cost of electricity, the transmission charges thereof and the transmission losses, and (b) a Base Fixed Charge which shall be equal to the Base Variable Charge excluding the transmission charges and transmission losses specified in Clause 12.2. For the avoidance of doubt, the Parties agree that the Base Fixed Charge and the Base Variable Charge shall be revised in accordance with the provisions of Clauses 11.3 and 12.3.2 respectively.
- 12.3.2 The Parties agree that the generating cost component of Base Variable Charge specified in Clause 12.2 shall be increased for every Accounting Year following the Base Year so as to reflect 50% (fifty per cent) of the variation in WPI occurring between January 31 immediately preceding the Base Year and January 31 immediately preceding the Accounting Year for which such revision is undertaken. For the avoidance of doubt and by way of illustration, if (a) the Base Variable Charge specified hereinabove is assumed as 80 paise (eighty paise) and (b) WPI between the two aforesaid dates, the latter being 1 (one) year after the first such date, increases by 5% (five per cent), the Variable Charge in the Accounting Year following the first Accounting Year shall be 82 paise (eighty two paise).]

12.4 Shortage of Fuel

In the event the Supplier anticipates a shortfall in the production of electricity for supply to the Utility from Contracted Capacity on account of a shortfall in Fuel for reasons beyond the control of the Supplier, the Supplier shall, as soon as practicable but in any event no later than 7 (seven) days from the date when it anticipated the shortage of Fuel, notify the Utility of the nature, extent and period of shortage of Fuel and the reasons thereof. For the avoidance of doubt, the Parties expressly agree that no Tariff shall be payable to the Supplier for any shortfall in Availability occurring on account of shortage of Fuel, save and except as provided in Clause 11.4.5.³²

12.5 Omitted

[12.6 Take or Pay supply of Fuel

The Parties expressly acknowledge and agree that the [Supplier *if supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] shall produce

³¹ May be used for procurement any sources of energy including renewable source of energy where deemed feasible. Bidders whose source of Fuel is from Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws or from Coal Linkage allocated by CIL as stated under Options (b), shall not be eligible to Bid under this Option (k) (Lumpsum Tariff).

³² The word "Fuel" may be substituted by "Water" in case electricity is to be supplied from hydroelectric Power station. Similar corrections may be made in the relevant clauses.

electricity for supply thereof under this Agreement by utilising gas procured under a fixed supply contract which shall require the Supplier to pay for supply of gas even if it is not utilised, and in the event such electricity is not Dispatched by the Utility or sold to a Buyer in accordance with the provisions of this Agreement, the Utility shall pay to the Supplier the cost incurred by it for the gas that has remained unutilised.]

ARTICLE 13

PAYMENT SECURITY

13.1 Default Escrow Account

13.1.1 The Utility and the Supplier shall, prior to the Appointed Date, execute a default escrow agreement with the Utility's bank substantially in the form specified in Schedule-C (the "**Default Escrow Agreement**") for the establishment and operation of the default escrow account (the "**Default Escrow Account**") in favour of the Supplier. The Parties agree and acknowledge that the Default Escrow Account shall be established and maintained at a bank where at least 30% (thirty per cent) of the Utility's total monthly Revenues are normally deposited (the "**Default Escrow Bank**"). The Utility expressly agrees and undertakes that throughout the term of the Contract Period, no less than 30% (thirty per cent) of its total Revenues shall continue to be deposited at that bank or any substitute thereof that the Parties may by mutual agreement determine and Revenues equivalent to 30% (thirty per cent) of the annual Capacity Charge (the "**Maximum Monthly Payment**") shall be routed every month through the Default Escrow Account in accordance with the provisions of this Clause 13.1 and the Default Escrow Agreement.

13.1.2 The Utility and the Supplier shall, prior to the Appointed Date, execute a deed of hypothecation substantially in the form specified at of Schedule-D (the "**Deed of Hypothecation**"), whereby the Utility shall hypothecate to the Supplier an amount equal to Maximum Monthly Payment, to be deposited every month in the Default Escrow Account for discharging the liabilities arising out of and in relation to the Secured Obligations.

13.1.3 The Parties acknowledge and agree that during the period commencing from the 25th (twenty fifth) day of every month and until discharge of any Monthly Invoice due and payable on or prior to that day, an amount equal to 20% (twenty per cent) of the annual Capacity Charge (the "**Minimum Monthly Payment**") shall be withheld in the Default Escrow Account for payment to the Supplier against such Monthly Invoice and the balance remaining shall be available to the Utility for withdrawal or transfer in accordance with the provisions of the Default Escrow Agreement.

13.1.4 The Utility shall procure that the Supplier has the first priority charge on the Revenues deposited into the Default Escrow Account, in accordance with the terms of the Default Escrow Agreement and the Deed of Hypothecation, but not exceeding the Maximum Monthly Payment for and in respect of any month.

13.2 Letter of Credit

13.2.1 The Utility shall, no later than 30 (thirty) days prior to the likely date of the Appointed Date, provide to the Supplier, an unconditional, revolving and irrevocable letter of credit for an amount equivalent to the Minimum Monthly Payment (the "**Letter of Credit**"), which may be drawn upon by the Supplier for recovery of payment due against the Monthly Invoice in accordance with the provisions of this Agreement. The Letter of Credit shall be substantially in the form specified in Schedule-E and shall come into effect on the Appointed Date,

and shall be modified once every year to reflect the revision in Minimum Monthly Payment in accordance with the provisions of this Agreement.

13.2.2 The Letter of Credit shall be procured by the Utility from a bank where at least 30% (thirty per cent) of the Utility's total monthly Revenues are normally deposited, and which shall have been appointed as the Default Escrow Bank. All costs and expenses relating to opening and maintenance of the Letter of Credit shall be borne by the Utility.

13.2.3 In the event of Utility's failure to pay the Monthly Invoice before the 27th (twenty seventh) day of the month in which the relevant Payment Due Date occurs, the Supplier may, in its discretion, invoke the Letter of Credit for recovery of the amount due, whereupon the Default Escrow Bank shall, without any reference to the Utility, pay the amount due upon the Supplier presenting the following documents, namely:

- (a) a copy of the Monthly Invoice which has remained unpaid; and
- (b) a certificate from the Supplier to the effect that the Monthly Invoice is in accordance with this Agreement and that the amount due and payable has remained unpaid.

13.2.4 In the event that the amount covered by the Letter of Credit is at any time less than the Minimum Monthly Payment or is insufficient for recovery of payment due against the Monthly Invoice, the Utility shall, within a period of 7 (seven) days from the date on which such shortfall occurred, cause the Letter of Credit to be replenished and reinstated to the extent specified in Clause 13.2.1. For the avoidance of doubt, the Parties agree that the Letter of Credit shall not be revised solely on account of revision in Minimum Monthly Payment, except to give effect to such revision once every year.

13.2.5 The Parties may, by mutual agreement, substitute the Letter of Credit by an unconditional and irrevocable bank guarantee or any equivalent instrument as may be mutually agreed upon.

13.3 Recovery from sale of Contracted Capacity

13.3.1 In the event the Supplier is unable to recover its Tariff through the Default Escrow Account and the Letter of Credit, as the case may be, and if the Tariff or part thereof remains unpaid for a period of 1 (one) month from the Payment Due Date, then notwithstanding anything to the contrary contained in this Agreement, the Supplier shall have the right to sell the whole or part of the Contracted Capacity to any Buyer for recovery of its dues from the Utility. For the avoidance of doubt, the Parties expressly agree that the Supplier shall be entitled to appropriate the revenues from sale hereunder for recovering the Tariff due and payable to it for sale of such Contracted Capacity to the Utility and the surplus remaining, if any, shall be appropriated for recovery of its dues from the Utility.

13.3.2 The sale of Contracted Capacity pursuant to Clause 13.3.1 shall not extinguish any liability of the Utility or any claim that the Supplier may have against the Utility, save and except to the extent of amounts recovered under the provisions of Clause 13.3.1.

13.3.3 Supply of electricity to the Utility in accordance with the provisions of this Agreement shall be restored no later than 7 (seven) days from the day on which the Utility pays, or is deemed to have paid, the arrears due to the Supplier in accordance with the provisions of this Agreement, restores the Default Escrow Account and renews the Letter of Credit.

13.4 Payment security for Termination

The Parties agree and acknowledge that upon Termination and on failure of the Utility to make the Termination Payment within 30 (thirty) days of demand by the Supplier, Revenues equal to the Maximum Monthly Payment, deposited into the Default Escrow Account in accordance with the provisions of this Agreement and the Default Escrow Agreement, shall be appropriated every month and paid to the Supplier until discharge of the Termination Payment and any interest thereon. For the avoidance of doubt, the Utility expressly agrees and undertakes that 30% (thirty per cent) of its total monthly Revenues shall continue to be deposited into its account with the Default Escrow Bank until its liability for an in respect of the Termination Payment is fully discharged.

ARTICLE 14

DESPATCH OF CONTRACTED CAPACITY

14.1 Despatch of Contracted Capacity

14.1.1 The Utility shall, in accordance with Applicable Laws, issue instructions to the Supplier for production of electricity and despatch thereof to the Grid during such period and in such volume as it may specify in its instructions (the “**Despatch**”). Provided that the Utility shall not Despatch in excess of the Contracted Capacity, unless mutually agreed between the Parties. For the avoidance of doubt, the Parties agree that the Utility may, in its discretion, direct the Supplier to Despatch on its behalf, all or part of the Contracted Capacity, in favour of the third parties designated by it from time to time on the express understanding that the payment therefor shall be made by the Utility to the Supplier as if the electricity has been Despatched in favour of the Utility.

14.1.2 Pursuant to the provisions of Clause 14.1.1, the [Supplier shall if the Supplier is NOT a Trading Licensee, or Supplier shall cause the Developer to] plan the production and Despatch of electricity and convey its availability for scheduling thereof by the SLDC or RLDC, as the case may be, and shall supply electricity in accordance with the provisions of the Grid Code and the Act.

14.1.3 In the event the Supplier schedules any electricity, produced from Contracted Capacity, for sale to Buyers in breach of this Agreement, the Supplier shall pay Damages equal to the higher of: (a) twice the Fixed Charge; and (b) the entire sale revenue accrued from Buyers. For the avoidance of doubt, no Fixed Charge or any amount in lieu thereof shall be due or payable to the Supplier for and in respect of any electricity sold hereunder.

14.2 Settlement of UI charges

14.2.1 All payments due to or from the Supplier on account of any unscheduled interchange in terms of the UI Regulations (the “**Unscheduled Interchange**” or “**UI**”) shall be solely to the account of and borne by the Supplier, save and except as provided in Clause 14.2.2 and 14.2.3.

14.2.2 Subject to the provisions of the Applicable Laws, the Utility shall have the first right to despatch, in the form of UI, any surplus electricity generated from the contracted Capacity, and 90% (ninety per cent) of the revenues accruing from such UI charges, after deducting an amount equal to the Tariff payable for such electricity, shall be paid by the Supplier to the credit of the Utility and the balance remaining may be appropriated by the Supplier.

14.2.3 Subject to the provisions of Clause 14.2.2, the Supplier may, in addition to the scheduling under Clause 14.1, supply electricity produced from the unutilised Contracted Capacity, and in such an event the Fixed Charge due and payable by the Utility to the Supplier for and in respect of the Contracted Capacity utilised hereunder shall be deemed to be waived and shall not be payable by the Utility.

Provided, that the Parties may with mutual agreement reduce the Fixed Charge to be waived hereunder to such extent as they may determine.

14.3 Overriding powers of the Utility

14.3.1 Upon occurrence of a Supplier's Default, the Utility may, in its discretion, direct the Supplier to stop any or all its sale of electricity to Buyers from and in respect of Contracted Capacity, and to sell all such electricity to the Utility in accordance with the provisions of this Agreement. Upon receipt of any directions hereunder from the Utility, the Supplier shall comply forthwith and issue despatch and scheduling instruction to the RLDC and SLDC in conformity with the directions of the Utility.

14.3.2 In the event the Supplier does not comply with the directions of the Utility issued in pursuance of Clause 14.3.1, the Utility may issue directions to the RLDC and SLDC to undertake despatch and scheduling in accordance with such instructions as the Utility may issue hereunder from time to time.

14.3.3 The Supplier shall, prior to the Appointed Date, furnish a certified true copy of this Agreement to the RLDC and SLDC and obtain a receipt thereof. By furnishing a copy of this Agreement to the RLDC and SLDC, the Supplier shall be deemed to have agreed and undertaken to abide by the provisions of this Clause 14.3 and to have given irrevocable instructions to the RLDC and SLDC to carry out all the directions given by the Utility hereunder. For the avoidance of doubt, the Parties expressly agree that the provisions of this Clause 14.3 shall remain in force and effect until the Termination Payment, if any, has been made by the Supplier to the Utility.

14.3.4 The exercise of any overriding powers by the Utility under this Clause 14.3 shall not in any manner affect or diminish the liability and obligation of the Utility to make payments to the Supplier for the electricity supplied or the Availability of Contracted Capacity and the Utility shall, for this purpose, ensure and procure compliance of the provisions of Article 13. Notwithstanding anything to the contrary contained in this Clause 14.3, the Utility shall not be entitled to issue any directions hereunder nor shall the RLDC and SLDC comply with such directions to the extent and for the period during which Utility is in material breach of the provisions of Article 13 or of its payment obligations to the Supplier under this Agreement, and in such an event the provisions of Clause 13.3 shall apply.

14.4 Ramp up of Despatch

In the event the Utility Despatches less than 2% (two per cent) of Contracted Capacity at any time and requires ramping up of generation thereafter, it shall allow a period of 4 (four)³³ hours to the Supplier for reaching Availability equal to the Contracted Capacity. For the avoidance of doubt, the Parties agree that in the event the Supplier fails to reach such Availability within [4 (four)] hours, the shortfall thereof shall be deemed to be Mis-declaration under the provisions of Clause 11.5.5. The Parties further agree that the liability of the Utility hereunder shall at all times be reckoned with reference to the Contracted Capacity.

³³ May be substituted by 20 minutes for a gas-based station and 5 minutes for a hydro-electric station.

ARTICLE 15

INSURANCE

15.1 Insurance during Contract Period

The [Supplier in case Supplier is NOT a Trading Licensee or Supplier shall ensure that Developer shall effect and maintain at its own cost, such insurances for such maximum sums as may be necessary or prudent in accordance with Good Industry Practice. The Supplier shall also effect and maintain such insurances as may be necessary for mitigating the risks that may devolve on the Utility as a consequence of any act or omission of the Supplier [and/or the Developer if Supplier is a Trading Licensee] during the Contract Period.

15.2 Insurance Cover

Without prejudice to the provisions contained in Clause 15.1, the Supplier shall, during the Operations Period, procure and maintain [and cause the Developer to procure and maintain, as the case may be, if Supplier is a Trading Licensee] Insurance Cover including but not limited to the following:

- (a) Loss, damage or destruction of the Project Assets at replacement value;
- (b) comprehensive third party liability insurance including injury to or death of personnel of the Utility or others caused by the Project;
- (c) the Supplier's general liability arising out of the Procurement Contract;
- (d) liability to third parties for goods or property damage;
- (e) workmen's compensation insurance; and
- (f) any other insurance that may be necessary to protect the Supplier and its employees, including all Force Majeure Events that are insurable at commercially reasonable premiums and not otherwise covered in items (a) to (e) above.

15.3 Evidence of Insurance Cover

All insurances obtained by the Supplier [and by the Developer if Supplier is a Trading Licensee] in accordance with this Article 15 shall be maintained with insurers on terms consistent with Good Industry Practice. Within 15 (fifteen) days of obtaining any insurance cover, the Supplier shall furnish to the Utility, notarised true copies of the certificate(s) of insurance, copies of insurance policies and premia payment receipts in respect of such insurance, and no such insurance shall be cancelled, modified, or allowed to expire or lapse until the expiration of at least 45 (forty five) days after notice of such proposed cancellation, modification or non-renewal has been delivered by the Supplier to the Utility .

15.4 Remedy for failure to insure

If the Supplier [and/or the Developer if Supplier is a Trading Licensee] shall fail to effect and keep in force all insurances for which it is responsible pursuant hereto, the Utility shall have the option to either keep in force any such insurances, and pay such premia and recover the costs thereof from the Supplier, or in the event of computation of a Termination Payment, treat an amount equal to the Insurance Cover as deemed to have been received by the Supplier [and/or the Developer if Supplier is a Trading Licensee].

15.5 Waiver of subrogation

All insurance policies in respect of the insurance obtained by the Supplier [and/or by the Developer if Supplier is a Trading Licensee] pursuant to this Article 15 shall include a waiver of any and all rights of subrogation or recovery of the insurers thereunder against, *inter alia*, the Utility, and its assigns, successors, undertakings and their subsidiaries, affiliates, employees, insurers and underwriters, and of any right of the insurers to any set-off or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under any such policy or in any way connected with any loss, liability or obligation covered by such policies of insurance.

15.6 Supplier's waiver

The Supplier hereby further releases, assigns and waives any and all rights of subrogation or recovery against, *inter alia*, the Utility and its assigns, undertakings and their subsidiaries, affiliates, employees, successors, insurers and underwriters, which the Supplier may otherwise have or acquire in or from or in any way connected with any loss, liability or obligation covered by policies of insurance maintained or required to be maintained by the Supplier pursuant to this Agreement (other than third party liability insurance policies) or because of deductible clauses in or inadequacy of limits of any such policies of insurance.

15.7 Application of insurance proceeds

The proceeds from all insurance claims, except life and injury, shall be paid to the Supplier [and/or Developer in case Supplier is a Trading Licensee] and it shall, notwithstanding anything to the contrary contained in Clause 19.3, apply such proceeds for any necessary repair, reconstruction, reinstatement, replacement, improvement or development of the Power Station.

ARTICLE 16
ACCOUNTS AND AUDIT

16.1 Audited accounts

- 16.1.1 The Supplier shall maintain books of accounts recording all its receipts (including Tariff, revenues from sale of power to the Utility, other Distribution Licensees and Buyers, and all incomes derived/collected by it from or on account of the Power Station and/or sale of electricity from the Power Station), income, expenditure, payments, assets and liabilities, in accordance with this Agreement, Good Industry Practice, Applicable Laws and Applicable Permits. The Supplier shall provide 2 (two) copies of its Balance Sheet, Cash Flow Statement and Profit and Loss Account, along with a report thereon by its Statutory Auditors, within 90 (ninety) days of the close of the Accounting Year to which they pertain and such audited accounts, save and except where expressly provided to the contrary, shall form the basis of payments by either Party under this Agreement. The Utility shall have the right to inspect the records of the Supplier during office hours and require copies of relevant extracts of books of accounts, duly certified by the Statutory Auditors, to be provided to the Utility for verification of basis of payments, and in the event of any discrepancy or error being found, the same shall be rectified and such rectified account shall form the basis of payments by either Party under this Agreement.
- 16.1.2 The Supplier shall, within 30 (thirty) days of the close of each quarter of an Accounting Year, furnish to the Utility its unaudited financial results in respect of the preceding quarter, in the manner and form prescribed by the Securities and Exchange Board of India for publication of quarterly results by the companies listed on a stock exchange.
- 16.1.3 On or before the thirty-first day of May each Year, the Supplier shall provide to the Utility, for the preceding Accounting Year, a statement duly audited by its Statutory Auditors giving summarised information on (a) receipts on account of Tariff, (b) revenues from sale of electricity to other Distribution Licensees and Buyers, and (c) such other information as the Utility may reasonably require.

16.2 Appointment of auditors

- 16.2.1 The Supplier shall appoint, and have during the subsistence of this Agreement as its Statutory Auditors, a firm chosen by it and acceptable to the Utility. All fees and expenses of the Statutory Auditors shall be borne by the Supplier.
- 16.2.2 The Supplier may terminate the appointment of its Statutory Auditors after a notice of 45 (forty five) days to the Utility, subject to the replacement Statutory Auditors being appointed in the manner specified in Clause 16.2.1.
- 16.2.3 Notwithstanding anything to the contrary contained in this Agreement, the Utility shall have the right, but not the obligation, to appoint at its cost from time to time and at anytime, another firm (the “**Additional Auditors**”) of Chartered Accountants to audit and verify all those matters, expenses, costs, realisations and

things which the Statutory Auditors are required to do, undertake or certify pursuant to this Agreement.

16.3 Certification of claims by Statutory Auditors

Any claim or document provided by the Supplier to the Utility in connection with or relating to receipts, income, payments, costs, expenses, accounts or audit, and any matter incidental thereto shall be valid and effective only if certified by its Statutory Auditors. For the avoidance of doubt, such certification shall not be required for exchange of information in the normal course of business.

16.4 Set-off

In the event any amount is due and payable by the Utility to the Supplier, it may set-off any sums payable to it by the Supplier and pay the balance remaining. Any exercise by the Utility of its rights under this Clause 16.4 shall be without prejudice to any other rights or remedies available to it under this Agreement or otherwise.

16.5 Dispute resolution

In the event of there being any difference between the findings of the Additional Auditors and the certification provided by the Statutory Auditors, such Auditors shall meet to resolve the differences and if they are unable to resolve the same, such Dispute shall be resolved by the Utility by recourse to the Dispute Resolution Procedure.

Part V
Force Majeure and Termination

ARTICLE 17
FORCE MAJEURE

17.1 Force Majeure

As used in this Agreement, the expression “**Force Majeure**” or “**Force Majeure Event**” shall, mean occurrence in India of any or all of Non-Political Event, Indirect Political Event and Political Event, as defined in Clauses 17.2, 17.3 and 17.4 respectively, if it affects the performance by the Utility(s) or the [Supplier *if Supplier is NOT a Trading Licensee, or* and/or the Developer *if Supplier is a Trading Licensee*] claiming the benefit of Force Majeure (the “**Affected Party**”) of its obligations under this Agreement and which act or event (a) is beyond the reasonable control of the Affected Party, and (b) the Affected Party could not have prevented or overcome by exercise of due diligence and following Good Industry Practice, and (c) has Material Adverse Effect on the Affected Party.

17.2 Non-Political Event

A Non-Political Event shall mean one or more of the following acts or events:

- (a) act of God, epidemic, extremely adverse weather conditions, lightning, earthquake, landslide, cyclone, flood, volcanic eruption, chemical or radioactive contamination or ionising radiation, fire or explosion (to the extent of contamination or radiation or fire or explosion originating from a source external to the Station Premises);
- (b) strikes or boycotts (other than those involving the Supplier, [Developer, *if Supplier is a Trading Licensee*] Contractors or their respective employees/representatives, or attributable to any act or omission of any of them) interrupting supplies and services to the Power Station for a continuous period of 24 (twenty four) hours and an aggregate period exceeding 7 (seven) days in an Accounting Year, and not being an Indirect Political Event set forth in Clause 17.3;
- (c) any failure or delay of a Contractor but only to the extent caused by another Non-Political Event and which does not result in any offsetting compensation being payable to the [Supplier *if Supplier is NOT a Trading Licensee, or* Supplier and/or Developer *if Supplier is a Trading Licensee*] by or on behalf of such Contractor;
- (d) any delay or failure of an overseas contractor to deliver equipment in India [or to supply Fuel from an overseas Captive Mine], if such delay or failure is caused outside India by any event specified in Sub-clause (a) above and which does not result in any offsetting compensation being payable to the [Supplier *if Supplier is NOT a Trading Licensee, or* Developer *if Supplier is a Trading Licensee*] by such contractor;

- (e) any judgement or order of any court of competent jurisdiction or statutory authority made against the [Supplier *if Supplier is NOT a Trading Licensee*, or Supplier and/or Developer *if Supplier is a Trading Licensee*] in any proceedings for reasons other than (i) failure of the [Supplier *if Supplier is NOT a Trading Licensee*, or Supplier and/or Developer *if Supplier is a Trading Licensee*] to comply with any Applicable Law or Applicable Permit, or (ii) on account of breach of any Applicable Law or Applicable Permit or of any contract, or (iii) enforcement of this Agreement, or (iv) exercise of any of its rights under this Agreement by the Utility;
- (f) the discovery of geological conditions, toxic contamination or archaeological remains on the Station Premises that could not reasonably have been expected to be discovered through an inspection of the Station Premises; or
- (g) any event or circumstances of a nature analogous to any of the foregoing.

17.3 Indirect Political Event

An Indirect Political Event shall mean one or more of the following acts or events:

- (a) an act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, riot, insurrection, terrorist or military action, civil commotion or politically motivated sabotage;
- (b) any political or economic upheaval, disturbance, movement, struggle or similar occurrence which could not have been anticipated or foreseen by a prudent person and which causes the construction or operation of the Project to be financially unviable or otherwise not feasible;
- (c) industry-wide or State-wide strikes or industrial action for a continuous period of 24 (twenty four) hours and exceeding an aggregate period of 7 (seven) days in an Accounting Year;
- (d) any civil commotion, boycott or political agitation which prevents generation or transmission of electricity by the Supplier for an aggregate period exceeding 7 (seven) days in an Accounting Year;
- (e) any failure or delay of a Contractor to the extent caused by any Indirect Political Event and which does not result in any offsetting compensation being payable to the [Supplier *if Supplier is NOT a Trading Licensee*, or Supplier and/or Developer *if Supplier is a Trading Licensee*] by or on behalf of such Contractor;
- (f) any Indirect Political Event that causes a Non-Political Event; or
- (g) any event or circumstances of a nature analogous to any of the foregoing.

17.4 Political Event

A Political Event shall mean one or more of the following acts or events by or on account of any Government Instrumentality:

- (a) Change in Law, only if consequences thereof cannot be dealt with under and in accordance with the provisions of Article 21 and its effect, in financial terms, exceeds the sum specified in Clause 21.1;
- (b) compulsory acquisition in national interest or expropriation of any Project Assets or rights of the Supplier, [Developer *if Supplier is a Trading Licensee*] or of the Contractors;
- (c) unlawful or unauthorised or without jurisdiction revocation of, or refusal to renew or grant without valid cause, any clearance, licence, permit, authorisation, no objection certificate, consent, approval or exemption required by the Supplier, [Developer *if Supplier is a Trading Licensee*] or any of the Contractors to perform their respective obligations under this Agreement and the Project Agreements; provided that such delay, modification, denial, refusal or revocation did not result from the Supplier's, [Developer's *if Supplier is a Trading Licensee*] or any Contractor's inability or failure to comply with any condition relating to grant, maintenance or renewal of such clearance, licence, authorisation, no objection certificate, exemption, consent, approval or permit;
- (d) any failure or delay of a Contractor but only to the extent caused by another Political Event and which does not result in any offsetting compensation being payable to the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or Developer if Supplier is a Trading Licensee*] by or on behalf of such Contractor; or
- (e) any event or circumstance of a nature analogous to any of the foregoing.

17.5 Duty to report Force Majeure Event

17.5.1 Upon occurrence of a Force Majeure Event, the Affected Party shall by notice report such occurrence to the other Party forthwith. Any notice pursuant hereto shall include full particulars of:

- (a) the nature and extent of each Force Majeure Event which is the subject of any claim for relief under this Article 17 with evidence in support thereof;
- (b) the estimated duration and the effect or probable effect which such Force Majeure Event is having or will have on the Affected Party's performance of its obligations under this Agreement;
- (c) the measures which the Affected Party is taking or proposes to take for alleviating the impact of such Force Majeure Event; and
- (d) any other information relevant to the Affected Party's claim.

- 17.5.2 The Affected Party shall not be entitled to any relief for or in respect of a Force Majeure Event unless it shall have notified the other Party of the occurrence of the Force Majeure Event as soon as reasonably practicable, and in any event no later than 7 (seven) days after the Affected Party knew, or ought reasonably to have known, of its occurrence, and shall have given particulars of the probable material effect that the Force Majeure Event is likely to have on the performance of its obligations under this Agreement.
- 17.5.3 For so long as the Affected Party continues to claim to be materially affected by such Force Majeure Event, it shall provide the other Party with regular (and not less than weekly) reports containing information as required by Clause 17.5.1, and such other information as the other Party may reasonably request the Affected Party to provide.

17.6 Effect of Force Majeure Event on the Procurement Contract

- 17.6.1 Upon the occurrence of any Force Majeure Event prior to the Appointed Date, the period set forth in Clause 4.1 for fulfilment of Conditions Precedent shall be extended by a period equal in length to the duration of the Force Majeure Event.
- 17.6.2 If any force Majeure Event occurs at any time after the Appointed Date, whereupon the Supplier is unable to transmit electricity to the Grid despite making best efforts or it is directed by the Utility, RLDC or SLDC or any Government Instrumentality to suspend generation or transmission during the subsistence of such Force Majeure Event, the Contract Period shall be extended by a period equal in length to the period during which the Supplier was prevented from generating or transmitting electricity on account thereof; provided that in the event of reduction in generation on account of partial inability or suspension, as the case may be, which cause the Availability on any day is to decline below 80% (eighty per cent) of the Normative Availability, the Utility shall extend the Contract Period in proportion to the loss of Availability due to Force Majeure. For the avoidance of doubt, loss of 25% (twenty five per cent) of Availability for 4 (four) days shall entitle the Supplier to extension of 1 (one) day in the Contract Period.

17.7 Allocation of costs arising out of Force Majeure

- 17.7.1 Upon occurrence of a Force Majeure Event after the Appointed Date, the costs incurred and attributable to such event and directly relating to the Contracted Capacity of the Power Station (the “**Force Majeure Costs**”) shall be allocated and paid as follows:
- (a) upon occurrence of a Non-Political Event and Indirect Political Event, the Parties shall bear their respective Force Majeure Costs and neither Party shall be required to pay to the other Party any costs thereof; and
 - (b) upon occurrence of a Political Event, all Force Majeure Costs attributable to such Political Event shall be reimbursed by the Utility to the Supplier.

For the avoidance of doubt, Force Majeure Costs may include interest payments on debt, O&M Expenses and all other costs directly attributable to the Force

Majeure Event, but shall not include loss of Tariff, revenues from sale of electricity to other Distribution Licensees and Buyers, or debt repayment obligations.

17.7.2 Notwithstanding anything contained in this Clause 17.7, if during the occurrence of a Force Majeure Event, the Contracted Capacity or part thereof is deemed Available in accordance with the provisions of Clause 5.1.4, the Utility shall not be liable to make any payments towards Force Majeure Costs in respect thereof to the Supplier under this Clause 17.7.

17.7.3 Save and except as expressly provided in this Article 17, neither Party shall be liable to the other Party in respect of any loss, damage, cost, expense, claims, demands and proceedings relating to or arising out of occurrence or existence of any Force Majeure Event or exercise of any right pursuant hereto.

17.8 Termination Notice for Force Majeure Event

If a Force Majeure Event subsists for a period of 180 (one hundred and eighty) days or more within a continuous period of 365 (three hundred and sixty five) days, either Party may in its discretion terminate this Agreement by issuing a Termination Notice to the other Party without being liable in any manner whatsoever, save as provided in this Article 17, and upon issue of such Termination Notice, this Agreement shall, notwithstanding anything to the contrary contained herein, stand terminated forthwith; provided that before issuing such Termination Notice, the Party intending to issue the Termination Notice shall inform the other Party of such intention and grant 15 (fifteen) days time to make a representation, and may after the expiry of such 15 (fifteen) days period, whether or not it is in receipt of such representation, in its sole discretion issue the Termination Notice.

17.9 Excuse from performance of obligations

If the Affected Party is rendered wholly or partially unable to perform its obligations under this Agreement because of a Force Majeure Event, it shall be excused from performance of such of its obligations to the extent it is unable to perform on account of such Force Majeure Event; provided that:

- (a) the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the Force Majeure Event;
- (b) the Affected Party shall make all reasonable efforts to mitigate or limit damage to the other Party arising out of or as a result of the existence or occurrence of such Force Majeure Event and to cure the same with due diligence; and
- (c) when the Affected Party is able to resume performance of its obligations under this Agreement, it shall give to the other Party notice to that effect and shall promptly resume performance of its obligations hereunder.

17.10 Relief for Unforeseen Events

17.10.1 Upon occurrence of an unforeseen event, situation or similar circumstances not contemplated or referred to in this Agreement, and which could not have been foreseen by a prudent and diligent person (the “**Unforeseen Event**”), any Party may by notice inform the other Party of the occurrence of such Unforeseen Event with the particulars thereof and its effects on the costs, expense and revenues of the Power Station. Within 15 (fifteen) days of such notice, the Parties shall meet and make efforts in good faith to determine if such Unforeseen Event has occurred, and upon reaching agreement on accordance thereof deal with it in accordance with the provisions of this Clause 17.10.

17.10.2 Upon determination of the occurrence of an Unforeseen Event, the Parties shall make a reference to a conciliation tribunal which shall comprise one member each to be nominated by both Parties from among persons who have been Judges of a High Court and the conciliators so nominated shall choose a chairperson who has been a Judge of the Supreme Court or Chief Justice of a High Court.

17.10.3 The conciliation tribunal referred to in Clause 17.10.2 shall conduct its proceedings in accordance with the provisions of Article 23 as if it is an arbitration proceeding under that Article, save and except as provided in this Clause 17.10.

17.10.4 The conciliation tribunal referred to in this Clause 17.10 shall conduct preliminary proceedings to satisfy itself that -

- (a) an Unforeseen Event has occurred;
- (b) the effects of such Unforeseen Event cannot be mitigated without a remedy or relief which is not contemplated in the Agreement; and
- (c) the Unforeseen Event or its effects have not been caused by any Party by any act or omission or its part,

and if the conciliation tribunal is satisfied that each of the conditions specified hereinabove is fulfilled, it shall issue an order to this effect and conduct further proceedings under this Clause 17.10.

17.10.5 Upon completion of the conciliation proceedings referred to in this Clause 17.10, the conciliation tribunal may by a reasoned order make recommendations which shall be:

- (a) based on a fair and transparent justification;
- (b) no greater in scope than is necessary for mitigating the effects of the Unforeseen Event;
- (c) of no greater duration than is necessary for mitigating the effects of the Unforeseen Event; and
- (d) quantified and restricted in terms of relief or remedy.

17.10.6 Within 15 (fifteen) days of receiving the order referred to in Clause 17.10.5, the Parties shall meet and make efforts in good faith to accept, in whole or in part, the relief or remedy recommended by the conciliation tribunal for mitigating the effects of the Unforeseen Event and to procure implementation of the Project in accordance with the provisions of this Agreement. In pursuance hereof, the Parties may, enter into a Memorandum of Understanding (the “**MoU**”) setting forth the agreement reached hereunder, and the terms of such MoU shall have force and effect as if they form part of the Agreement.

ARTICLE 18

COMPENSATION FOR BREACH OF AGREEMENT

18.1 Compensation for default by the Supplier

In the event of the Supplier being in material breach or default of this Agreement, it shall, upon receipt of the demand supported by necessary particulars thereof, pay to the Utility by way of compensation, all direct costs suffered or incurred by the Utility as a consequence of such material breach or default; provided that no compensation shall be payable under this Clause 18.1 for any material breach or default in respect of which Damages are expressly specified and payable under this Agreement. For the avoidance of doubt, the Parties agree that the compensation payable under this Article 18 shall be in addition to, and not in substitution for, or derogation of, Termination Payment, if any. The Parties further agree that the non-defaulting Party shall make all reasonable efforts to mitigate or limit the costs and damage arising as a result of breach of Agreement by the other Party or for any consequential losses incurred by the Utility.

18.2 Compensation for default by the Utility

In the event of the Utility being in material breach or default of this Agreement at any time after the Appointed Date, it shall, upon receipt of the demand supported by necessary particulars thereof, pay to the Supplier by way of compensation, all direct costs suffered or incurred by the Supplier as a consequence of such material breach or default; provided that no such compensation shall be payable for any material breach or default in respect of which Damages have been expressly specified in this Agreement. For the avoidance of doubt, compensation payable may include interest payments on debt, O&M Expenses and all other costs directly attributable to such material breach or default but shall not include loss on account of Tariff, revenues from sale of electricity to other Distribution Licensees and Buyers, and other revenues, debt repayment obligations, or any consequential losses.

18.3 Extension of Contract Period

In the event that a material breach or default of this Agreement causes delay in achieving the Appointed Date or leads to reduction in Availability, as the case may be, the Utility shall, in addition to payment of compensation under Clause 18.2, extend the Contract Period, such extension being equal in duration to the period by which the Appointed Date was delayed or Availability was reduced on account thereof, as the case may be; and in the event of reduction in Availability below 80% (eighty per cent) of the Normative Availability, the Utility shall, in addition to payment of compensation hereunder, extend the Contract Period in proportion to the loss of Availability. For the avoidance of doubt, loss of 25% (twenty five per cent) of Availability for 4 (four) days shall entitle the Supplier to extension of 1 (one) day in the Contract Period. [Provided further that the Utility shall arrange for the extension of the Fuel Supply

Agreement commensurate to the period of extension of this Agreement to ensure continuous coal supply.]³⁴

³⁴ To be retained only if coal is being sourced from Allocated Coal Linkage provided by the Utility.
MAPP / Medium Term /FOO /29th January 2019

ARTICLE 19
TERMINATION

19.1 Termination for Supplier Default

19.1.1 Subject to Applicable Laws and save as otherwise provided in this Agreement, in the event that any of the defaults specified below shall have occurred, and the Supplier fails to cure the default within the Cure Period set forth below, or where no Cure Period is specified, then within a Cure Period of 90 (ninety) days, the Supplier shall be deemed to be in default of this Agreement (the “**Supplier Default**”), unless the default has occurred as a result of any breach of this Agreement by the Utility or due to Force Majeure. The defaults referred to herein shall include the following:

- (a) The Performance Security has been encashed and appropriated in accordance with Clause 9.2 and the Supplier fails to replenish or provide fresh Performance Security within a Cure Period of 15 (fifteen) days;
- (b) subsequent to the replenishment or furnishing of fresh Performance Security in accordance with Clause 9.2, the Supplier fails to meet any Condition Precedent or cure the Supplier Default, as the case may be, for which whole or part of the Performance Security was appropriated, within a Cure Period of 120 (one hundred and twenty) days;
- (c) the Supplier has failed to make any payment to the Utility within the period specified in this Agreement;
- (d) a breach of the Fuel Supply Agreement or any other Project Agreements by the [Supplier if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee] has caused a Material Adverse Effect;
- (e) the [Supplier if Supplier is NOT a Trading Licensee, or Supplier or Developer if Supplier is a Trading Licensee] creates any Encumbrance in breach of this Agreement;
- (f) the Supplier repudiates this Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Agreement and fails to pay Damages in accordance with the provisions of this Agreement;
- (g) [insert this clause if Supplier is a Trading Licensee “the Power Purchase Agreement between the Supplier and the Developer stands expired, cancelled or terminated, for any reason whatsoever;”]
- (h) the Supplier schedules electricity, produced from Contracted Capacity, for sale to Buyers in breach of this Agreement and fails to pay Damages in accordance with the provisions of Clause 14.1.3;
- (i) a Change in Ownership has occurred in breach of the provisions of Clause 5.3;

- (j) the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] fails to achieve a monthly Availability of 70% (seventy per cent) for a period of 4 (four) consecutive months or for a cumulative period of 4 (four) months within any continuous period of 12 (twelve) months, save and except to the extent of Non-Availability caused by (i) a Force Majeure Event, (ii) an act or omission of the Utility, not occurring due to any default of the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] or (iii) shortage of Fuel occurring for reasons not attributable to the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*];
- (k) *Omitted.*
- (l) there is a transfer, pursuant to law either of (i) the rights and/or obligations of the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] under any of the Project Agreements, or of (ii) all or part of the assets or undertaking of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*], and such transfer causes a Material Adverse Effect;
- (m) an execution levied on any of the assets of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] has caused a Material Adverse Effect;
- (n) the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] or for the whole or material part of its assets that has a material bearing on the Project;
- (o) the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of the Utility, a Material Adverse Effect;
- (p) a resolution for winding up of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] is passed;
- (q) any petition for winding up of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer if Supplier is a Trading Licensee*] is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 (ninety) days of the date thereof or the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer*] *if Supplier is a Trading Licensee* is ordered to be wound up by a court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or*

the Developer, as the case may be *if Supplier is a Trading Licensee*] are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer, as the case may be if Supplier is a Trading Licensee*] under this Agreement and the Project Agreements; and provided that:

- (i) the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under this Agreement and the Project Agreements;
 - (ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under this Agreement and the Project Agreements and has a credit worthiness at least as good as that of the [Supplier *if Supplier is NOT a Trading Licensee, or Supplier and/or the Developer, as the case may be if Supplier is a Trading Licensee*] as at the Appointed Date;
 - (iii) each of the Project Agreements remains in full force and effect; and
 - (iv) such amalgamation or reconstruction is approved by the Commission.
- (r) any representation or warranty of the Supplier herein contained which is, as of the date hereof, found to be materially false, incorrect or misleading or the Supplier is at any time hereafter found to be in breach thereof;
- (s) the Supplier submits to the Utility any statement, notice or other document, in written or electronic form, which has a material effect on the Utility's rights, obligations or interests and which is false in material particulars;
- (t) the Supplier has failed to fulfil any obligation, for which failure Termination has been specified in this Agreement;
- (u) the Supplier issues a Termination Notice in violation of the provisions of this Agreement; or
- (v) the Supplier commits a default in complying with any other provision of this Agreement if such default causes or may cause a Material Adverse Effect on the Utility.

19.1.2 Without prejudice to any other rights or remedies which the Utility may have under this Agreement, upon occurrence of a Supplier Default, the Utility shall be entitled to terminate this Agreement by issuing a Termination Notice to the Supplier; provided that before issuing the Termination Notice, the Utility shall by a notice inform the Supplier of its intention to issue such Termination Notice and grant 15 (fifteen) days to the Supplier to make a representation, and may after the expiry of such 15 (fifteen) days, whether or not it is in receipt of such representation, issue the Termination Notice.

19.2 Termination for Utility Default

19.2.1 In the event that any of the defaults specified below shall have occurred, and the Utility fails to cure such default within a Cure Period of 120 (one hundred and twenty) days or such longer period as has been expressly provided in this Agreement, the Utility shall be deemed to be in default of this Agreement (the “**Utility Default**”) unless the default has occurred as a result of any breach of this Agreement by the Supplier or due to Force Majeure. The defaults referred to herein shall include the following:

- (a) The Utility commits a material default in complying with any of the provisions of this Agreement and such default has a Material Adverse Effect on the Supplier;
- (b) the Utility has failed to make any payment to the Supplier, and the Supplier is unable to recover any unpaid amounts through the Default Escrow Account and the Letter of Credit, within the period specified in this Agreement; or
- (c) the Utility repudiates this Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by this Agreement.

19.2.2 Without prejudice to any other right or remedy which the Supplier may have under this Agreement, upon occurrence of a Utility Default, the Supplier shall be entitled to terminate this Agreement by issuing a Termination Notice to the Utility; provided that before issuing the Termination Notice, the Supplier shall by a notice inform the Utility of its intention to issue the Termination Notice and grant 15 (fifteen) days to the Utility to make a representation, and may after the expiry of such 15 (fifteen) days, whether or not it is in receipt of such representation, issue the Termination Notice.

19.3 Termination Payment

19.3.1 Upon Termination on account of a Supplier Default, the Supplier shall pay to the Utility, by way of Termination Payment, an amount equal to the Fixed Charge that would have been due and payable for Normative Availability for a period of [6 (six) months]³⁵ as if the Contracted Capacity was Available for such [6 (six) months] from the date of Termination.

19.3.2 Upon Termination on account of a Utility Default, the Utility shall pay to the Supplier, by way of Termination Payment, an amount equal to the Fixed Charge that would have been due and payable for Normative Availability for a period of [3 (three) months]³⁶ as if the Contracted Capacity was Available for such [3 (three) months] from the date of Termination.

19.3.3 Termination Payment shall be due and payable within 15 (fifteen) days of a demand being made with the necessary particulars, and in the event of any delay, the defaulting Party shall pay interest at a rate equal to 3% (three per cent) above

³⁵ This period may equal to about 10% (ten per cent) of the Contract Period.

³⁶ This period may equal to about 5% (five per cent) of the Contract Period.

the Bank Rate on the amount of Termination Payment remaining unpaid; provided that such delay shall not exceed 90 (ninety) days. For the avoidance of doubt, it is expressly agreed that Termination Payment shall constitute full discharge by the Utility of its payment obligations in respect thereof hereunder.

19.3.4 The Supplier expressly agrees that Termination Payment under this Article 19 shall constitute a full and final settlement of all claims of the Supplier on account of Termination of this Agreement for any reason whatsoever and that the Supplier or any shareholder thereof shall not have any further right or claim under any law, treaty, convention, contract or otherwise.

19.4 Instructions to RLDC and SLDC

19.4.1 The Supplier shall, prior to the Appointed Date, furnish a certified true copy of this Agreement to the RLDC and SLDC and obtain a receipt thereof. By furnishing such copy hereunder, the Supplier shall be deemed to have given irrevocable instructions and authority to the RLDC and SLDC to follow the instructions of the Utility in accordance with the provisions of this Article 19. The Supplier agrees and undertakes that it shall not in any manner challenge or revoke the provisions of this Article 19 or in any manner prevent the Utility, RLDC or SLDC from giving effect thereto.

19.4.2 The Utility agrees and undertakes to exercise its rights hereunder only to the extent of the Contracted Capacity and the Supplier may supply electricity to Buyers in accordance with the provisions of this Agreement.

19.5 Survival of rights

Notwithstanding anything to the contrary contained in this Agreement, but subject to the provisions of Clause 19.3.4, any Termination pursuant to the provisions of this Agreement shall be without prejudice to the accrued rights of either Party including its right to claim and recover money damages, insurance proceeds, security deposits, and other rights and remedies, which it may have in law or contract. All rights and obligations of either Party under this Agreement, including Termination Payments, shall survive the Termination to the extent such survival is necessary for giving effect to such rights and obligations.

[19.6 The expiry of this Agreement on account of efflux of time or earlier Termination thereof shall lead to the automatic termination of Fuel Supply Agreement in accordance with the terms thereof]³⁷

³⁷ To be retained only if coal is being sourced from the Allocated Coal Linkage provided by the Utility.
MAPP / Medium Term /FOO /29th January 2019

Part VI
Other Provisions

ARTICLE 20
ASSIGNMENT AND CHARGES

20.1 Restrictions on assignment and charges

20.1.1 Subject to Clauses 20.2 and 20.3, this Agreement shall not be assigned by the Supplier to any person, save and except with the prior consent in writing of the Utility, which consent the Utility shall be entitled to decline without assigning any reason.

20.1.2 Subject to the provisions of Clause 20.2, the Supplier shall not create nor permit to subsist any Encumbrance, or otherwise transfer or dispose of all or any of its rights and benefits under this Agreement or any Project Agreement to which the Supplier is a party, except with prior consent in writing of the Utility, which consent the Utility shall be entitled to decline without assigning any reason.

20.2 Permitted assignment and charges

The restraints set forth in Clause 20.1 shall not apply to:

- (a) liens arising by operation of law (or by an agreement evidencing the same) in the ordinary course of business of the Power Station;
- (b) mortgages/pledges/hypothecation of Project Assets and their related documents of title, arising or created in the ordinary course of business of the Power Station, and as security only for indebtedness to its Lenders and/or for working capital arrangements for the Power Station;
- (c) assignment of rights, interest and obligations of the Supplier to or in favour of its as security for financing provided by them; and
- (d) liens or encumbrances required by any Applicable Law.

20.3 Assignment by the Utility

Notwithstanding anything to the contrary contained in this Agreement, the Utility may, after giving 60 (sixty) days' notice to the Supplier, assign and/ or transfer any of its rights and benefits and/or obligations under this Agreement to an assignee who is, in the reasonable opinion of the Utility, capable of fulfilling all of the Utility's then outstanding obligations under this Agreement and has the financial standing necessary for this purpose.

20.4 Approvals for assignment

Any assignment under this Article 20 shall be subject to the approvals and consents required therefor under Applicable Laws, including approval of the Commission. Provided, however, that the grant of any consent or approval under Applicable Laws shall not oblige the Utility to grant its approval to such assignment, save and except as provided herein.

ARTICLE 21
CHANGE IN LAW

21.1 Increase in costs

If as a result of Change in Law, the Supplier suffers an increase in costs or reduction in net after-tax return or other financial burden, the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore)³⁸ and 0.1% (zero point one per cent) of the Capacity Charge in any Accounting Year, the Supplier may so notify the Utility and propose amendments to this Agreement so as to place the Supplier in the same financial position as it would have enjoyed had there been no such Change in Law resulting in increased costs, reduction in return or other financial burden as aforesaid. Upon notice by the Supplier, the Parties shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice, and either agree on amendments to this Agreement or on any other mutually agreed arrangement:

Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Supplier may by notice require the Utility to pay an amount that would place the Supplier in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Utility shall pay the amount specified therein; provided that if the Utility shall dispute such claim of the Supplier, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Clause 21.1 shall be restricted to changes in law directly affecting the Supplier's costs of performing its obligations under this Agreement.

21.2 Reduction in costs

If as a result of Change in Law, the Supplier benefits from a reduction in costs or increase in net after-tax return or other financial gains the aggregate financial effect of which exceeds the higher of Rs. 1 crore (Rupees one crore) and 0.1% (zero point one per cent) of the Capacity Charge in any Accounting Year, the Utility may so notify the Supplier and propose amendments to this Agreement so as to place the Supplier in the same financial position as it would have enjoyed had there been no such Change in Law resulting in decreased costs, increase in return or other financial gains as aforesaid. Upon notice by the Utility, the Parties shall meet, as soon as reasonably practicable but no later than 30 (thirty) days from the date of notice, and either agree on such amendments to this Agreement or on any other mutually agreed arrangement:

Provided that if no agreement is reached within 90 (ninety) days of the aforesaid notice, the Utility may by notice require the Supplier to pay an amount that would place the Supplier in the same financial position that it would have enjoyed had there been no such Change in Law, and within 15 (fifteen) days of receipt of such notice, along with particulars thereof, the Supplier shall pay the amount specified therein to the Utility; provided that if the Supplier shall dispute such claim of the

³⁸ This amount may, in the discretion of the Utility, be suitably increased, but in no case exceeding an amount of Rs 1 lakh for every MW of Contracted Capacity. A similar modification should also be made in Clause 21.2.

Utility, the same shall be settled in accordance with the Dispute Resolution Procedure. For the avoidance of doubt, it is agreed that this Clause 21.2 shall be restricted to changes in law directly affecting the Supplier's costs of performing its obligations under this Agreement.

21.3 Protection of NPV

Pursuant to the provisions of Clauses 21.1 and 21.2 and for the purposes of placing the Supplier in the same financial position as it would have enjoyed had there been no Change in Law affecting the costs, returns or other financial burden or gains, the Parties shall endeavour to establish a net present value (the "NPV") of the net cash flow and make necessary adjustments in costs, revenues, compensation or other relevant parameters, as the case may be, to procure that the NPV of the net cash flow is the same as it would have been if no Change in Law had occurred. For the avoidance of doubt, the Parties expressly agree that for determination of NPV, the discount rate to be used shall be equal to the weighted average rate of interest at which the Supplier has raised the Debt Due under its Financing Agreements.

21.4 Restriction on cash compensation

The Parties acknowledge and agree that the demand for cash compensation under this Article 21 shall be restricted to the effect of Change in Law during the respective Accounting Year and shall be made at any time after commencement of such year, but no later than one year from the close of such Accounting Year. Any demand for cash compensation payable for and in respect of any subsequent Accounting Year shall be made after the commencement of the Accounting Year to which the demand pertains, but no later than 2 (two) years from the close of such Accounting Year.

21.5 No claim in the event of recovery from Buyers

Notwithstanding anything to the contrary contained in this Agreement, the Utility shall not in any manner be liable to reimburse to the Supplier any sums on account of a Change in Law if the same are recoverable from the Buyers.

ARTICLE 22

LIABILITY AND INDEMNITY

22.1 General indemnity

22.1.1 The Supplier shall indemnify, defend, save and hold harmless the Utility and its officers, servants, agents, Government Instrumentalities and Utility owned and/or controlled entities/enterprises, (the “**Utility Indemnified Persons**”) against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature, whether arising out of any breach by the Supplier of any of its obligations under this Agreement or any related agreement or on account of any defect or deficiency in the provision of services to the Utility or sale by the Supplier to any Buyer or from any negligence of the Supplier under contract or tort or on any other ground whatsoever, except to the extent that any such suits, proceedings, actions, demands and claims have arisen due to any negligent act or omission, or breach or default of this Agreement on the part of the Utility Indemnified Persons.

22.1.2 The Utility shall indemnify, defend, save and hold harmless the Supplier against any and all suits, proceedings, actions, demands and claims from third parties for any loss, damage, cost and expense of whatever kind and nature arising out of breach by the Utility of any of its obligations under this Agreement or any related agreement, which materially and adversely affect the performance by the Supplier of its obligations under this Agreement, save and except that where any such claim, suit, proceeding, action, and/or demand has arisen due to a negligent act or omission, or breach of any of its obligations under any provision of this Agreement or any related agreement and/or breach of its statutory duty on the part of the Supplier, its subsidiaries, affiliates, contractors, servants or agents, the same shall be the liability of the Supplier.

22.2 Indemnity by the Supplier

22.2.1 Without limiting the generality of Clause 22.1, the Supplier shall fully indemnify, hold harmless and defend the Utility and the Utility Indemnified Persons from and against any and all loss and/or damages arising out of or with respect to:

- (a) failure of the Supplier to comply with Applicable Laws and Applicable Permits;
- (b) payment of taxes required to be made by the Supplier in respect of the income or other taxes of the Supplier’s contractors, suppliers and representatives; or
- (c) non-payment of amounts due as a result of materials or services furnished to the Supplier or any of its contractors which are payable by the Supplier or any of its contractors.

22.2.2 Without limiting the generality of the provisions of this Article 22, the Supplier shall fully indemnify, hold harmless and defend the Utility Indemnified Persons from and against any and all suits, proceedings, actions, claims, demands,

liabilities and damages which the Utility Indemnified Persons may hereafter suffer, or pay by reason of any demands, claims, suits or proceedings arising out of claims of infringement of any domestic or foreign patent rights, copyrights or other intellectual property, proprietary or confidentiality rights with respect to any materials, information, design or process used by the Supplier or by the Supplier's Contractors in performing the Supplier's obligations or in any way incorporated in or related to the Project. If in any such suit, action, claim or proceedings, a temporary restraint order or preliminary injunction is granted, the Supplier shall make every reasonable effort, by giving a satisfactory bond or otherwise, to secure the revocation or suspension of the injunction or restraint order. If, in any such suit, action, claim or proceedings, the Power Station, or any part thereof or comprised therein, is held to constitute an infringement and its use is permanently enjoined, the [Supplier shall *if Supplier is NOT a Trading Licensee, or Supplier shall cause the Developer to*" *if Supplier is a Trading Licensee*] promptly make every reasonable effort to secure for the Utility a licence, at no cost to the Utility, authorising continued use of the infringing work. If the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] is unable to secure such licence within a reasonable time, the [Supplier *if Supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] shall, at its own expense, and without impairing the Specifications and Standards, either replace the affected work, or part, or process thereof with non-infringing work or part or process, or modify the same so that it becomes non-infringing.

22.3 Notice and contest of claims

In the event that either Party receives a claim or demand from a third party in respect of which it is entitled to the benefit of an indemnity under this Article 22 (the "**Indemnified Party**") it shall notify the other Party (the "**Indemnifying Party**") within 15 (fifteen) days of receipt of the claim or demand and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim or demand, it may conduct the proceedings in the name of the Indemnified Party, subject to the Indemnified Party being secured against any costs involved, to its reasonable satisfaction.

22.4 Defence of claims

22.4.1 The Indemnified Party shall have the right, but not the obligation, to contest, defend and litigate any claim, action, suit or proceeding by any third party alleged or asserted against such Party in respect of, resulting from, related to or arising out of any matter for which it is entitled to be indemnified hereunder, and reasonable costs and expenses thereof shall be indemnified by the Indemnifying Party. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party in respect of loss to the full extent provided by this Article 22, the Indemnifying Party shall be entitled, at its option, to assume and control the defence of such claim, action, suit or proceeding, liabilities, payments and obligations at its expense and through the counsel of its choice; provided it gives prompt notice of its intention to do so to the Indemnified Party and reimburses the Indemnified Party for the reasonable cost and expenses incurred by the Indemnified Party prior to the assumption by the Indemnifying

Party of such defence. The Indemnifying Party shall not be entitled to settle or compromise any claim, demand, action, suit or proceeding without the prior written consent of the Indemnified Party, unless the Indemnifying Party provides such security to the Indemnified Party as shall be reasonably required by the Indemnified Party to secure the loss to be indemnified hereunder to the extent so compromised or settled.

22.4.2 If the Indemnifying Party has exercised its rights under Clause 22.3, the Indemnified Party shall not be entitled to settle or compromise any claim, action, suit or proceeding without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

22.4.3 If the Indemnifying Party exercises its rights under Clause 22.3, the Indemnified Party shall nevertheless have the right to employ its own counsel, and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party, when and as incurred, unless:

- (a) the employment of counsel by such party has been authorised in writing by the Indemnifying Party;
- (b) the Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Indemnifying Party and the Indemnified Party in the conduct of the defence of such action;
- (c) the Indemnifying Party shall not, in fact, have employed independent counsel reasonably satisfactory to the Indemnified Party, to assume the defence of such action and shall have been so notified by the Indemnified Party; or
- (d) the Indemnified Party shall have reasonably concluded and specifically notified the Indemnifying Party either:
 - (i) that there may be specific defences available to it which are different from or additional to those available to the Indemnifying Party; or
 - (ii) that such claim, action, suit or proceeding involves or could have a material adverse effect upon it beyond the scope of this Agreement:

Provided that if Sub-clauses (b), (c) or (d) of this Clause 22.4.3 shall be applicable, the counsel for the Indemnified Party shall have the right to direct the defence of such claim, demand, action, suit or proceeding on behalf of the Indemnified Party, and the reasonable fees and disbursements of such counsel shall constitute legal or other expenses hereunder.

22.5 No consequential claims

Notwithstanding anything to the contrary contained in this Article 22, the indemnities herein provided shall not include any claim or recovery in respect of any cost, expense, loss or damage of an indirect, incidental or consequential nature, including loss of profit, except as expressly provided in this Agreement.

ARTICLE 23
DISPUTE RESOLUTION

23.1 Dispute resolution

23.1.1 Any dispute, difference or controversy of whatever nature howsoever arising under or out of or in relation to this Agreement (including its interpretation) between the Parties, and so notified in writing by either Party to the other Party (the “**Dispute**”) shall, in the first instance, be attempted to be resolved amicably in accordance with the conciliation procedure set forth in Clause 23.2.

23.1.2 The Parties agree to use their best efforts for resolving all Disputes arising under or in respect of this Agreement promptly, equitably and in good faith, and further agree to provide each other with reasonable access during normal business hours to all non-privileged records, information and data pertaining to any Dispute.

23.2 Conciliation

In the event of any Dispute between the Parties, either Party may require such Dispute to be referred to the Managing Director of the Utility Chairman of the Board of Directors of the Supplier for amicable settlement, and upon such reference, the said persons shall meet no later than 7 (seven) days from the date of reference to discuss and attempt to amicably resolve the Dispute. If such meeting does not take place within the 7 (seven) day period or the Dispute is not amicably settled within 15 (fifteen) days of the meeting or the Dispute is not resolved as evidenced by the signing of written terms of settlement within 30 (thirty) days of the notice in writing referred to in Clause 23.1.1 or such longer period as may be mutually agreed by the Parties, either Party may refer the Dispute to arbitration in accordance with the provisions of Clause 23.3.

23.3 Arbitration

23.3.1 Any Dispute which is not resolved amicably by conciliation, as provided in Clause 23.2, and is not required under Applicable Laws to be adjudicated or referred to arbitration by the Commission, shall be finally decided by reference to arbitration by an arbitral tribunal constituted in accordance with Clause 23.3.2. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternative Dispute Resolution, New Delhi (the “**Rules**”), or such other rules as may be mutually agreed by the Parties, and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996. The place of such arbitration shall be the capital of the State and the language of arbitration proceedings shall be English.

23.3.2 There shall be an arbitral tribunal comprising three arbitrators, of whom each Party shall select one, and the third arbitrator shall be appointed by the two arbitrators so selected, and in the event of disagreement between the two arbitrators, the appointment shall be made in accordance with the Rules.

23.3.3 The arbitral tribunal shall make a reasoned award (the “**Award**”). Any Award made in any arbitration held pursuant to this Article 23 shall be final and binding

on the Parties as from the date it is made, and the Supplier and the Utility agree and undertake to carry out such Award without delay.

23.3.4 The Supplier and the Utility agree that an Award may be enforced against the Supplier and/or the Utility, as the case may be, and their respective assets wherever situated.

23.3.5 This Agreement and the rights and obligations of the Parties shall remain in full force and effect, pending the Award in any arbitration proceedings hereunder.

23.4 Adjudication by the Commission

23.4.1 In the event a Dispute is required under Applicable Laws to be adjudicated upon by the Commission, such Dispute shall, instead of reference to arbitration under Clause 23.3, be submitted for adjudication by the Commission in accordance with Applicable Laws and all references to Dispute Resolution Procedure shall be construed accordingly. For the avoidance of doubt, the Parties hereto agree that the adjudication hereunder shall not be final and binding until an appeal, if any, against such adjudication has been decided by the appellate tribunal, or no such appeal has been preferred within the time specified in the Applicable Law.

23.4.2 Where any dispute is referred by the Commission to be settled through arbitration, the procedure specified in Clause 23.3 shall be followed to the extent applicable.

23.5 Adjudication by a tribunal

In the event of constitution of a statutory tribunal with powers to adjudicate upon disputes between the Supplier and the Utility, all Disputes arising after such constitution shall, instead of reference to arbitration or adjudication under Clauses 23.3 and 23.4 respectively, be adjudicated upon by such tribunal in accordance with Applicable Laws and all references to Dispute Resolution Procedure shall be construed accordingly.

ARTICLE 24
DISCLOSURE

24.1 Disclosure of Specified Documents

The Supplier shall make available for inspection by any person, copies of this Agreement (hereinafter collectively referred to as the “**Specified Documents**”), free of charge, during normal business hours on all working days at the Supplier’s Registered Office and the Power Station and shall provide copies of the same to any person upon payment of copying charges on a ‘no profit no loss’ basis.

24.2 Disclosure of Documents relating to safety

The [Supplier shall *if Supplier is NOT a Trading Licensee, or Supplier shall cause the Developer to if Supplier is a Trading Licensee*] make available for inspection by any person copies of all Documents and data relating to safety of the Power Station, free of charge, during normal business hours on all working days, at the Supplier’s Registered Office and the Power Station. The [Supplier shall *if Supplier is NOT a Trading Licensee, or Supplier shall cause the Developer to if Supplier is a Trading Licensee*] make copies of the same available to any person upon payment of copying charges on a ‘no profit no loss’ basis.

24.3 Withholding disclosure of Protected Documents

Notwithstanding the provisions of Clauses 24.1 and 34.2, but subject to Applicable Laws, the Utility shall be entitled to direct the Supplier, from time to time, to withhold the disclosure of Protected Documents (as defined herein below) to any person in pursuance of the aforesaid Clauses.

Explanation:

The expression Protected Documents shall mean such of the Specified Documents or documents referred to in Clauses 24.1 and 24.2, or portions thereof, the disclosure of which the Utility is entitled to withhold under the provisions of the Right to Information Act, 2005.

ARTICLE 25
MISCELLANEOUS

25.1 Governing law and jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in the State shall have exclusive jurisdiction over matters arising out of or relating to this Agreement.

25.2 Waiver of immunity

Each Party unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Party with respect to its assets;
- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

25.3 Interest

Unless otherwise specified, any interest payable under this Agreement shall accrue on a daily outstanding basis and shall be compounded on the basis of quarterly rests.

25.4 Delayed payments

The Parties hereto agree that payments due from one Party to the other Party under the provisions of this Agreement shall be made within the period set forth therein, and if no such period is specified, within 30 (thirty) days of receiving a demand along with the necessary particulars. Unless otherwise specified in this Agreement, in the event of delay beyond such period, the defaulting Party shall pay interest for the period of delay calculated at a rate equal to 5% (five per cent) above the Bank Rate, and recovery thereof shall be without prejudice to the rights of the Parties under this Agreement including Termination thereof.

25.5 Waiver

38.5.1 Waiver, including partial or conditional waiver, by either Party of any default by the other Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

25.5.2 Neither the failure by either Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

25.6 Exclusion of implied warranties etc.

This Agreement expressly excludes any warranty, condition or other undertaking implied at law or by custom or otherwise arising out of any other agreement between the Parties or any representation by either Party not contained in a binding legal agreement executed by both Parties.

25.7 Survival

25.7.1 Termination shall:

- (a) not relieve the Supplier or the Utility, as the case may be, of any obligations hereunder which expressly or by implication survive Termination hereof, including any rights and obligations under Article 22; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such Termination or arising out of such Termination.

25.7.2 All obligations surviving Termination shall only survive for a period of 3 (three) years following the date of such Termination.

25.8 Entire Agreement

This Agreement and the Schedules together constitute a complete and exclusive statement of the terms of the agreement between the Parties on the subject hereof, and no amendment or modification hereto shall be valid and effective unless such

modification or amendment is agreed to in writing by the Parties and duly executed by persons especially empowered in this behalf by the respective Parties. All prior written or oral understandings, offers or other communications of every kind pertaining to this Agreement are abrogated and withdrawn. For the avoidance of doubt, the Parties hereto agree that any obligations of the Supplier arising from the Request for Qualification or Request for Proposals, as the case may be, shall be deemed to form part of this Agreement and treated as such.

25.9 Severability

If for any reason whatsoever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to the Dispute Resolution Procedure set forth under this Agreement or otherwise.

25.10 No partnership

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

25.11 Third parties

This Agreement is intended solely for the benefit of the Parties, and their respective successors and permitted assigns, and nothing in this Agreement shall be construed to create any duty to, standard of care with reference to, or any liability to, any person not a Party to this Agreement.

25.12 Successors and assigns

This Agreement shall be binding upon, and inure to the benefit of the Parties and their respective successors and permitted assigns.

25.13 Notices

Any notice or other communication to be given by any Party to the other Party under or in connection with the matters contemplated by this Agreement shall be in writing and shall:

- (a) in the case of the Supplier, be given by facsimile or e-mail and by letter delivered by hand to the address given and marked for attention of the person set out below or to such other person as the Supplier may from

time to time designate by notice to the Utility; provided that notices or other communications to be given to an address outside the city specified in Sub-clause (b) below may, if they are subsequently confirmed by sending a copy thereof by registered acknowledgement due, or by courier, be sent by facsimile or e-mail to the number as the Supplier may from time to time designate by notice to the Utility.

{ Attention:
Designation:
Address:
Fax No:
Email: }

- (b) in the case of the Utility, be given by facsimile or e-mail and by letter delivered by hand at the address given and marked to the attention of the person set out below with a copy delivered to the Utility Representative or such other person as the Utility may from time to time designate by notice to the Supplier; provided that if the Supplier does not have an office in the same city as the Utility, it may send such notice by facsimile or e-mail and by registered acknowledgement due, or by courier.

{ Name:
Designation:
Address:
Fax No:
Email: }; and

- (c) any notice or communication by a Party to the other Party, given in accordance herewith, shall be deemed to have been delivered when in the normal course of post it ought to have been delivered and in all other cases, it shall be deemed to have been delivered on the actual date of delivery; provided that in the case of facsimile or e-mail, it shall be deemed to have been delivered on the working day following the date of its delivery.

25.14 Language

All notices required to be given by one Party to the other Party and all other communications, Documentation and proceedings which are in any way relevant to this Agreement shall be in writing and in English language.

25.15 Counterparts

This Agreement may be executed in two counterparts, each of which, when executed and delivered, shall constitute an original of this Agreement.

ARTICLE 26
DEFINITIONS

26.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

“**Accounting Year**” means the financial year commencing from the first day of April of any calendar year and ending on the thirty-first day of March of the next calendar year;

“**Act**” means the Electricity Act, 2003;

“**Affected Party**” shall have the meaning as set forth in Clause 17.1;

“**Agreement**” or “**Agreement for Procurement of Power**” means this Agreement, its Recitals, the Schedules hereto and any amendments thereto made in accordance with the provisions contained in this Agreement;

[“**Allocated Coal Linkage**” shall mean [Insert coal linkage arranged by Utility]]³⁹

“**Applicable Laws**” means all laws, brought into force and effect by GOI or the State Government including rules, regulations and notifications made thereunder, and judgements, decrees, injunctions, writs and orders of any court of record, applicable to this Agreement and the exercise, performance and discharge of the respective rights and obligations of the Parties hereunder, as may be in force and effect during the subsistence of this Agreement;

“**Applicable Permits**” means all clearances, licences, permits, authorisations, no objection certificates, consents, approvals and exemptions required to be obtained or maintained under Applicable Laws in connection with the construction, operation and maintenance of the Power Station during the subsistence of this Agreement;

“**Appointed Date**” means the date on which all the Conditions Precedent are achieved and every Condition Precedent is either satisfied or waived, as the case may be, in accordance with the provisions of this Agreement, and such date shall be the date of commencement of the Contract Period;

“**Associate**” or “**Affiliate**” means, in relation to either Party, a person who controls, is controlled by, or is under the common control with such Party (as used in this definition, the expression “control” means, with respect to a person which is a company or corporation, the ownership, directly or indirectly, of more than 50% (fifty per cent) of the voting shares of such person, and with respect to a person which is not a company or corporation, the power to direct the management and policies of such person, whether by operation of law or by contract or otherwise);

“**Availability**” shall have the meaning as set forth in Clause 5.1.4 and the term “**Available**” shall be construed accordingly;

³⁹ To be retained only if coal is being sourced through Allocated Coal Linkage arranged by the Utility.
MAPP / Medium Term /FOO /29th January 2019

“**Bank Rate**” means the rate of interest specified by the Reserve Bank of India from time to time in pursuance of section 49 of the Reserve Bank of India Act, 1934 or any replacement of such Bank Rate for the time being in effect;

“**Base Fixed Charge**” shall have the meaning as set forth in Clause 11.2;

“**Base Year**” means the Accounting Year in which the Bid was received;

“**Bid**” means the documents in their entirety comprised in the bid submitted by the selected bidder in response to the Request for Proposals in accordance with the provisions thereof and “**Bids**” shall mean the bids submitted by any and all pre-qualified bidders;

“**Bid Date**” means the last date on which the Bid may have been submitted in accordance with the provisions of the Request for Proposals;

“**Bid Security**” means the security provided by the Supplier to the Utility along with the Bid in accordance with the Request for Proposals, and which is to remain in force until substituted by the Performance Security;

“**Buyer(s)**” shall mean the third parties buying electricity from the Power Station, in accordance with the provisions of this Agreement and Applicable Laws;

“**CIL**” means Coal India Limited or any subsidiary thereof, and shall include any substitute or successor thereof;

“**Capacity Certificate**” means the certificate issued by an experienced and qualified firm of technical consultants certifying the installed capacity, plant configuration, station Heat Rate and other principal parameters of the Power Station;

“**Capacity Charge**” shall have the meaning as set forth in Clause 11.4.2;

[“**Captive Mine**” means a mine, acquired through any form of auction or bidding which specifically allows the owner or allottee, as the case may be, to use the coal for production of electricity and sale thereof to any purchaser; and includes a mine which is owned by a third party that has entered into a long-term agreement with the Supplier for dedicated supply of Fuel for use at the Power Station for a period not less than the Contract Period;]

“**Change in Law**” means the occurrence of any of the following after the Bid Date:

- (a) the enactment of any new Indian law;
- (b) the repeal, modification or re-enactment of any existing Indian law;
- (c) the commencement of any Indian law which has not entered into effect until the Bid Date;
- (d) a change in the interpretation or application of any Indian law by a judgement of a court of record which has become final, conclusive and binding, as compared to such interpretation or application by a court of record prior to the Bid Date; or
- (e) any change in the rates of any of the Taxes that have a direct effect on the Project;

“**Change in Ownership**” means a transfer of the direct and/or indirect legal or beneficial ownership of any shares, or securities convertible into shares, that causes the aggregate holding of the promoters together with their Associates in the total Equity to decline, at any time prior to the 1st (first) anniversary of the Appointed Date, below 51% (fifty one per cent) thereof, or such lower proportion as may be permitted by the Utility upon substitution of the promoters of the Supplier by an entity having sufficient financial and technical capacity to discharge the obligations of the Supplier under this Agreement;

“**Coal Mine/Blocks**” shall mean Coal Mine/Blocks allocated through auction by Governmental Instrumentality as per provisions of Applicable Laws;

“**Commission**” means the Appropriate Electricity Regulatory Commission or any successor thereof duly constituted under the Act;

“**Conditions Precedent**” shall have the meaning as set forth in Clause 4.1.1;

“**Contract Period**” means the period starting on and from the Appointed Date and ending on the earlier of the [5th (fifth)] anniversary of the Appointed Date and the date of termination of the Agreement;

“**Contracted Capacity**” shall have the meaning as set forth in Clause 10.1;

“**Contractor**” means the person or persons, as the case may be, with whom the Supplier has entered into any of the Fuel Supply Agreement, the O&M Contract, or any other material agreement or contract for operation and maintenance of the Contracted Capacity or matters incidental thereto, but does not include a person who has entered into an agreement for providing financial assistance to the Supplier;

“**Cure Period**” means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the Party responsible for such breach or default and shall:

- (a) commence from the date on which a notice is delivered by one Party to the other Party asking the latter to cure the breach or default specified in such notice; and
- (b) not relieve any Party from liability to pay Damages or compensation under the provisions of this Agreement; and

provided that if the cure of any breach by the Supplier requires any reasonable action by the Supplier that must be approved by the Utility hereunder, the applicable Cure Period shall be extended by the period taken by the Utility or the to accord their approval;

“**Damages**” shall have the meaning as set forth in Sub-clause (y) of Clause 1.2.1;

“**Deed of Hypothecation**” shall have the meaning as set forth in Clause 13.1.2;

“**Default Escrow Account**” shall have the meaning as set forth in Clause 13.1.1;

“**Default Escrow Agreement**” shall have the meaning as set forth in Clause 13.1.1;

“**Default Escrow Bank**” shall have the meaning as set forth in Clause 13.1.1;

“**Delivery Point**” means any point in the intra-state Grid where the electricity supplied under this Agreement is received by the Utility;

“**Despatch**” shall have the meaning as set forth in Clause 14.1.1;

“**Developer**” shall mean the owner of the Power Station from which the Supplier shall supply the Power to the Utility(s);]

“**Dispute**” shall have the meaning as set forth in Clause 23.1.1;

“**Disputed Amounts**” shall have the meaning as set forth in Clause 11.9.3;

“**Dispute Resolution Procedure**” means the procedure for resolution of Disputes as set forth in Article 23;

“**Distribution Licensee**” means a person who has been granted a licence under section 14 of the Electricity Act, 2003 to distribute electricity as a distribution licensee;

“**Document**” or “**Documentation**” means documentation in printed or written form, or in tapes, discs, drawings, computer programmes, writings, reports, photographs, films, cassettes, or expressed in any other written, electronic, audio or visual form;

“**Equity**” means the sum expressed in Indian Rupees representing the paid up equity share capital of the Supplier for meeting the equity component of the Project Cost, and for the purposes of this Agreement shall include convertible instruments or other similar forms of capital, which shall compulsorily convert into equity share capital of the Supplier, and any interest-free funds advanced by any shareholder of the Supplier for meeting such equity component;

“**Fixed Charge**” shall have the meaning as set forth in Clause 11.1.2;

“**Force Majeure**” or “**Force Majeure Event**” shall have the meaning ascribed to it in Clause 17.1;

[“**Fuel**” means the [coal/gas]⁴⁰ which is fit for use in generation of electricity at the Power Station;]

“**Fuel Supply Agreement**” means the agreement entered into between the Supplier and a supplier of Fuel [and includes any arrangement for purchase of Fuel at spot prices];

“**GOI**” means the Government of India;

“**Good Industry Practice**” means the practices, methods, techniques, designs, standards, skills, diligence, efficiency, reliability and prudence which are generally and reasonably expected from a reasonably skilled and experienced operator engaged in the same type of undertaking as envisaged under this Agreement and which would be expected to result in the performance of its obligations by the Supplier in accordance with this Agreement, Applicable Laws and Applicable Permits in reliable, safe, economical and efficient manner, and includes prudent utility practices generally accepted by electricity generating stations for ensuring safe, economic and efficient construction, operation and

⁴⁰ The words “Fuel” and “coal/gas” may be substituted by “Water” in case electricity is procured from a hydro-electric Power Station.

maintenance of the Power Station and for providing safe, economic, reliable and efficient supply of electricity;

“**Government**” means the Government of India or the Government of the State, as the case may be;

“**Government Instrumentality**” means any department, division or sub-division of the Government of India or the State Government and includes any commission, board, authority, agency or municipal and other local authority or statutory body, including Panchayat, under the control of the Government of India or the State Government, as the case may be, and having jurisdiction over all or any part of the Power Station or the performance of all or any of the services or obligations of the Supplier under or pursuant to this Agreement;

“**Grid**” means the high voltage backbone system of inter-connected transmission lines and sub-stations;

“**Grid Code**” means the Indian Electricity Grid Code 2010 or any substitute thereof;

“**Incentive**” means a payment due to the Supplier, in accordance with the provisions of this Agreement, for any delivery, performance or outcome, as the case may be, which is better than the standards specified in respect thereof;

“**Indemnified Party**” means the Party entitled to the benefit of an indemnity pursuant to Article 22;

“**Indemnifying Party**” means the Party obligated to indemnify the other Party pursuant to Article 22;

“**Indirect Political Event**” shall have the meaning as set forth in Clause 17.3;

“**Insurance Cover**” means the aggregate of the maximum sums insured under the insurances taken out by the Supplier pursuant to Article 15, and includes all insurances required to be taken out by the Supplier under Clause 15.1 but not actually taken, and when used in the context of any act or event, it shall mean the aggregate of the maximum sums insured and payable or deemed to be insured and payable in relation to such act or event;

[“**Linkage Coal**” shall mean the coal linkage provided by Coal India Limited or Singareni Collieries Company Limited at notified price for regulated sector of thermal power;]⁴¹

“**LOA**” or “**Letter of Award**” means the letter of award referred to in Recital (D);

“**Letter of Credit**” shall have the meaning as set forth in Clause 13.2.1;

“**Material Adverse Effect**” means a material adverse effect of any act or event on the ability of either Party to perform any of its obligations under and in accordance with the provisions of this Agreement and which act or event causes a material financial burden or loss to either Party;

⁴¹ To be retained only if the source of fuel is from Linkage Coal.

“**Maximum Monthly Payment**” shall have the meaning as set forth in Clause 13.1.1;

“**Minimum Monthly Payment**” shall have the meaning as set forth in Clause 13.1.3;

“**Mis-declaration**” shall have the meaning as set forth in Clause 11.5.5;

“**Monthly Invoice**” shall have the meaning as set forth in Clause 11.9.1;

“**Non-Availability**” means any partial or total lack of Availability for any other reason;

“**Non-Political Event**” shall have the meaning as set forth in Clause 17.2;

“**Normative Availability**” shall have the meaning as set forth in Clause 5.1.4;

“**Parties**” means the parties to this Agreement collectively and “**Party**” shall mean any of the parties to this Agreement individually;

“**Payment Due Date**” shall have the meaning as set forth in Clause 11.9.3;

[“**Peak hours**” shall have the meaning as set forth in Clause 10.4;]

“**Performance Security**” shall have the meaning as set forth in Clause 9.1;

“**Point of Grid Connection**” means the point of interconnection at which the electricity generated by the Power Station is transferred to the Grid;

“**Political Event**” shall have the meaning as set forth in Clause 17.4;

[Insert this definition in case Supplier is a Trading Licensee:

“**Power Purchase Agreement**” shall mean the back to back arrangement for supply of electricity between the Supplier and the Developer from the Power Station;]

“**Power Station**” means the generating station as described in Recital A or a Unit thereof, and shall include the Dedicated Transmission System, Project Assets, Project Facilities;

“**Procurement Contract**” shall have the meaning as set forth in Clause 3.1.1;

“**Project**” means the construction, operation and maintenance of the Power Station in accordance with the provisions of this Agreement, and includes all works, services and equipment relating to or in respect of the Scope of the Agreement;

“**Project Agreements**” means this Agreement, Fuel Supply Agreement, O&M contract and any other material agreements or contracts that may be entered into by the Supplier with any person in connection with matters relating to, arising out of or incidental to the Project;

“**Project Assets**” means all physical and other assets relating to and forming part of the Project including:

- (a) rights over the Station Premises in the form of licence or otherwise;

- (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, electrical systems, communication systems, relief centres, administrative offices and Sub-stations;
- [(c) rights over Captive Mines;]
- (d) all rights of the Supplier under the Project Agreements;
- (e) financial assets, such as receivables, security deposits etc.;
- (f) insurance proceeds; and
- (g) Applicable Permits and authorisations relating to or in respect of the Power Station;

“**RLDC**” means the Regional load Despatch Centre as specified in the Act;

“**Re.**”, “**Rs.**” or “**Rupees**” or “**Indian Rupees**” means the lawful currency of the Republic of India;

“**Request for Proposals**” or “**RFP**” shall have the meaning as set forth in Recital (C);

“**Request for Qualification**” or “**RFQ**” shall have the meaning as set forth in Recital (B);

“**Revenues**” means all of the present and future funds, payment obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue to or be offered or due to the Utility in the form of cash receipts or receivables from any and all sources, save and except any capital receipts of the Utility for and in relation to any capital expenditure for creation of assets;

“**SLDC**” means the State Load Despatch Centre as specified in the Act;

“**Scope of the Agreement**” shall have the meaning as set forth in Clause 2.1;

“**Secured Obligations**” means:

- (a) the amounts due to the Default Escrow Bank from the Utility in relation to the Letter of Credit;
- (b) obligations of the Utility for payment of Tariff and Incentives under and in accordance with this Agreement; and
- (c) obligation of the Utility to make Termination Payment under and in accordance with this Agreement upon termination thereof;

“**Specifications and Standards**” means the specifications and standards relating to the quality, quantity, capacity and other requirements for the Power Station, as set forth in the rules and regulations made under the Act;

“**State**” means the State or the Union Territory, as the case may be, in which the headquarters of the Utility is situated and “**State Government**” means the government of that State or Union Territory;

“**Station Premises**” shall mean and include the site, real estate, assets, equipments, facilities and amenities comprising the Power Station;

“**Statutory Auditors**” means a reputable firm of chartered accountants acting as the statutory auditors of the Supplier under the provisions of the Companies Act, 2013, including any re-enactment or amendment thereof, for the time being in force, and appointed in accordance with Clause 16.2.1;

“**Supplier**” shall have the meaning attributed thereto in the array of Parties as set forth in the Recitals;

“**Supplier Default**” shall have the meaning as set forth in Clause 19.1.1;

“**Tariff**” shall have the meaning as set forth in Clause 11.1.1;

“**Taxes**” means any Indian taxes including excise duties, customs duties, value added tax, sales tax, local taxes, cess and any impost or surcharge of like nature (whether Central, State or local) on the goods, materials, equipment and services incorporated in and forming part of the Power Station charged, levied or imposed by any Government Instrumentality, but excluding any interest, penalties and other sums in relation thereto imposed on any account whatsoever. For the avoidance of doubt, Taxes shall not include taxes on corporate income;

“**Termination**” means the expiry or termination of this Agreement and the Procurement Contract hereunder;

“**Termination Notice**” means the communication issued in accordance with this Agreement by one Party to the other Party terminating this Agreement;

“**Termination Payment**” means the amount payable by the defaulting Party to the other Party, under and in accordance with the provisions of this Agreement upon Termination;

[Insert this definition in case Supplier is a Trading Licensee:

“**Trading Licensee**” shall mean the Applicant/Bidder which is an Electricity Trader or a Distribution Licensee in terms of the Electricity Act, 2003 and submits its Application on the basis of an exclusive power purchase agreement executed with the entity with identified generation source from where the power is proposed to be supplied by the Applicant/Bidder.]

“**UI Regulations**” means the CERC Unscheduled Interchange Regulations 2009 or any substitute thereof;

“**Unit**” means a unit of the Power Station which is equipped with a turbine and associated facilities for generation of electricity independently of other units at the Power Station;

“**Utility**” shall have the meaning attributed thereto in the array of Parties as set forth in the Recitals;

“**Utility Default**” shall have the meaning as set forth in Clause 19.2.1;

“**Utility Representative**” means such person or persons as may be authorised in writing by the Utility to act on its behalf under this Agreement and shall include any person or persons having authority to exercise any rights or perform and fulfil any obligations of the Utility under this Agreement;

“**Variable Charge**” shall have the meaning as set forth in clause 12.1; and

“**WPI**” means the Wholesale Price Index for all commodities as published by the Ministry of Industry, GOI and shall include any index which substitutes the WPI, and any reference to WPI shall, unless the context otherwise requires, be construed as a reference to the WPI published for the period ending with the preceding month, save and except that for the purposes of annual revision of the Fixed Charge in accordance with the provisions of Clause 11.3, the revision due on April 1 of any year shall be computed with reference to WPI as on January 31 of that year.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

SIGNED, SEALED AND
DELIVERED
For and on behalf of
THE UTILITY by:

THE COMMON SEAL OF SUPPLIER
has been affixed pursuant to the resolution
passed by the Board of Directors of the
Supplier at its meeting held on the day
of 20....hereunto affixed in the presence of
.... Director, who has signed these presents
in token thereof and Company
Secretary / Authorised Officer who has
countersigned the same in token thereof[£]:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

In the presence of:

1.

2.

[£] To be affixed in accordance with the articles of association of the Supplier and the resolution passed by its Board of Directors.

Schedules

SCHEDULE – A

(See Clause 2.1)

SITE OF THE POWER STATION⁴²

1 The Site

Site of the Power Station shall include the land, buildings, structures as briefly described in Annex-I of this Schedule A.

2 Power Station

The principal features of the Power Station are described in Annex-I of this Schedule-A.

⁴² In case of a Trading Licensee being the Supplier, the details of the Power Station of the Developer need to be filled in this Schedule.
MAPP / Medium Term /FOO /29th January 2019

Annex – I⁴³
(Schedule-A)

Description of Coal-based Power Station^{\$}

1 The site

The Site of the Power station shall include the land, building and structures as briefly described below:

{Provide a brief description here.}

2 Capacity of the Power Station

2.1 The Power Station shall have a generating capacity of not less than MW.

2.2 The configuration of Units is given below:

(a) The number of Units is

(b) The nameplate capacity of each Unit is MW.

3 Dedicated communication

The Power Station shall have a dedicated communication linkage with the Utility.

3 Specifications and Standards

The Power Station shall be constructed in conformity with the Specifications and Standards specified in Annex-I of Schedule-C.

4 Station Heat Rate

The Station Heat Rate of the Power station shall be [2,300 (two thousand three hundred and fifty)]⁴⁴ kCal per kWh at 100% (hundred per cent) maximum continuous rating (MCR) or such lower Station Heat Rate as may be specified in the Capacity Certificate.

5 Ramp Rates

All Units of the Power Station shall be capable of increasing or decreasing their output (generation level) by not less than 3% (three per cent) per minute. Such capability shall at all times be demonstrated during the Unit load of 50% (fifty per cent) or more.

6 Each Unit of the Power Station shall have the capacity to ramp up from a cold start and reach full capacity within a period of 4 (four) hours from the time of each start.

⁴³ Three formats have been provided for this Annex-I. Depending on project-specific requirements, the appropriate format of Annex-I may be retained and the remaining two formats may be omitted. In case of non-conventional sources of energy, a suitable format may be evolved.

⁵ Particulars in respect of the blanks in this Annex-I shall be provided by the selected bidder after issue of Letter of Award and the same shall be included in the Agreement to be executed between Parties.

⁴⁴ This figure may be substituted by 2,350 where a Power Station shall have achieved COD prior to December 31, 2016.

7 Description of the Power Station

The Power Station shall conform with Applicable Laws and the regulations notified by the Central Electricity Authority and the Appropriate Commission.

The Power Station is briefly described below:

- A. **Boiler**
- (i) Type ---
 - (ii) Number of steam generators with auxiliaries
 - (iii) Steaming capacity (BMCR) ---T/hr
 - (iv) Pressure at SH outlet ---kg/cm²(abs)
 - (v) Temperature at SH outlet ---°C
 - (vi) Temperature at RH outlet ---°C
- B. **Seam Turbine**
- (i) Type
 - (ii) Number
 - (iii) TMCR output ---MW
 - (iv) VWO output ---MW
 - (v) Turbine inlet pressure at TMCR ---kg/cm²
 - (vi) MS temperature at turbine inlet ---°C
 - (vii) RH temperature at turbine inlet ---°C
 - (viii) HP/LP by pass ---%
 - (ix) Boiler feed pump
 - (a) TDBFP Capacity (m³/hr) ---
 - (b) MDBFP Capacity (m³/hr) ---
- C. **Condenser**
- (i) Type
 - (ii) Design cooling water temperature ---°C
 - (iii) Tube material
 - (iv) Type of cooling water
 - (v) Condensate polishing plant --- (Capacity)
- D. **Generator**
- (i) Number ---
 - (ii) Capacity ---MVA
 - (iii) Power factor ---
 - (iv) Cooling
 - (a) Rotor ---
 - (b) Stator ---

Annex - I
(Schedule-A)

Description of Gas-based Power Station[§]

1 The site

The Site of the Power station shall include the land, building and structures as briefly described below:

{Provide a brief description here.}

2 Capacity of the Power Station

2.1 The Power Station shall have a generating capacity of not less than MW.

2.2 The configuration of Units is given below:

(a) The number of Units is.....

(b) The nameplate capacity of each Unit is MW.

3 Dedicated communication

The Power Station shall have a dedicated communication linkage with the Utility.

4 Station Heat Rate

The Station Heat Rate of the Power station shall be [2,000 (two thousand) Kcal per KWh] (NCV basis) or such lower figure as may be specified in the Capacity Certificate.

5 Ramp Rates

All Units of the Power Station shall be capable of increasing or decreasing their output (generation level) by not less than 5% (five per cent) per minute. Such capability shall at all times be demonstrated during the Unit load of 50% (fifty per cent) or more.

6 Each Unit of the Power Station shall have the capacity to ramp up from a cold start and reach full capacity within a period of [3 (three) hours].

7 Description of the Power Station

The Power Station shall conform with Applicable Laws and the regulations notified by the Central Electricity Authority and the Appropriate Commission.

Gas based thermal generating stations comprise of Gas turbine/IC Engine as prime mover with the Generator coupled to it. The engine shall be based on four stroke technology with spark ignition, for gas as the main fuel, or dual fuel ignition capabilities, for Liquid/Gas as main fuel or even both.

A. Engine

[§] Particulars in respect of the blanks in this Annex-I shall be provided by the selected bidder after issue of Letter of Award and the same shall be included in the Agreement to be executed between Parties.

Number of cylinders	
Cylinder bore	mm
Stroke	mm
Speed	Rpm
Mean Piston Speed	m/s
Mean effective Pressure	Bar
Compression ratio	
Number of inlet valves	
Number of outlet valves	
Direction of rotation faced towards	
Flywheel	
Noise level	---dB (A) ---m distance

B. Generator

Number of units	
Capacity	---MVA
Power Factor	---
Cooling	
(a) Rotor	
(b) Stator	---

C. Exhaust gas boilers and STG for plant combined cycle operation*

One exhaust gas boiler shall be considered per Engine set.

Evaporator, economizer, super heater & steam drum sized for heat recovery corresponding to 100% load on Engine load.

Boiler

Type	---
Number of steam generators with auxiliaries	---
Steam capacity (BMCR)	---T/hr
Pressure at SH outlet	---kg/cm ² (abs)
Temperature at SH outlet	--- ⁰ C
Temperature at RH outlet	--- ⁰ C

Steam Turbine

Type	
Number	
TMCR output	---MW
VWO output	---MW
Turbine inlet pressure at TMCR	---kg/cm ²
MS temperature at turbine inlet	--- ⁰ C
RH temperature at turbine inlet	--- ⁰ C
HP/LP by pump	%
Boiler feed pump	
(a) TDBFP Capacity (m ³ /hr)	---
(b) MDBFP Capacity (m ³ /hr)	---

*In case small stream generators, this may be omitted.

Annex - I
(Schedule-A)

Description of Hydro-based Power Station[§]

1 The site

The Site of the Hydro-electric Power station shall include the land, building and structures comprising a Dam/Barrage, HRT, Penstocks/Pressure Shaft, Power House (Underground/Surface/Semi surface) & TRT. The Power Station may be based on Storage/Run off River.

2 Capacity of the Hydro Power Station

2.1 The Hydro Power Station has a generating capacity of MW.

2.2 The configuration of Units is given below:

(a) The number of Units is

(b) The nameplate capacity of each Unit is MW.

3 Head

Maximum net head available for power generation is, which is the maximum gross head less all the losses in the water conductor system including penstock.

Minimum net head results from the difference in elevation between the minimum head water level (MDDL) and the maximum tailrace water level (TWL0, minus losses with all turbines operating at full gate opening.

4 Overloading Limits

All Units of Hydro Power Station shall be capable of increasing their output by 10% (ten per cent). The rate of increase or decrease in machine output shall be governed by change in speed/pressure rise in compliance other relevant IS.

5 Ramp Rates

Each Units of the Hydro Power Station shall have the capacity to ramp up from spinning at zero load to reach full capacity within 5 minutes.

6 Description of the Power Station

The Power Station shall conform with Applicable Laws and the regulations notified by the Central Electricity Authority and the Appropriate Commission.

The Power Station is briefly described below:

A. Intake

(i) Number :

[§] Particulars in respect of the blanks in this Annex-I shall be provided by the selected bidder after issue of Letter of Award and the same shall be included in the Agreement to be executed between Parties.

- (ii) Invert Level:
 - (iii) Design Discharge:
 - (iv) Intake Gates (Size) :
- B. Head Race Tunnel**
- (i) Number:
 - (ii) Size:
 - (iii) Shape:
 - (iv) Length:
 - (v) Design Discharge:
 - (vi) Velocity
- C. Surge Shaft**
- (i) Number:
 - (ii) Type:
 - (vi) Size:
 - (vii) Height:
 - (viii) Max. Surge Level:
 - (ix) Min Surge Level:
- D Penstock**
- (i) Number:
 - (ii) Diameter:
 - (iii) Length:
 - (iv) Shape:
 - (v) Design Discharge:
- E. Water Levels**
- (i) Full Reservoir Level:
 - (ii) Minimum Draw Down Level:
 - (iii) Minimum TWL:
 - (iv) Maximum TWL:
- F. Power House**
- (i) Type:
 - (ii) Installed Capacity:
 - (iii) Number of Units:
 - (iv) Power House Cavern Size:
 - (v) Type of Turbine:
 - (vi) Type & Capacity of Generator:

(vii) Number & Rating of Transformer:

(viii) Overall efficiency:

G. Tail Race Tunnel

(i) Type:

(ii) Size:

(iii) Length:

(iv) Design Discharge:

SCHEDULE –B
(See Clause 9.1.1)

PERFORMANCE SECURITY

The.....,
Distribution Company
State of....

WHEREAS:

- (A) (the “**Supplier**”) and [the.... Distribution Company] represented by.... and having its principal offices at.... (“**Utility**”) have entered into an Agreement for Procurement of Power dated(the “**Agreement**”) whereby the Utility has agreed to the [Supplier *if supplier is NOT a Trading Licensee, or Developer if Supplier is a Trading Licensee*] undertaking the financing and operation of the Power Station with a generating capacity of MW in the State ofon finance, own and operate (the “**FOO**”) basis, subject to and in accordance with the provisions of the Agreement.
- (B) The Agreement requires the Supplier to furnish a Performance Security to the Utility in a sum of [Rs..... cr. (Rupees.... crore)] (the “**Guarantee Amount**”) as security for due and faithful performance of its obligations, under and in accordance with the Agreement (as defined in the Agreement).
- (C) We,.... through our Branch atthe “**Bank**”) have agreed to furnish this Bank Guarantee by way of Performance Security.

NOW, THEREFORE, the Bank hereby, unconditionally and irrevocably, guarantees and affirms as follows:

1. The Bank hereby unconditionally and irrevocably guarantees and undertakes to pay to the Utility upon occurrence of any failure or default in due and faithful performance of all or any of the Supplier’s obligations, under and in accordance with the provisions of the Agreement, on its mere first written demand, and without any demur, reservation, recourse, contest or protest, and without any reference to the Supplier, such sum or sums upto an aggregate sum of the Guarantee Amount as the Utility shall claim, without the Utility being required to prove or to show grounds or reasons for its demand and/or for the sum specified therein.
2. A letter from the Utility, under the hand of an Officer not below the rank of a Superintending Engineer or equivalent, that the Supplier has committed default in the due and faithful performance of all or any of its obligations under and in accordance with the Agreement shall be conclusive, final and binding on the Bank. The Bank further agrees that the Utility shall be the sole judge as to whether the Supplier is in default in due and faithful performance of its obligations during the Contract Period under the Agreement and its decision that the Supplier is in default shall be final, and binding on the Bank, notwithstanding any differences between the Utility and the Supplier, or any dispute between them

pending before any court, tribunal, arbitrators or any other authority or body, or by the discharge of the Supplier for any reason whatsoever.

3. In order to give effect to this Guarantee, the Utility shall be entitled to act as if the Bank were the principal debtor and any change in the constitution of the Supplier and/or the Bank, whether by their absorption with any other body or corporation or otherwise, shall not in any way or manner affect the liability or obligation of the Bank under this Guarantee.
4. It shall not be necessary, and the Bank hereby waives any necessity, for the Utility to proceed against the Supplier before presenting to the Bank its demand under this Guarantee.
5. The Utility shall have the liberty, without affecting in any manner the liability of the Bank under this Guarantee, to vary at any time, the terms and conditions of the Agreement or to extend the time or period for the compliance with, fulfilment and/or performance of all or any of the obligations of the Supplier contained in the Agreement or to postpone for any time, and from time to time, any of the rights and powers exercisable by the Utility against the Supplier, and either to enforce or forbear from enforcing any of the terms and conditions contained in the Agreement and/or the securities available to the Utility, and the Bank shall not be released from its liability and obligation under these presents by any exercise by the Utility of the liberty with reference to the matters aforesaid or by reason of time being given to the Supplier or any other forbearance, indulgence, act or omission on the part of the Utility or of any other matter or thing whatsoever which under any law relating to sureties and guarantors would but for this provision have the effect of releasing the Bank from its liability and obligation under this Guarantee and the Bank hereby waives all of its rights under any such law.
6. This Guarantee is in addition to and not in substitution of any other guarantee or security now or which may hereafter be held by the Utility in respect of or relating to the Agreement or for the fulfilment, compliance and/or performance of all or any of the obligations of the Supplier under the Agreement.
7. Notwithstanding anything contained hereinbefore, the liability of the Bank under this Guarantee is restricted to the Guarantee Amount and this Guarantee will remain in force for the period specified in paragraph 8 below and unless a demand or claim in writing is made by the Utility on the Bank under this Guarantee, no later than 6 (six) months from the date of expiry of this Guarantee, all rights of the Utility under this Guarantee shall be forfeited and the Bank shall be relieved from its liabilities hereunder.
8. The Performance Security shall cease to be in force and effect when the Supplier shall have provided another Performance Security in substitution of this Performance Security.
9. The Bank undertakes not to revoke this Guarantee during its currency, except with the previous express consent of the Utility in writing, and declares and warrants that it has the power to issue this Guarantee and the undersigned has full powers to do so on behalf of the Bank.

10. Any notice by way of request, demand or otherwise hereunder may be sent by post addressed to the Bank at its above referred Branch, which shall be deemed to have been duly authorised to receive such notice and to effect payment thereof forthwith, and if sent by post it shall be deemed to have been given at the time when it ought to have been delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted and a certificate signed by an officer of the Utility that the envelope was so posted shall be conclusive.
11. This Guarantee shall come into force with immediate effect and shall remain in force and effect for a period of two years from the date hereof or until it is released earlier by the Utility pursuant to the provisions of the Agreement.

Signed and sealed this.... day of20.... at

SIGNED, SEALED AND DELIVERED
For and on behalf of
the BANK by:

(Signature)
(Name)
(Designation)
(Code Number)
(Address)

NOTES:

- (i) The bank guarantee should contain the name, designation and code number of the officer(s) signing the guarantee.
- (ii) The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.

SCHEDULE – C
(See Clause 13.1.1)

DEFAULT ESCROW AGREEMENT

THIS DEFAULT ESCROW AGREEMENT is entered into on this the.... day of20....

AMONGST

1.Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at ...(hereinafter referred to as the “**Supplier**” which expression shall, unless repugnant to the context or meaning thereof, include its successors, substitutes and permitted assigns);
2. ...(name and particulars of the Default Escrow Bank), through itsbranch, and having its registered office at... (hereinafter referred to as the “**Default Escrow Bank**” which expression shall, unless repugnant to the context or meaning thereof, include its successors, substitutes and permitted assigns); and
3. The.... Distribution Company represented byand having its principal offices at ...(hereinafter referred to as the “**Utility**” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and permitted assigns).

WHEREAS:

- (A) The Utility has entered into a agreement dated with the Supplier (the “Agreement for Procurement of **Power**”) for supply of MW of electricity from the Power Station at... in the State of..., and a copy of which is annexed hereto and marked as Annex-A to form part of this Agreement.
- (B) To secure the Utility’s payment obligations to the Supplier under the Agreement for Procurement of Power, the Utility is required to establish a default escrow account on the terms and conditions stated therein (the “**Default Escrow Account**”).

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

“**Agreement**” means this Default Escrow Agreement and any amendment thereto made in accordance with the provisions contained herein;

“**Cure Period**” means the period specified in this Agreement for curing any breach or default of any provision of this Agreement by the Utility, and shall commence from the date on which a notice is delivered by the Supplier to the Utility asking the latter to cure the breach or default specified in such notice;

“**Default Escrow Account**” shall have the meaning set forth in Recital B of this Agreement;

“**Parties**” means the parties to this Agreement collectively and “**Party**” shall mean any of the Parties to this Agreement individually;

“**Agreement for Procurement of Power**” shall have the meaning set forth in Recital A of this Agreement;

“**Security**” shall have the meaning set forth in Clause 3.1;

“**Utility Account**” shall have the meaning set forth in Clause 2.4;

“**Utility Escrow Default**” shall have the meaning set forth in Clause 8.1;

“**Utility’s Lenders**” means the banks and/or financial institutions, which have provided or propose to provide financial assistance and/or other facilities and guarantees to the Utility and who have, for the repayment and/or discharge of obligations of the Utility been provided security by way of a charge on the Revenues of the Utility, as specified in Annex-I hereto.

1.2 Interpretation

1.2.1 The words and expressions beginning with capital letters and defined in this Agreement shall have the meaning ascribed thereto herein, and the words and expressions used in this Agreement and not defined herein but defined in the Agreement for Procurement of Power shall, unless repugnant to the context, have the meaning ascribed thereto in the Agreement for Procurement of Power.

1.2.2 References to Clauses and Annexes are, unless stated otherwise, references to Clauses and Annexes of this Agreement.

1.2.3 The rules of interpretation stated in Clauses 1.2, 1.3 and 1.4 of the Agreement for Procurement of Power shall apply, *mutatis mutandis*, to this Agreement.

2 DEFAULT ESCROW ACCOUNT

2.1 Default Escrow Bank to act as trustee

2.1.1 The Utility hereby appoints the Default Escrow Bank to act as trustee for the Supplier and the Utility in connection herewith and authorises the Default Escrow Bank to exercise such rights, powers, authorities and discretion as are specifically delegated to the Default Escrow Bank by the terms hereof together with all such rights, powers, authorities and discretion as are reasonably incidental hereto, and the Default Escrow Bank accepts such appointment pursuant to the terms hereof.

2.1.2 The Utility hereby declares that all rights, title and interest in and to the Default Escrow Account shall be vested in the Default Escrow Bank and held in trust for the Supplier and the Utility, and applied in accordance with the terms of this Agreement. No person other than the Supplier and the Utility shall have any rights hereunder as third party beneficiaries under this Agreement.

2.2 Acceptance of Default Escrow Bank

The Default Escrow Bank hereby agrees to act as such and to accept the Revenues of the Utility pursuant to the provisions of this Agreement and the Agreement for Procurement of Power. The Default Escrow Bank shall hold and safeguard the Default Escrow Account during the term of this Agreement and shall treat the amount in the Default Escrow Account as monies deposited by the Utility with the Default Escrow Bank. In performing its functions and duties under this Agreement, the Default Escrow Bank shall act in trust for the benefit of, and as agent for, the Supplier and the Utility, or their nominees, successors or permitted assigns, in accordance with the provisions of this Agreement.

2.3 Establishment of Accounts

2.3.1 Within 30 (thirty) days from the date of this Agreement, and in any case prior to the Appointed Date, the Utility shall open and establish the Default Escrow Account with the (name of Branch) Branch of the Default Escrow Bank, and such account shall be maintained at all times until the termination of this Agreement under Clause 9 hereof. The Default Escrow Account shall be denominated in Rupees.

2.3.2 The Default Escrow Bank shall maintain the Default Escrow Account in accordance with the terms of this Agreement and its usual practices and applicable regulations, and pay the maximum rate of interest payable to similar customers on the balance in the said account from time to time.

2.3.3 The Default Escrow Bank and the Utility shall, in accordance with Good Industry Practice, agree on the detailed mandates, terms and conditions, and operating procedures for the Default Escrow Account, but in the event of any conflict or inconsistency between this Agreement and such mandates, terms and conditions, or procedures, this Agreement shall prevail.

2.4 Utility Account

The Default Escrow Bank and the Utility acknowledge that at least 30% (thirty per cent) of the Utility's total monthly Revenues are being deposited in the Utility's existing account at the Default Escrow Bank (the "**Utility Account**"), and the Utility undertakes to maintain the Utility Account and continue to deposit therein at least 30% (thirty per cent) of its total monthly Revenue, till the termination of this Agreement under Clause 9 hereof.

2.5 Default Escrow Bank's fee

The Default Escrow Bank shall be entitled to receive its fee and expenses in an amount, and at such times, as may be agreed between the Default Escrow Bank

and the Utility. For the avoidance of doubt, the Default Escrow Bank shall be entitled to deduct such fee and expenses from the monies deposited in the Default Escrow Account.

2.6 Rights of the Parties

Save and except as otherwise provided in the Agreement for Procurement of Power, the rights of the Supplier and the Utility in the monies held in the Default Escrow Account are set forth in their entirety in this Agreement and they shall have no other rights against or to the monies in the Default Escrow Account.

3 OBLIGATIONS OF THE DEFAULT ESCROW BANK

3.1 Creation of Security Interest

The Utility expressly agrees that it shall, prior to the Appointed Date, execute the Deed of Hypothecation and create a first priority charge/ security interest in favour of the Supplier on the Revenues deposited into the Default Escrow Account pursuant to this Agreement, but not exceeding the Maximum Monthly Payment for and in respect of each and every month until termination of this Agreement (the “**Security**”).

3.2 Transfer to Default Escrow Account

The Default Escrow Bank shall procure and ensure transfer of Revenues deposited into the Utility Account from the Utility Account to the Default Escrow Account to the extent of and in the manner specified in this Agreement.

3.3 Statement of accounts

The Default Escrow Bank shall provide to the Utility and the Supplier, no later than the 15 (fifteen) days from the end of each month, a statement of accounts detailing all deposits and withdrawals into and from the Default Escrow Bank during the previous month. During any period, following the delivery of a notice of the occurrence of a Utility Escrow Default and until delivery of notice that the Utility Escrow Default is no longer continuing, the Default Escrow Bank shall provide statement of accounts to the Utility and the Supplier on a daily basis.

3.4 Protection of Supplier’s interest

The Default Escrow Bank shall, at all times, act and discharge its functions and obligations under this Agreement in accordance with the principle of protecting and enforcing the rights and interest of the Supplier hereunder and the Security afforded to it herein for the full and timely performance by the Utility of the Secured Obligations in the manner contemplated under this Agreement and the Agreement for Procurement of Power.

3.5 Monies to be held in trust

Monies received by the Default Escrow Bank under this Agreement shall, until used or applied in accordance with this Agreement, be held by the Default Escrow

Bank in trust for the purposes for which they were received, and shall be segregated from other funds and property of the Default Escrow Bank.

3.6 Communications and notices

In discharge of its duties and obligations hereunder, the Default Escrow Bank:

- (a) may, in the absence of bad faith or gross negligence on its part, rely as to any matters of fact which might reasonably be expected to be within the knowledge of the Utility upon a certificate signed by or on behalf of the Utility;
- (b) may, in the absence of bad faith or gross negligence on its part, rely upon the authenticity of any communication or document believed by it to be authentic;
- (c) shall within 5 (five) business days after receipt, deliver a copy to the Supplier of any notice or document received by it from the Utility in connection herewith; and
- (d) shall within 5 (five) business days after receipt, deliver a copy to the Utility of any notice or document received by it from the Supplier in connection herewith.

3.7 No set off

The Default Escrow Bank agrees not to claim or exercise any right of set off, banker's lien or other right or remedy with respect to amounts standing to the credit of the Default Escrow Account. For the avoidance of doubt, it is hereby acknowledged and agreed by the Default Escrow Bank that the monies held by the Default Escrow Bank in the Default Escrow Account shall not be considered as part of the assets of the Default Escrow Bank, shall in the case of bankruptcy or liquidation of the Default Escrow Bank, be wholly excluded from the assets of the Default Escrow Bank in such bankruptcy or liquidation.

3.8 Regulatory approvals

The Default Escrow Bank shall use its best efforts to procure, and thereafter maintain and comply with, all regulatory approvals required for it to establish and operate the Default Escrow Account. The Default Escrow Bank represents and warrants that it is not aware of any reason why such regulatory approvals will not ordinarily be granted to the Default Escrow Bank.

4 OBLIGATIONS OF THE UTILITY

4.1 General

- 4.1.1 The Utility covenants with the Supplier and the Default Escrow Bank that it will discharge the Secured Obligations in accordance with the provisions of the Agreement for Procurement of Power and this Agreement.

4.1.2 The Utility hereby agrees and undertakes that until the termination of this Agreement, no less than 30% (thirty per cent) of its total monthly Revenue shall continue to be deposited into the Utility Account at the Default Escrow Bank and the Revenues therein shall be routed through the Default Escrow Account in accordance with the terms hereof.

4.1.3 The Utility agrees and undertakes that it shall not take any actions inconsistent with the instructions given under this Agreement or interfere in any manner with the transfer of funds into the Default Escrow Account in accordance with the terms of this Agreement, or deliver or cause to be delivered to the Default Escrow Bank any amendment, modification or supplement to such instructions or any additional or new instructions regarding routing, deposit or withdrawal of funds by the Default Escrow Bank without the express written approval of the Supplier, which amendment, modification or supplement thereto or any such additional or new instructions shall be effective only if consented to by a duly authorised representative of the Supplier.

4.2 Creation of Charge

4.2.1 The Utility hereby agrees and undertakes that it shall create, under and pursuant to the Deed of Hypothecation, a first charge in favour of the Supplier over the Revenues routed through the Default Escrow Account in pursuance of this Agreement, which charge shall remain in force and effect until payment and discharge of the Secured Obligations. The Utility further acknowledges and agrees that commencing from the date of execution of the Deed of Hypothecation and until payment and discharge of the Secured Obligations, the Utility's Lenders or any other entity shall not have any charge over any part of the Security, and that such charge, if created in future, in favour of Utility's Lenders or any other entity would be secondary and subordinate to the first charge created in favour of the Supplier pursuant to the Deed of Hypothecation. The Utility expressly agrees that it shall procure and ensure that the rights of the Supplier hereunder are not prejudiced in any manner whatsoever.

4.2.2 The Utility agrees and undertakes to provide such other documents, certificates and agreements as the Supplier or the Default Escrow Bank may reasonably request in respect of creating a first charge in favour of the Supplier in accordance with Clause 4.2.1.

4.2.3 The Utility may, subject to the provisions of this Agreement and the Deed of Hypothecation, create any other security interest subordinate and secondary to (i) the first charge created in favour of the Supplier over the Revenues routed through the Default Escrow Account or (ii) any part thereof, in favour of any person other than the Supplier for any reason whatsoever.

4.3 Changes in revenue collection

No change shall be made or permitted by the Utility in its business operations or revenue collection policies which would result in the reduction or diversion of Revenues from the Utility Account such that its level falls below 30% (thirty per cent) of the total monthly Revenues of the Utility from any and all sources.

5. OPERATION & MANAGEMENT OF DEFAULT ESCROW ACCOUNT

5.1 General

- 5.1.1 All amounts deposited in the Utility Account shall be applied by the Default Escrow Bank in accordance with this Clause 5. The parties expressly agree that all amounts routed through the Default Escrow Account pursuant to this Agreement shall constitute a part of the Security and shall not constitute payment of the Secured Obligations until applied to the payment thereof as hereinafter provided.
- 5.1.2 In the event of any dispute arising out of this Agreement, the Parties shall have recourse to the dispute resolution mechanism specified in Clause 12:

Provided that pending the full and final resolution of such dispute, the Default Escrow Bank shall retain the disputed amounts in the Default Escrow Account and shall not allow transfer or withdrawal of funds from the Default Escrow Account to the extent of the amount under dispute. Upon full and final settlement of the dispute, either the Utility or the Supplier may bring the decision of the Arbitrator, Commission or court, as the case may be, to the notice of the Default Escrow Bank who shall be bound by such decision and shall carry out such actions as are specified in the decision.

5.2 Deposits by the Utility

The Utility and the Default Escrow Bank agree and undertake that during the period commencing from the 10th (tenth) day and ending on the 30th (thirtieth) day of every month, the Default Escrow Bank shall deposit into the Default Escrow Account by daily transfers from the Utility Account, without any further authorisation or instructions from the Utility, funds aggregating an amount equal to the Maximum Monthly Payment, and shall continue to make such deposits every month until all Secured Obligations, including the obligations arising out of Termination Payment, are fully discharged.

5.3 Irrevocable instructions

The Utility irrevocably directs the Default Escrow Bank, and the Default Escrow Bank agrees to transfer from the Utility Account to the Default Escrow Account on a monthly basis, an amount equal to the Maximum Monthly Payment, and further route and transfer such amounts in the manner and to the extent specified in this Agreement.

5.4 Withdrawals during Operation Period

The Default Escrow Bank shall, during the Contract Period, procure and ensure that on or before the 25th (twenty fifth) day of every month, an amount equal to the Minimum Monthly Payment is retained in the Default Escrow Account for payment in respect of the Monthly Invoice for the preceding month, and the balance remaining may be withdrawn or transferred in accordance with the instructions of the Utility.

5.5 Drawal against Letter of Credit

- 5.5.1 If for any reason whatsoever, any amount due and payable in respect of the Monthly Invoice for and in respect of the preceding month is not paid in accordance with the provisions of the Agreement for Procurement of Power, the Supplier may, at any time after the 27th (twenty seventh) day of the month in which the Payment Due Date shall have occurred, draw on the Letter of Credit, to recover such amount.
- 5.5.2 Notwithstanding anything to the contrary contained in this Agreement, in the event that the amount covered by the Letter of Credit is at any time less than the Minimum Monthly Payment or is insufficient for recovery of payment due against the Monthly Invoice, and there is a failure of the Utility to replenish such shortfall and reinstate the Letter of Credit within a period of 7 (seven) days, the Default Escrow Bank shall transfer or withhold funds from the Default Escrow Account for the purpose of reinstating the Letter of Credit and shall continue such transfer or withholding of funds until the Letter of Credit has been fully replenished and reinstated for an amount equal to the Minimum Monthly Payment.

5.6 Withdrawals upon Termination

- 5.6.1 Upon Termination of the Agreement For Procurement of Power, if the Utility fails to make the Termination Payment due and payable to the Supplier within a period of 30 (thirty) days from the date of demand by the Supplier under and in accordance with the provisions of the Agreement for Procurement of Power, the Supplier may by notice, convey the necessary particulars and instruct the Default Escrow Bank to make the Termination Payment in accordance with this Clause 5.6.
- 5.6.2 Notwithstanding anything to the contrary in this Agreement, upon receipt of a notice from the Supplier under and in accordance with the provisions of Clause 5.6.1, all amounts standing to the credit of the Default Escrow Account and deposited therein from time to time shall, subject to a monthly limit of the Maximum Monthly Payment, be appropriated and transferred to the Escrow Account during each and every month until the Termination Payment and interest thereon are fully paid and discharged in accordance with the provisions of the Agreement for Procurement of Power .
- 5.6.3 The Utility expressly acknowledges and agrees that upon Termination of the Agreement for Procurement of Power, it shall continue to deposit Revenues equal to 30% (thirty per cent) of its total monthly Revenues into the Utility Account in accordance with Clauses 2.4 and 4.1.2, and such Revenues shall, subject to the provisions of Clause 5.6.2, be routed and deposited into the Default Escrow Account by the Default Escrow Bank till the Termination Payment and any interest thereon, have been paid in full. For the avoidance of doubt, the Utility agrees that it shall not take any actions inconsistent with the instructions given hereunder by the Supplier or interfere in any way with the transfer of funds into the Default Escrow Account or with the further transfer of funds to the Escrow Account in accordance with the provisions of this Clause 5.6.

6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Utility

The Utility hereby represents and warrants to the Supplier and the Default Escrow Bank as of the date of this Agreement and at all times that:

- (a) the Utility is a duly constituted entity and is 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 contained in this Agreement;
- (b) this Agreement constitutes valid legal and binding obligations of the Utility, enforceable in accordance with the terms of this Agreement;
- (c) to the best of the knowledge of the Utility, there is no pending or threatened action, suit or proceeding before any court, tribunal or judicial or quasi judicial body or Government that could reasonably be expected to materially and adversely affect the financial condition or operations of the Utility or the ability of the Utility to perform its obligations under this Agreement or which purports to affect the legality, validity or enforceability of this Agreement;
- (d) the execution, delivery and performance of this Agreement by the Utility have been duly authorized by all requisite actions and will not constitute a violation of:
 - (i) any statute, judgment, order, decree or regulation of any court, Government Instrumentality or arbitral tribunal applicable or relating to the Utility, its assets or its business; or
 - (ii) the Utility's constitution or other documents or any indenture, contract or agreement to which it is Party or by which it or its property may be bound;
- (e) no hypothecation, lien, charge, security interest or other encumbrance shall exist over or shall be created over the Revenues of the Utility, routed through the Default Escrow Account pursuant to this Agreement, on and after the date of execution of the Deed of Hypothecation;
- (f) on and after the date of execution of the Deed of Hypothecation, the Utility Lenders do not and shall not have any first ranking security charge, security interest or other encumbrance over the Revenues of the Utility routed through the Default Escrow Account, except a second/and subordinate charge which may be created in their favour in accordance with Clauses 4.2.1 and 4.2.3;
- (g) the schedules, annexes and other attachments attached hereto do not and will not contain any material misstatement of fact which is untrue or omit to state any fact, the omission of which makes or will make any of the

statements therein, in the light of the circumstances under which they were or will be made, misleading in any respect;

- (h) all filings and other actions necessary to create, perfect and protect a first priority security interest and charge with respect to the Security have been duly made or taken or shall be duly made as soon as possible and as of the said date, all such filings and actions shall be in full force and effect;
- (i) the particulars relating to the Utility's Lenders, as specified in Annex-I of this Agreement, shall be complete and accurate in all material respects and all such accounts are held and made in good faith; and
- (j) at least 30% (thirty per cent) of the Utility's total monthly Revenues are deposited in the Utility Account every month and shall continue to be deposited in the Utility Account till the termination of this Agreement in accordance with the terms herein.

6.2 Representations and Warranties of the Default Escrow Bank

The Default Escrow Bank shall represent and warrant to the Utility and the Supplier as of the date of this Agreement and at all times that:

- (a) the Default Escrow Bank is a duly constituted scheduled commercial bank having its head office at and its branch among others, at and validly existing under the laws of India and has all requisite legal power and authority to enter into this Agreement and to perform its duties and obligations hereunder;
- (b) this Agreement constitutes the valid legal and binding obligations of the Default Escrow Bank enforceable in accordance with the terms of this Agreement;
- (c) there are no actions, suits or proceedings pending or threatened, against or affecting the Default Escrow Bank before any court or administrative body or arbitral tribunal that could reasonably be expected to affect adversely and materially the ability of the Default Escrow Bank to perform its duties and obligations under this Agreement;
- (d) the execution delivery and performance of this Agreement has been duly authorised by all requisite action, and will not constitute a violation of:
 - (i) any statute, judgment, order, decree or regulation of any court, Government Instrumentality or arbitral tribunal applicable or relating to the Default Escrow Bank, its assets or its business; or
 - (ii) the Default Escrow Bank's constitution or other documents or any indenture, contract or agreement to which it is a party or by which it or its property may be bound; and

- (e) the Default Escrow Bank is not aware of any other charge or security interest or encumbrance granted over the Revenues of the Utility routed through the Default Escrow Account in favour of any other person other than the Supplier, save and except those created in favour of the Utility's Lenders as specified in Annex-I hereto.

6.3 Representations and Warranties of the Supplier

The Supplier hereby represents and warrants to the Default Escrow Bank and the Utility that:

- (a) it has been duly constituted under the Companies Act, 1956 as amended and is validly existing under the laws of India and has all requisite legal power and authority to enter into this Agreement and to perform its duties and obligations hereunder;
- (b) this Agreement constitutes the valid, legal and binding obligations of the Supplier enforceable in accordance with the terms of this Agreement;
- (c) the execution, delivery and performance of this Agreement by the Supplier has been duly authorized by all requisite action, and will not constitute a violation of:
 - (i) any statute, judgment, order, decree or regulation of any court, Government Instrumentality or arbitration tribunal applicable or relating to the Supplier, its assets or its business; or
 - (ii) the Supplier's constitution or other documents or any indenture, contract or agreement to which it is Party or by which it is Party or by which it or its property may be bound; and
- (d) there are no actions, suits or proceedings pending or threatened, against or affecting the Supplier before any court or administrative body or arbitral tribunal that could reasonably be expected to affect adversely and materially the ability of the Supplier to perform its duties and obligations under this Agreement.

7. UTILITY'S COVENANTS

7.1 The Utility covenants that:

- (a) It shall create and maintain valid, perfected and enforceable first priority and ranking security interest and charge over all of the Security pursuant to the Deed of Hypothecation;
- (b) it shall procure all amendments, approvals, consents or waivers as may be required from the Utility's Lenders and any other financing parties from whom such amendments, approvals, consents or waivers are required, for the creation, maintenance and enforcement of the security interest contemplated hereby or by the Deed of Hypothecation;

- (c) it shall not, on and after the date of the signing of the Deed of Hypothecation, grant or create a first priority security interest, hypothecation, charge, lien, security interest or other encumbrance over the Revenues of the Utility routed through the Default Escrow Account pursuant to this Agreement, throughout the term of this Agreement other than the Security created under the Deed of Hypothecation, in favour of the Supplier, save and except in compliance with the provisions of this Agreement or the Deed of Hypothecation;
- (d) it shall obtain in a timely manner and maintain in full force and effect (or where appropriate, renew) all authorisations that are necessary and that are required to be in the name of the Utility, in connection with:
 - (i) the execution, delivery, performance and observance by the Utility of this Agreement;
 - (ii) the validity, binding effect and enforceability of this Agreement; and the Deed of Hypothecation; and
 - (iii) the creation and perfection of the charge over the Revenues routed through the Default Escrow Account pursuant to this Agreement;
- (e) it shall effect all registrations, recordings, filings and notarisations, which are or may become necessary to enable the performance by the Utility of its obligations under this Agreement and the Deed of Hypothecation;
- (f) it shall execute such further documents, instruments and register or record the same and take any other action necessary to give effect to this Agreement and the Deed of Hypothecation; and
- (g) it shall inform the Supplier of any receipt of notice, claim or legal proceedings instituted against it which might affect the payment obligations as set out in the Agreement.

8 UTILITY ESCROW DEFAULT

8.1 Utility Escrow Default

Following events shall constitute an event of default by the Utility (a “**Utility Escrow Default**”) unless such event of default has occurred as a result of Force Majeure or any act or omission of the Supplier:

- (a) the Utility commits breach of this Agreement by failing to deposit its Revenues equal to 30% (thirty per cent) of its total monthly Revenues in any month into the Utility Account as provided herein and fails to cure such breach by depositing the same into the Utility Account within a period of 5 (five) business days thereof;
- (b) the Utility does not deposit or cause to be deposited an amount equal to the Maximum Monthly Payment into the Default Escrow Account as

provided herein and fails to cure such breach by depositing the same into the Default Escrow Account within a period of 5 (five) business days thereof.

- (c) the Utility causes the Default Escrow Bank to withdraw or transfer funds in breach of the terms of this Agreement and fails to cure such breach by depositing the relevant funds into the Default Escrow Account within a Cure Period of 5 (five) business days;
- (d) the Utility commits or causes any other breach of the provisions of this Agreement and fails to cure the same within a Cure Period of 5 (five) business days;
- (e) the Utility fails to pay the amounts due under any Monthly Invoice either through the Default Escrow Account or the Letter of Credit;
- (f) any representation or warranty made by the Utility in this Agreement shall be or shall have been incorrect in any material respect;
- (g) the amount covered by the Letter of Credit is at any time less than the Minimum Monthly Payment or is insufficient for recovery of payment due against the Monthly Invoice, and there is failure on the part of the Utility to replenish such shortfall and reinstate the Letter of Credit within a period of 7 (seven) days;
- (h) the Supplier is unable to draw on the Letter of Credit pursuant to the failure of the Utility to establish the Letter of Credit in accordance with the Agreement for Procurement of Power; and
- (i) the Utility commits or causes any breach of the provisions of the Deed of Hypothecation and fails to cure the same within a Cure Period of 5 (five) business days.

9 TERMINATION OF DEFAULT ESCROW AGREEMENT

9.1 Duration of the Default Escrow Agreement

This Agreement shall remain in full force and effect so long as any sum remains outstanding from the Utility in respect of the Secured Obligations, unless terminated earlier by consent of all the Parties or otherwise in accordance with the provisions of this Agreement.

9.2 Termination of the Agreement

The Utility may, by no less than 60 (sixty) days prior notice to the Default Escrow Bank and the Supplier, terminate this Agreement and appoint a successor Default Escrow Bank, provided that the successor Default Escrow Bank is acceptable to the Supplier. The termination of this Agreement shall take effect only upon coming into force of a Default Escrow Agreement with the successor Default Escrow Bank and the completion of the procedure set forth in Clause 9.4 to the satisfaction of the Supplier.

9.3 Resignation by the Default Escrow Bank

The Default Escrow Bank may, after giving at least 180 (one hundred eighty) days notice in writing to the Utility and the Supplier resign from acting as Default Escrow Bank for the purposes of this Agreement. In the event of such notice of resignation, the Utility and the Supplier shall forthwith appoint a successor bank as Default Escrow Bank and shall, no later than 60 (sixty) days prior to the effectiveness of such resignation, execute and cause such successor bank to execute a Default Escrow Agreement with the Utility and the Supplier. Provided that if a successor bank acceptable to the Supplier is found within a shorter period, the Supplier and Utility may waive the notice period of 180 (one hundred eighty) days. For the avoidance of doubt, the resignation of the Default Escrow Bank hereunder shall be effective only upon coming into force of a Default Escrow Agreement with the successor Default Escrow Bank and the completion of the procedure set forth in Clause 9.4 to the satisfaction of the Supplier.

9.4 Procedure for substitution

In the event that a successor Default Escrow Bank is appointed under the provisions of Clause 9.2 or 9.3, as the case may be, the Default Escrow Bank shall:

- (i) cease therewith accepting any payments or deposits into the Default Escrow Account;
- (ii) transfer all amounts standing to the credit for the Default Escrow Account to the Default Escrow Account opened with the successor Default Escrow Bank to the satisfaction of the Supplier;
- (iii) when all such amounts have been transferred, close the Default Escrow Account; and
- (iv) within 30 (thirty) days of such closing, provide to the Utility and the Supplier a written report which shall fully reconcile all deposits to, and withdrawals from the Default Escrow Account.

9.5 Default Escrow Bank to continue

Notwithstanding the termination of the Default Escrow Agreement or the resignation of the Default Escrow Bank, as the case may be, the Default Escrow Agreement shall remain in force and the Default Escrow Bank shall continue to discharge its obligations thereunder until a successor Default Escrow Bank has been appointed and its Default Escrow Agreement has become effective upon completion of the procedure set forth in Clause 9.4 to the satisfaction of the Supplier.

9.6 Closure of Default Escrow Account

The Default Escrow Bank shall, at the request of the Utility and the Supplier, made on or after the payment by the Utility of all the Secured Obligations, and

upon confirmation of receipt of such payments, close the Default Escrow Account and any sub-accounts thereunder and pay any amount standing to the credit thereof to the Utility. Upon closure of the Default Escrow Account hereunder, the Default Escrow Agreement shall be deemed to be terminated.

10 SUPPLEMENTARY DEFAULT ESCROW AGREEMENT

10.1 Supplementary default escrow agreement

The Utility shall be entitled to enter into a supplementary default escrow agreement with the Default Escrow Bank providing, *inter alia*, for detailed procedures and documentation in relation to the Default Escrow Account; provided that such supplementary default escrow agreement shall not contain any provision which is inconsistent with this Agreement and in the event of any conflict or inconsistency between provisions of this Agreement and such supplementary agreement, the provisions of this Agreement shall prevail.

11 INDEMNITY

11.1 General indemnity

11.1.1 The Utility will indemnify, defend and hold the Supplier and the Default Escrow Bank harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of any breach by the Utility of any of its obligations under this Agreement or on account of failure of the Utility to comply with Applicable Laws and Applicable Permits.

11.1.2 The Supplier will indemnify, defend and hold the Utility harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Supplier to fulfil any of its obligations under this Agreement, which materially and adversely affects the performance of the Utility's obligations under this Agreement, other than any loss, damage, cost and expense arising out of acts done in discharge of their lawful functions by the Supplier, its officers, servants and agents.

11.1.3 The Default Escrow Bank will indemnify, defend and hold the Utility and the Supplier harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Default Escrow Bank to fulfil its obligations under this Agreement, which materially and adversely affects the performance of the Utility or Supplier's obligations under this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Default Escrow Bank, its officers, servants and agents.

11.2 Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 11.1 or in respect of which it is entitled to reimbursement (the "**Indemnified Party**"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "**Indemnifying Party**") within 15 (fifteen) days of receipt of the claim and shall

not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

12 DISPUTE RESOLUTION

12.1 Dispute resolution

12.1.1 Any dispute, difference or claim arising out of or in connection with this Agreement, which is not resolved amicably, shall be decided finally by reference to arbitration to a Board of Arbitrators comprising one nominee of each Party to the dispute, and where the number of such nominees is an even number, the nominees shall elect another person to such Board. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute Resolution, New Delhi (the “**Rules**”) or such other rules as may be mutually agreed by the Parties, and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.

12.1.2 The Arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The place of arbitration shall be the capital of the State and the language of arbitration shall be English.

13. MISCELLANEOUS PROVISIONS

13.1 Governing law and jurisdiction

This Agreement shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in the State where the headquarter of the Utility is situated shall have jurisdiction over all matters arising out of or relating to this Agreement.

13.2 Waiver of sovereign immunity

The Utility unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Agreement constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Agreement or any transaction contemplated by this Agreement, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Government or the Utility with respect to its assets;

- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

13.3 Priority of agreements

In the event of any conflict between the Agreement for Procurement of Power and this Agreement, the provisions contained in the Agreement for Procurement of shall prevail over this Agreement.

13.4 Alteration of terms

All additions, amendments, modifications and variations to this Agreement shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

13.5 Waiver

13.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Agreement:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Agreement;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Agreement in any manner.

13.5.2 Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement or any obligation thereunder nor time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

13.6 No third party beneficiaries

This Agreement is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

13.7 Survival

13.7.1 Termination of this Agreement:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Agreement expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

13.7.2 All obligations surviving the cancellation, expiration or termination of this Agreement shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Agreement.

13.8 Severability

If for any reason whatever any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared as such by any court or tribunal of competent jurisdiction or any other instrumentality, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 12.1 of this Agreement or otherwise.

13.9 Successors and assigns

This Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

13.10 Continuation of Agreement

Any corporation or association into which the Default Escrow Bank may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its business and assets as a whole or substantially as a whole or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become the successor Default Escrow Bank hereunder without the execution or filing of any agreement, document or instrument of any further act, deed or conveyance on the part of the Parties, anything herein to the contrary notwithstanding.

13.11 Notices

All notices or other communications to be given or made under this Agreement shall be in writing and shall either be delivered personally or sent by courier or registered post with an additional copy to be sent by facsimile or e-mail. The address for service of each Party, its facsimile number and e-mail address are set out under its name on the signing pages hereto. A notice shall be effective upon actual receipt thereof, save that where it is received after 5.30 (five thirty) p.m. on a business day, or on a day that is not a business day, the notice shall be deemed

to be received on the first business day following the date of actual receipt. Without prejudice to the foregoing, a Party giving or making a notice or communication by facsimile or e-mail shall promptly deliver a copy thereof personally, or send it by courier or registered post to the addressee of such notice or communication. It is hereby agreed and acknowledged that any Party may by notice change the address to which such notices and communications to it are to be sent. Such change shall be effective when all the Parties have notice of it.

13.12 Specimen signatures

As soon as practicable but in no event later than 15 (fifteen) days from the date of this Agreement, the Utility and the Supplier shall deliver to each other and to the Default Escrow Bank, specimen signatures of their respective authorised officers duly attested by their respective banks for the purposes of this Agreement. The Utility and the Supplier shall have the right to change their respective authorised officers by delivering specimen signatures of their new authorised officers.

13.13 Language

All notices, certificates, correspondence and proceedings under or in connection with this Agreement shall be in English.

13.14 Authorised representatives

Each of the Parties shall, by notice in writing, designate their respective authorised representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorised representative by similar notice.

13.15 Original Document

This Agreement may be executed in 4 (four) counterparts, each of which when executed and delivered shall constitute an original of this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

THE COMMON SEAL OF SUPPLIER has been affixed pursuant to the resolution passed by the Board of Directors of the Supplier at its meeting held on the.... day of 20.... hereunto affixed in the presence of...., Director, [who has signed these presents in token thereof and...., Company Secretary / Authorised Officer who has countersigned the same in token thereof][£]:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

SIGNED, SEALED
AND
DELIVERED
For and on behalf of
THE DEFAULT
ESCROW BANK by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

SIGNED, SEALED
AND
DELIVERED
For and on behalf of
THE UTILITY by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

In the presence of:

- 1.
- 2.

[£] To be affixed in accordance with the articles of association of the Supplier and the resolution passed by its Board of Directors
MAPP / Medium Term /FOO /29th January 2019

Annex- I
(Schedule-C)

Utility's Lenders

Serial. No.	Particulars of Lenders	Amount for which charge created	Brief description of assets financed against first charge

SCHEDULE – D
(See Clause 13.1.2)

DEED OF HYPOTHECATION

THIS DEED OF HYPOTHECATION is entered into on this theday of20....

BETWEEN

1. Limited, a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at(hereinafter referred to as the “**Supplier**” which expression shall, unless repugnant to the context or meaning thereof, include its successors, permitted assigns and substitutes);
2. The Distribution Company represented by and having its principal offices at.... (hereinafter referred to as the “**Utility**” which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and permitted assigns).

WHEREAS:

- (A) The Utility has entered into a agreement dated.... with the Supplier (the “**Agreement for Procurement of Power**”) for supply of MW of electricity from the Power Station at in the State of and a copy of which is annexed hereto and marked as Annex-A to form part of this Agreement.
- (B) To secure the Utility’s payment obligations to the Supplier under and in accordance with the Agreement for Procurement of Power, the Utility is required to establish a default escrow mechanism, *inter alia*, on the terms and conditions stated therein and in the Default Escrow Agreement dated entered into between the Parties and the Default Escrow Bank, a copy of which is annexed hereto and marked as Annex-B to form part of this Agreement.
- (C) To further secure the Secured Obligations, the Utility has agreed to grant a charge and security interest in favour of the Supplier on the Utility’s right, title and interest on and in the Default Escrow Account and all funds, amounts, deposits and monies deposited therein, in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth in this Agreement, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively assigned to them:

“**Deed**” means this Deed of Hypothecation and any amendment thereto made in accordance with the provisions contained herein;

“**Default Escrow Agreement**” shall have the meaning set forth in Recital B of this Deed;

“**Hypothecated Interest**” shall have the meaning ascribed thereto in Clause 2.2.1 of this Deed;

“**Agreement for Procurement of Power**” shall have the meaning set forth in Recital A of this Deed;

1.2 Interpretation

1.2.1 The words and expressions beginning with capital letters and defined in this Deed shall have the meaning ascribed thereto herein, and the words and expressions used in this Deed and not defined herein but defined in the Agreement for Procurement of Power or the Default Escrow Agreement shall, unless repugnant to the context, have the meaning ascribed thereto in the Agreement for Procurement of Power or the Default Escrow Agreement, as the case may be.

1.2.2 References to Clauses are, unless stated otherwise, references to Clauses of this Deed.

1.2.3 The rules of interpretation stated in Clauses 1.2, 1.3 and 1.4 of the Agreement for Procurement of Power shall apply, *mutatis mutandis*, to this Deed.

2 SECURITY INTEREST

2.1 Covenant to pay

In consideration of the Supplier having entered into the Agreement for Procurement of Power and agreeing to make available to the Utility the Contracted Capacity, subject to the terms and conditions set out in the Agreement for Procurement of Power, the Utility hereby covenants with the Supplier that it shall pay to the Supplier all the Secured Obligations in the manner set out in the Agreement for Procurement of Power.

2.2 Creation of Charge

2.2.1 As security for the payment of the Secured Obligations when due in accordance with the Agreement for Procurement of Power, the Utility, as the legal and/or beneficial owner of the Hypothecated Interest hereby hypothecates by way of first priority charge in favour of the Supplier, all right, title, interest, benefit, claims and demands whatsoever of the Utility in respect of the Revenues deposited into the Default Escrow Account, but not exceeding the Maximum Monthly Payment for and in respect of any month (collectively, the “**Hypothecated Interest**”).

2.2.2 The charge created pursuant to this Clause 2.2 by the Utility over the Hypothecated Interest in favour of the Supplier is a floating charge and it shall not hinder the Utility from selling, leasing or otherwise disposing of or dealing with the Hypothecated Interest or any part thereof, save and except as provided in Clause 3.1.

Provided that the floating charge created pursuant to this Clause 2.2 shall forthwith and automatically be converted into a fixed charge upon the occurrence of any Utility Escrow Default.

- 2.2.3 At any time after a Utility Escrow Default occurs and is continuing, the Supplier shall have the authority to act upon and enforce the provisions of this Deed in accordance with the provisions hereof and the Agreement for Procurement of Power.
- 2.2.4 Following the occurrence of a Utility Escrow Default, the Supplier shall not, save and except as may be required under the Agreement for Procurement of Power, be obliged before taking steps to enforce the Security constituted by or pursuant to this Deed to:
- (a) take action or obtain judgement or any arbitration award against the Utility in any court or before any arbitrator;
 - (b) make or file any claim or proof in a winding up or dissolution of the Utility; and
 - (c) exercise any legal remedies, which may be available to it under or in respect of the Agreement for Procurement of Power.

2.3 Release of Charge

- 2.3.1 Upon termination of the Agreement for Procurement of Power in terms thereof, the first priority charge created under Clause 2.2 shall be released and vacated on the date when all the Secured Obligations have been paid in full.
- 2.3.2 In case of the occurrence of the events described in Clause 2.3.1, the Supplier shall, at its own costs and expense, forthwith:
- (a) cede the benefit of the first priority charge on and security interest in the Hypothecated Interest;
 - (b) re-assign, retransfer or re-convey to the Utility, or as it may direct, the Hypothecated Interest; and
 - (c) execute all such documents and do all such other acts as may be required by the Utility in connection with the release of the benefit of the charge on and security interest in the Hypothecated Interest.

3 FURTHER ENCUMBRANCES

- 3.1 Except for the charge created under this Deed and permitted under Clause 2.2, the Utility shall not, without the prior written consent of the Supplier, which may be granted or rejected in its sole and absolute discretion within thirty (30) days of receipt of a request in this regard from the Utility, create or suffer any mortgage, charge, lien or encumbrance in or to the Hypothecated Interest or any part thereof or do or allow anything that may prejudice this charge on the Hypothecated Interest.

- 3.2 The Utility shall be entitled to create a subordinate/second charge in favour of the Utility's Lenders or any other entity over the Hypothecated Interest, provided, however, that the Utility shall procure and ensure that the rights of the Supplier under this Deed are not prejudiced in any manner.

4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Utility

The Utility hereby represents and warrants to the Supplier as of the date of this Deed and at all times that:

- (a) the Utility is a duly constituted entity and is validly existing under the laws of India and has all requisite legal power and authority to execute this Deed and to carry out the terms, conditions and provisions contained in this Agreement;
- (b) this Deed constitutes valid legal and binding obligations of the Deed, enforceable in accordance with the terms of this Deed;
- (c) the charge and security interest created hereunder constitute a first priority security interest in favour of the Supplier;
- (d) based on available records, the Revenues are believed by the Utility to be true and bonafide and fully collectible Revenues generated in the ordinary course of business of the Utility and the Utility has full right and interest in the Revenues;
- (e) to the best of its knowledge, there is no pending or threatened action, suit or proceeding before any court, tribunal or judicial or quasi judicial body or Government that could reasonably be expected to materially and adversely affect the financial condition or operations of the Utility or the ability of the Utility to perform its obligations under this Deed or which purports to affect the legality, validity or enforceability of this Deed;
- (f) the execution, delivery and performance of this Deed by the Utility have been duly authorised by all requisite actions and will not constitute a violation of:
 - (i) any statute, judgment, order, decree or regulation of any court, Government Instrumentality or arbitral tribunal applicable or relating to the Utility, its assets or its business; or
 - (ii) the Utility's constitution or other documents or any indenture, contract or agreement to which it is Party or by which it or its property may be bound;
- (g) no hypothecation, lien, charge, security interest or any other encumbrance shall exist over or shall be created over the Revenues of the Utility routed

through the Default Escrow Account after the date hereof, except as permitted under this Deed;

- (h) as of the date hereof and until the expiry of this Deed, the Utility Lenders or any other entity do not and shall not have any first ranking charge, security interest or other encumbrance over the Revenues of the Utility routed through the Default Escrow Account, except a second/and subordinate charge which may be created in their favour in accordance with the provisions of Clauses 3.1 and 3.2; and
- (i) the schedules, annexes and other attachments attached hereto do not and will not contain any material misstatement of fact which is untrue or omit to state any fact, the omission of which makes or will make any of the statements therein, in the light of the circumstances under which they were or will be made, misleading in any respect.

4.2 Representations and Warranties of the Supplier

The Supplier hereby represents and warrants to the Utility that:

- (a) it has been duly constituted under the Companies Act, 1956 as amended and is validly existing under the laws of India and has all requisite legal power and authority to enter into this Deed and to perform its duties and obligations hereunder;
- (b) this Deed constitutes the valid, legal and binding obligations of the Supplier enforceable in accordance with the terms of this Deed; and
- (c) the execution, delivery and performance of this Deed by the Supplier has been duly authorised by all requisite action, and will not constitute a violation of:
 - (i) any statute, judgment, order, decree or regulation of any court, Government Instrumentality or arbitration tribunal applicable or relating to the Supplier, its assets or its business; or
 - (ii) the Supplier's constitution or other documents or any indenture, contract or agreement to which it is Party or by which it is Party or by which it or its property may be bound.

5. UTILITY'S COVENANTS

5.1 The Utility covenants that during the term of this Deed:

- (a) it shall do all acts and things as may be reasonably required or appropriate to give effect to the charge/security interest created in favour of the Supplier on and in the Hypothecated Interest and take all steps to maintain such charge and security interest in full force and effect on and in the Hypothecated Interest;

- (b) it shall obtain and maintain at its own expense any license, permission, consent or authorisation and pay any taxes or duties, including without limitation, stamp duties, which may be required in order to create, maintain and preserve the charge/security interest granted under this Deed and to enable the Supplier to have the full benefit of this Deed;
- (c) it shall procure all amendments, approvals, consents or waivers as may be required from the Utility's Lenders and any other financing parties from whom such amendments, approvals, consents or waivers are required, for the creation, maintenance and enforcement of the charge/security interest contemplated hereby;
- (d) it shall not grant or create a first priority security interest, hypothecation, charge, lien, security interest or any other encumbrance over the Revenues of the Utility routed through the Default Escrow Account pursuant to the Default Escrow Agreement, throughout the term of this Deed other than the Security created hereunder in favour of the Supplier, save and except in compliance with the provisions of this Deed;
- (e) it shall obtain in a timely manner and maintain in full force and effect (or where appropriate, renew) all authorisations that are necessary and that are required to be in the name of the Utility, in connection with:
 - (i) the execution, delivery, performance and observance by the Utility of this Deed;
 - (ii) the validity, binding effect and enforceability of this Deed; and
 - (iii) the creation and perfection of the charge, over the Revenues routed through the Default Escrow Account, pursuant to this Deed;
- (f) it shall effect all registrations, recordings, filings and notarisations, which are or may become necessary to enable the performance by the Utility of its obligations under this Deed;
- (g) it shall execute such further documents, instruments and register or record the same and take any other action necessary to give effect to this Deed ;
- (h) it shall inform the Supplier of any receipt of notice, claim or legal proceedings instituted against it which might affect the payment obligations as set out in this Deed;
- (i) deposit or cause to be deposited in the Utility Account the Revenues immediately upon the receipt thereof; and
- (j) after the occurrence and during the continuance of a Utility Escrow Default, deliver to the Supplier (not later than the second business day of each month) copies of summary statements of the Revenues received during the immediately preceding month.

6. FURTHER ACTIONS

The Utility shall, from time to time, upon the request of the Supplier, promptly and duly execute or procure the execution of all such further documents and conduct such filings and registration, and take any other action (at the sole expense of the Supplier) as the Supplier may reasonably require in order that the Supplier may obtain the full benefit of the charge created by this Deed and of the rights and powers hereby granted.

7 INDEMNITY

7.1 General indemnity

7.1.1 The Utility will indemnify, defend and hold the Supplier harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of any breach by the Utility of any of its obligations under this Deed or on account of failure of the Utility to comply with Applicable Laws and Applicable Permits.

7.1.2 The Supplier will indemnify, defend and hold the Utility harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Supplier to fulfil any of its obligations under this Deed, which materially and adversely affects the performance of the Utility's obligations under this Deed, other than any loss, damage, cost and expense arising out of acts done in discharge of their lawful functions by the Supplier, its officers, servants and agents.

7.2 Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the "**Indemnified Party**"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "**Indemnifying Party**") within 15 (fifteen) days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

8. CONTINUING SECURITY

8.1 The Security created by this Deed shall be a continuing security for the performance and discharge of the Secured Obligations and the security so created shall:

- (a) not be set aside by any intermediate payment or satisfaction of any part of the amount hereby secured; and

- (b) be in addition to and shall not in any way be prejudiced or affected by any collateral or other security now or hereafter held by the Supplier for all or any part of the Secured Obligations.

8.2 The charge granted hereby and the rights, powers and remedies conferred on the Supplier by this Deed or by Applicable Laws shall not be discharged, impaired or otherwise affected by:

- (a) any time or other indulgence given or agreed to be given by the Supplier to the Utility or to any other party providing Security for the Secured Obligations;
- (b) any amendment to the Agreement for Procurement of Power or the Default Escrow Agreement not agreed to by the Supplier;
- (c) any release or exchange of Security or obligations granted or undertaken pursuant to the Agreement for Procurement of Power or the Default Escrow Agreement or any documents connected therewith;
- (d) any other act, event or omission which but for this provision would impair or discharge the Utility's liability hereunder; and
- (e) any change in the structure or organisation of the Utility as a result of a Change in Law, insolvency of the Utility or otherwise.

9 DISPUTE RESOLUTION

9.1 Dispute resolution

9.1.1 Any dispute, difference or claim arising out of or in connection with this Deed, which is not resolved amicably, shall be decided finally by reference to arbitration to a Board of Arbitrators comprising one nominee of each Party to the dispute, and where the number of such nominees is an even number, the nominees shall elect another person to such Board. Such arbitration shall be held in accordance with the Rules of Arbitration of the International Centre for Alternate Dispute Resolution, New Delhi (the "**Rules**") or such other rules as may be mutually agreed by the Parties, and shall be subject to the provisions of the Arbitration and Conciliation Act, 1996.

9.1.2 The Arbitrators shall issue a reasoned award and such award shall be final and binding on the Parties. The place of arbitration shall be the capital of the State and the language of arbitration shall be English.

10. MISCELLANEOUS PROVISIONS

10.1 Governing law and jurisdiction

This Deed shall be construed and interpreted in accordance with and governed by the laws of India, and the courts in the State where headquarter of the Utility is situated shall have jurisdiction over all matters arising out of or relating to this Deed.

10.2 Waiver of sovereign immunity

The Utility unconditionally and irrevocably:

- (a) agrees that the execution, delivery and performance by it of this Deed constitute commercial acts done and performed for commercial purpose;
- (b) agrees that, should any proceedings be brought against it or its assets, property or revenues in any jurisdiction in relation to this Deed or any transaction contemplated by this Deed, no immunity (whether by reason of sovereignty or otherwise) from such proceedings shall be claimed by or on behalf of the Government or the Utility with respect to its assets;
- (c) waives any right of immunity which it or its assets, property or revenues now has, may acquire in the future or which may be attributed to it in any jurisdiction; and
- (d) consents generally in respect of the enforcement of any judgement or award against it in any such proceedings to the giving of any relief or the issue of any process in any jurisdiction in connection with such proceedings (including the making, enforcement or execution against it or in respect of any assets, property or revenues whatsoever irrespective of their use or intended use of any order or judgement that may be made or given in connection therewith).

10.3 Priority of agreements

In the event of any conflict between the Agreement for Procurement of Power and this Agreement, the provisions contained in this Deed shall prevail over the Agreement for Procurement of Power.

10.4 Alteration of terms

All additions, amendments, modifications and variations to this Deed shall be effectual and binding only if in writing and signed by the duly authorised representatives of the Parties.

10.5 Waiver

10.5.1 Waiver by any Party of a default by another Party in the observance and performance of any provision of or obligations under this Deed:

- (a) shall not operate or be construed as a waiver of any other or subsequent default hereof or of other provisions of or obligations under this Deed;
- (b) shall not be effective unless it is in writing and executed by a duly authorised representative of the Party; and
- (c) shall not affect the validity or enforceability of this Deed in any manner.

10.5.2 Neither the failure by any Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Deed or any obligation thereunder nor

time or other indulgence granted by any Party to another Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right hereunder.

10.6 No third party beneficiaries

This Deed is solely for the benefit of the Parties and no other person or entity shall have any rights hereunder.

10.7 Survival

10.7.1 Termination of this Deed:

- (a) shall not relieve the Parties of any obligations hereunder which expressly or by implication survive termination hereof; and
- (b) except as otherwise provided in any provision of this Deed expressly limiting the liability of either Party, shall not relieve either Party of any obligations or liabilities for loss or damage to the other Party arising out of, or caused by, acts or omissions of such Party prior to the effectiveness of such termination or arising out of such termination.

10.7.2 All obligations surviving the cancellation, expiration or termination of this Deed shall only survive for a period of 3 (three) years following the date of such termination or expiry of this Deed.

10.8 Severability

If for any reason whatever any provision of this Deed is or becomes invalid, illegal or unenforceable or is declared as such by any court or tribunal of competent jurisdiction or any other instrumentality, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties will negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as nearly as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to dispute resolution under Clause 9.1 of this Deed or otherwise.

10.9 Successors and assigns

This Deed shall be binding on and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

10.10 Continuation of Deed

Any corporation or association into which the Utility may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its business and assets as a whole or substantially as a whole or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become the successor Utility hereunder without the execution or filing of any agreement, document or instrument of any

further act, deed or conveyance on the part of the Parties, anything herein to the contrary notwithstanding.

10.11 Notices

All notices or other communications to be given or made under this Deed shall be in writing and shall either be delivered personally or sent by courier or registered post with an additional copy to be sent by facsimile or e-mail. The address for service of each Party, its facsimile number and e-mail address are set out under its name on the signing pages hereto. A notice shall be effective upon actual receipt thereof, save that where it is received after 5.30 (five thirty) p.m. on a business day, or on a day that is not a business day, the notice shall be deemed to be received on the first business day following the date of actual receipt. Without prejudice to the foregoing, a Party giving or making a notice or communication by facsimile or e-mail shall promptly deliver a copy thereof personally, or send it by courier or registered post to the addressee of such notice or communication. It is hereby agreed and acknowledged that any Party may by notice change the address to which such notices and communications to it are to be sent. Such change shall be effective when all the Parties have notice of it.

10.12 Specimen signatures

As soon as practicable but in no event later than 15 (fifteen) days from the date of this Deed, the Utility and the Supplier shall deliver to each other and to the Default Escrow Bank, specimen signatures of their respective authorised officers duly attested by their respective banks for the purposes of this Agreement. The Utility and the Supplier shall have the right to change their respective authorised officers by delivering specimen signatures of their new authorised officers.

10.13 Language

All notices, certificates, correspondence and proceedings under or in connection with this Deed shall be in English.

10.14 Authorised representatives

Each of the Parties shall, by notice in writing, designate their respective authorised representatives through whom only all communications shall be made. A Party hereto shall be entitled to remove and/or substitute or make fresh appointment of such authorised representative by similar notice.

10.15 Original Document

This Deed may be executed in 4 (four) counterparts, each of which when executed and delivered shall constitute an original of this Deed.

10.16 Effectiveness

This Deed shall become effective on and from the date hereof.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

THE COMMON SEAL OF SUPPLIER
has been affixed pursuant to the
resolution passed by the Board of
Directors of the Supplier at its meeting
held on the.... day of 20.... hereunto
affixed in the presence of....., Director,
[who has signed these presents in token
thereof and....., company Secretary /
Authorised Officer who has
countersigned the same in token
thereof][£]:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

SIGNED, SEALED AND
DELIVERED
For and on behalf of
THE UTILITY by:

(Signature)
(Name)
(Designation)
(Address)
(Fax No.)
(e-mail address)

[£] To be affixed in accordance with the articles of association of the Supplier and the resolution passed by its Board of Directors.
MAPP / Medium Term /FOO /29th January 2019

SCHEDULE –E
(See Clause 13.2.1)
LETTER OF CREDIT

DATE:

TO: Limited (the “**Supplier**”)

FROM: (Specify the name and address of the bank issuing the Letter of Credit)^{\$}
(the “**Bank**”)

The Bank hereby issues this unconditional, irrevocable and revolving monthly letter of credit (the “**Letter of Credit**”) No.... in favour of the Supplier named above, subject to the following terms and conditions:

1. On the instructions of the Utility, we hereby establish this Letter of Credit in favour of the Supplier in the maximum aggregate amount of Rs.Rupees....)^{\$\$} (the “**Monthly Payment**”), payable not more than once in a month upon notice received from the Supplier to this effect.
2. The Letter of Credit shall come into force with effect from...., 20.... and shall be valid and effective upto the 31st (thirty first) day of March, 20.... (indicate the year) falling after the year in which the Letter of Credit is issued (the “**Expiry Date**”), and shall be automatically and compulsorily renewed every year by the Bank, 2 (two) months prior to the date of expiry, for the period of the financial year that commences immediately after the Expiry Date, and shall continue to be so renewed until the end of the Contract Period. The date of expiry for the renewed period hereunder shall be deemed to be the Expiry Date for the purposes hereof.
3. This Letter of Credit provides security to the Supplier for the payment obligations of the Utility under an Agreement for Procurement of Power datedentered into between the Utility and the Supplier (the “**Agreement for Procurement of Power**”) for supply of MW of electricity from the Power Station owned and operated by the Supplier in the State of
4. Any reference to the Agreement for Procurement of Power or other agreement is for information only and does not in any way incorporate the terms and conditions of such Agreement for Procurement of Power or agreement into the terms and conditions of this Letter of Credit.
5. The Supplier may draw upon this Letter of Credit by presenting a written demand for payment (by way of mail, courier or by hand) to the Bank along with the following documents:

^{\$} As provided in Article 13 of the Agreement for Procurement of Power, the bank issuing the Letter of Credit should be the bank which has been appointed as the Default Escrow Bank under the Default Escrow Agreement

^{\$\$} As provided in the Agreement for Procurement of Power, this amount shall be equal to 20% of the annual Capacity Charge payable by the Utility to the Supplier for Normative Availability of the power station during a period of one month. The Letter of Credit shall be modified and renewed once every year to reflect the revision in Minimum Monthly Payment in accordance with the provisions of the Agreement

- (i) a copy of the Monthly Invoice (as defined in the Agreement for Procurement of Power) issued by the Supplier to the Utility, any amounts whereof have remained unpaid; and
 - (ii) a certificate from the Supplier, under the hand of an Officer not below the rank of a Director of the Supplier, to the effect that the Monthly Invoice (as defined in the Agreement for Procurement of Power) is in accordance with the Agreement for Procurement of Power and that the amount due has remained unpaid and has not been disputed by the Utility.
6. The Bank shall honour such demand for payment, subject to it being compliant with the terms hereof, without inquiring whether the Supplier has a right as between itself and the Utility to make such demand. Payment hereunder shall be made within 2 (two) business days after receipt of the demand for payment.
7. If a demand for payment or the aforesaid accompanying documents do not conform to the provisions of this Letter of Credit, we shall give immediate notice to the Supplier that the demand for payment or the aforesaid documents, as the case may be, were not effected in accordance with the Letter of Credit, stating the reasons thereof and also specifying what the Supplier is required to do for making effective its demand for payment in accordance with the Letter of Credit.
8. The Expiry Date of this Letter of Credit shall be deemed to be automatically extended, 2 (two) months prior to its Expiry Date, without any act or deed, for an additional period of 1 (one) financial year from the respective Expiry Date, unless at least 180 (one hundred and eighty) days prior to any Expiry Date, the Bank gives notice in writing to the Supplier and the Utility that the Bank elects not to renew this Letter of Credit for any such additional period, in which case immediately after the Expiry Date of this Letter of Credit, the Bank shall cease to be the Default Escrow Bank under and in accordance with the provisions of the Default Escrow Agreement dated, entered into between the Bank, the Utility and the Supplier.
9. Partial drawal shall be permitted hereunder, provided that the maximum drawdown in any month shall not exceed the Monthly Payment.
10. The Utility shall cause the Letter of Credit to be replenished to the equivalent of Monthly Payment within 7 (seven) days of a drawdown.
11. All payments made under this Letter of Credit will be free and clear of, and without deduction for, any present or future fees, taxes, restrictions or conditions of any nature, and without setoff or counterclaim for any reason, except as required by law.
12. All costs and expenses in connection with this Letter of Credit are to be on account of the Utility.

13. Save and except as otherwise expressly stated, this Letter of Credit is subject to the International Standby Practice, ISP 98, International Chamber of Commerce Publication No. 590.
14. This Letter of Credit is governed by the Laws of India.
15. All notices, demand for payments and communications in regard to this Letter of Credit are to be given in writing at the addresses below:
- To: (Name of Utility representative)
 (Designation)
 (Address, telephone and fax numbers)
- To: (Name of the Bank representative)
 (Designation)
 (Address, telephone and fax numbers)
- To: (Name of the Supplier representative)
 (Designation)
 (Address, telephone and fax numbers)

Signed and sealed this.... day of20.... at

SIGNED, SEALED AND DELIVERED
 For and on behalf of
 the BANK by:

(Signature)
 (Name)
 (Designation)
 (Code Number)
 (Address)

NOTES:

- (i) The Letter of Credit should contain the name, designation and code number of the officer(s) signing the Letter of Credit.
- (ii) The address, telephone number and other details of the Head Office of the Bank as well as of issuing Branch should be mentioned on the covering letter of issuing Branch.

Appendices

APPENDIX-I
LIST OF BID-SPECIFIC CLAUSES[£]

A. Provisions with currency-based footnotes

Footnotes with “£” sign

1. Agreement for Procurement of Power: Signature Page
2. Schedule-C: Default Escrow Agreement: Signature page..
3. Schedule-D: Deed of Hypothecation: signature Page.
4. Appendix-I: List of Bid-Specific Clauses.

Note: The above footnotes marked “£” shall be removed prior to execution of the Agreement for Procurement of Power.

Footnotes with “\$” or “\$\$” signs

1. Clause 5.5: Obligation relating to Transmission .
2. Clause 11.2: Base Fixed Charge
3. Clause 12.2: Base Variable Charge.
4. Schedule-A (Annex-I): Site of the Power Station.
5. Schedule –E: Letter of Credit: Form; and Paragraph 1.

Note: Non-numerical footnotes marked “\$” or “\$\$” shall not be deleted. They shall remain in the Agreement for Procurement of Power to be executed between the Parties.

B. Provisions where curly brackets are used

1. Clause 7.1 (m): Representations and warranties of the Supplier
2. Clause 25.13 (a) and (b): Notices
3. Schedule-A (Annex-I): Site of the Power Station: Paragraph 1.

C. Provisions with blank spaces

1. Recitals: First line, Recitals 2 and D.
2. Clause 5.5: Obligations relating to transmission charges.
3. Clause 11.2: Base Fixed Charge.
4. Clause 12.3: Base Variable Charge.
5. Clause 12.3: Variable Charge.
6. Agreement for Procurement of Power: Signature page.

D. Schedules with blank spaces

All blank spaces in Schedules shall be retained in the Agreement for Procurement of Power to be executed between the Parties. These shall be filled up as and when the format of the respective Schedule is used.

[£] This Appendix-I contains a list of provisions that would need to be suitably modified for reflecting bid-specific provisions after the Supplier has been selected. This Appendix-I may be included in the draft Agreement for Procurement of Power forming part of the bid documents. It may however, be deleted when the Agreement for Procurement of Power is to be executed.

Note: The Table of Contents may also be suitably modified to reflect omission(s) and/or re-numbering of Bid-specific provisions.

APPENDIX-II
LIST OF PROJECT-SPECIFIC CLAUSES⁴⁵

A. Clauses with serially numbered Footnotes (Fn)

1. Heading of the Agreement for Procurement of Power (Fn. 1).
2. Recital A (Fn. 2)
3. Recital E (Fn. 3 and 4)
4. Clause 2.1.(a): (Fn. 5)
5. Clause 3.1.1: The Procurement Contract (Fn. 6 and 7): Also address definition of Contract Period and other timelines.
6. Clause 3.1.2 (Fn. 8 and 9)
7. Clause 4.1.2 (d) (Fn. 10)
8. Clause 4.1.2 (e) (Fn. 11)
9. Clause 4.1.3 (e) (Fn. 12)
10. Clause 5.1.4: Obligation of the Supplier (Fn. 13)*.
11. Clause 5.10 (Fn. 14)
12. Clause 9.1.1: Performance Security (Fn. 15)*.
13. Clause 10.1: Contracted Capacity (Fn. 16)*: Also address Clause 10.4 and the definition of Peak Hours.
14. Clause 10.4: Supply during Peak Hours (Fn. 17)*.
15. Clause 10.5: Supply during Off-Peak Hours (Fn. 18)*
16. Clause 11.2: Based Fixed Charge (Fn. 19)*
17. Clause 11.4.2: Computation of Fixed Charge (Fn. 20)*. Also address clause 11.4.3.
18. Clause 12.2: Base Variable charge (Fn. 21 & 22)*.
19. Clause 12.3: Computation of Variable Charge (Fn. 23 to 32)*.
20. Clause 12.4: Shortage of Fuel (Fn. 33).
21. Clause 14.4: Ramp Up of dispatch (Fn. 34)
22. Clause 18.3 (Fn. 35)
23. Clause 19.3: Termination Payment (Fn. 36 and 37)*
24. Clause 19.6 (Fn. 38)
25. Clause 21.1: Increase in Cost (Fn. 39): Also address Clauses 21.2.
26. Clause 26.1: Definition of Fuel (Fn. 40, 41 and 42)*.
27. Appendix-II: List of Project-Specific Clauses (Fn. 46).

***Note:** The Clauses to which these Footnotes relate also include square parenthesis or asterisks, which may be addressed simultaneously. Such square parenthesis or asterisks have not been listed in (B) or (C) below.

B. Clauses with square parenthesis

1. Clause 12.6: Take or Pay supply of Fuel.
2. Clause 17.2 (d): Non-Political Event.
3. Clause 26.1: Definitions of Captive Mine, Fuel Supply Agreement and Project Assets.

⁴⁵ This Appendix-II contains a list of provisions that would need to be suitably modified prior to issue of bid documents for reflecting project-specific provisions. This Appendix-II should be omitted before issuing the draft MAPP, forming part of the Bid documents

C. Clauses with asterisks

1. Recitals; Recitals 1, A, B and C.

D. Schedules with Footnotes and square parenthesis

1. Schedules A relate to the physical and technical aspects of the Project and contain several Notes, Footnotes and square parenthesis. These Schedules require a comprehensive and integrated scrutiny for Project-specific customisation.
2. Schedule-B: Performance Security: Recitals A and B.
3. Schedule-C: Default Escrow Agreement: Signature page.
4. Schedule-D: Deed of Hypothecation: Signature page.

Note: The Table of Contents may also be suitably modified to reflect omission(s) and/or re-numbering of Project-specific Clauses.