

भारतीय गैर न्यायिक

एक सौ रुपये

Rs. 100

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सत्यमेव जयते

ONE
HUNDRED RUPEES

भारत INDIA
INDIA NON JUDICIAL

उत्तर प्रदेश UTTAR PRADESH

AR 424062

POWER PURCHASE AGREEMENT

BETWEEN

NTPC LIMITED

AND

UTTAR PRADESH POWER CORPORATION LIMITED

FOR

SINGRAULI SMALL HYDRO POWER STATION

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at Lucknow on the eighteenth day of July, Two Thousand Eleven (18/07/2011) between NTPC Limited, a Company incorporated under the Companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part; and Uttar Pradesh Power Corporation Limited, having its Head Office at Shakti Bhawan, 14, Ashok Marg, Lucknow-226001 (hereinafter called UPPCL) which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part. Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

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U. P. P. C. L.
Shakti Bhawan Extn
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WHEREAS NTPC is a Generating Company as defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise.

AND WHEREAS NTPC is setting up a small hydro project named as Singrauli Small Hydro Power Project (capacity of 2X4 MW= 8 MW) at P.O. Shaktinagar in Sonebhadra district of Uttar Pradesh State hereinafter specifically referred to as " SSHPP " and generally be referred to as "Station" to be owned and operated by NTPC. The SSHPP shall be installed on CW outlet of existing NTPC Singrauli Thermal Power Station.

AND WHEREAS UPPCL is desirous of purchasing electricity from the Station and NTPC is willing to sell electricity from the Station to UPPCL from the date of commissioning of each unit on mutually agreed terms and conditions mentioned hereunder.

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


1.0 DEFINITIONS

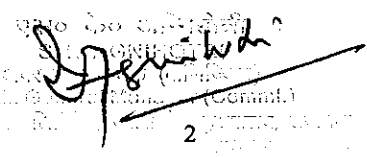
- (a) The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed thereunder and Regulations issued by CERC from time to time.
- (b) The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

Act; 2003 The Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.

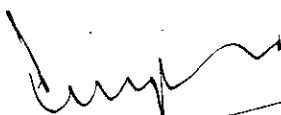
Agreement to Hypothecate cum Deed of Hypothecation Shall have the meaning as ascribed under article 6.2.8 of this PPA.

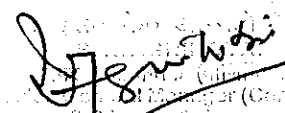
Billing Centre The office / RHQ as intimated by NTPC to UPPCL from where the bills will be raised on them.


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CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission or any other Competent Authority entrusted with the functions of CERC
CTU	Central Transmission Utility.
Charges for Supply of Electricity	Mean and include all charges including the Tariff to be paid by UPPCL in respect of supply of electricity to them from the Station in accordance with the provisions of this Agreement.
Competent Court of Law	shall mean any court or tribunal or any similar judicial or quasi-judicial body in India that has jurisdiction to adjudicate upon issues relating to this Agreement;
Commercial Operation Date	'Date of Commercial Operation' or 'COD' in relation to a unit means the date declared by NTPC after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) through a successful trial run after notice to bulk power customer(s) and in relation to the generating station the date of commercial operation means the date of commercial operation of last unit of station.
Contracted Capacity	Capacity contracted by the UPPCL under this Agreement under Article 2.2
Effective Date	Means the date of signing of this Agreement .
Energy Account (EA)	Periodic Energy Account issued by NRPC/ NRLDC/SLDC including amendments thereof.
Escrow Agreement	Shall have the meaning as ascribed under article 6.2.8 of this PPA Agreement
Force Majeure or Force Majeure Event	shall have the meaning ascribed thereto in Article 8 of this Agreement;
GOI	Government of India


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IEGC or State Grid Code	Shall mean The Grid Code specified by CERC under Clause (h) Of sub-section (1) Of Section 79 Of The Electricity Act and/or the State Grid Code as specified by the concerned State Commission, referred under Clause (h) Of sub-section (1) of section 86 Of The Electricity Act 2003, as applicable including any amendment thereof;
Interconnection point	Common connection point at which all the small hydro power unit of the Station are connected i.e., 33KV of HV side of generator transformer.
LC	Irrevocable Revolving Letter(s) of Credit.
Main and Check Meter	Meter for measurement and checking of import/export of energy on the Interconnection Point for Energy Accounting.
Monthly Bill	Monthly Bill as raised by NTPC as per Energy Account in line with the CERC Regulation as amended from time to time. Provided that periodicity of billing may change as per CERC regulation from time to time.
Party/Parties	Shall have the meaning ascribed thereto in the recital to this Agreement
Permitted Assigns	Have the meaning as per Article 13 of this agreement
Powergrid	Power Grid Corporation of India Ltd.
NRLDC	Northern Regional Load Despatch Centre.
NRPC	Northern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
Receivables	As defined under 6.2.8.
SLDC	State Load Despatch Centre
Station	Have the meaning as given in the recital
STU	State Transmission Utility

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Supplementary Bill	Have the meaning under the Article 6.1.3
Transmission Licensee	Have the meaning as per Electricity Act 2003
Tariff	Tariff shall be rate of electricity from the Station as determined by CERC based on the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 and as amended from time to time
Third Party(ies)	Any person other than the person to whom electricity is contracted under this Agreement
Tripartite Agreement (TPA)	The Tripartite Agreement dated 20.03.2003 signed by Govt of Uttar Pradesh, GOI and Reserve Bank of India as per the provisions of the GOI Scheme for One time Settlement of SEBs dues

2.0 GENERAL

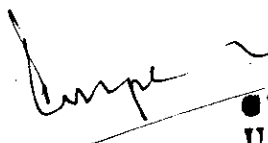
2.1 INSTALLED CAPACITY:

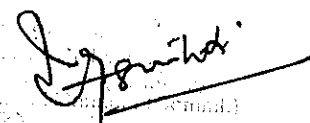
The capacity of Station is proposed to be 8 MW (2X4MW). The capacity of the Station is subject to change after placement of orders for the main plant equipment.

2.2 ALLOCATION OF CAPACITY

2.2.1 Allocation of capacity from the Station to UPPCL shall be as decided by GOI, based on the existing GOI policy.

The above allocation in favour of UPPCL shall be Contracted Capacity subject to signing of the Agreement, opening of LC and providing appropriate payment security mechanism as provided at Article 6.2 in this Agreement. UPPCL shall draw electricity against the above Contracted Capacity limited to the amount of LC opened and maintained by it. NTPC shall intimate RLDC/SLDC from time to time regarding the quantum of capacity UPPCL is eligible to draw.


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3.0 TRANSMISSION / WHEELING OF ELECTRICITY


- 3.1 Power will be sold at interconnection point i.e. 33KV of HV side of generator transformer. However, Power will be evacuated through 400 KV Bus of Singrauli through displacement method. It will be the responsibility of UPPCL to wheel power beyond 400 KV Bus of Singrauli Power station. Power evacuation upto 400 KV will be in the scope of NTPC.
- 3.2 Charges for utilisation of transmission system(s) owned by the Powergrid/other Transmission Licensee for wheeling of the electricity beyond Interconnection Point of the Station shall be paid directly by UPPCL to the Powergrid or the Transmission Licensee as the case may be. NTPC shall not be responsible for payment of such charges.
- 3.3 UPPCL shall be liable to bear all the transmission losses in respect of the power evacuated from the Interconnection Point of the Station to its receiving substation(s).
- 3.4 For wheeling of the power from the bus bar of the station to the beneficiaries, NTPC shall initially make an application for connectivity and Long-Term Access to the CTU, POWERGRID on behalf of the beneficiaries. UPPCL hereby consents for NTPC to make the said application on its behalf. UPPCL also agrees to subsequently sign all necessary agreements, including BPTA, with POWERGRID/other transmission licensees for using the transmission system.

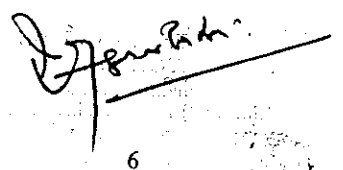
4.0 SCHEDULING, DESPATCH ,METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturers' guidelines, applicable grid operating standards, directions of the CERC and relevant statutory provisions, as applicable from time to time. It is agreed between the Parties that the Station shall be treated as 'MUST RUN' and shall not be subject to merit order scheduling.

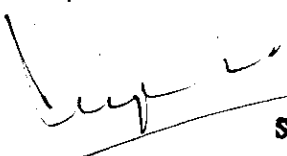
- 4.2 All charges/fees related to scheduling and despatch of electricity shall be borne by UPPCL.

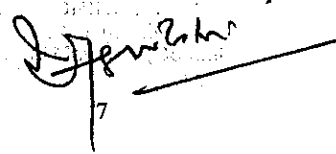

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4.3 METERING

- 4.3.1 A set of Main and Check Meters of 0.2S accuracy class, as per CEA (Installation & operation of meters) Regulations 2006/IEGC as applicable, shall be installed by CTU/STU on all outgoing feeders on HV side of the station. UPPCL shall make all necessary arrangements for installation of meters of required accuracy and specifications, at all its drawal points.
- 4.3.2 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.
- 4.3.3 Data shall be downloaded from the meters at regular intervals as decided by NRPC/NRLDC/ SLDC for preparation of the REA Account.
- 4.3.4 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC shall inform the CTU/NRLDC/ SLDC of the same.
- 4.3.5 In case of failure of meters, energy accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure. In case of absence of any such procedure, the following procedure shall be followed:
In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy accounting. If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be computed based on standby meters. In case of dispute, the decision of Member Secretary of the concerned RPC would be final and binding.
- 4.3.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and UPPCL as per procedure laid out in CEA (Installation


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& Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.4 ENERGY ACCOUNTING

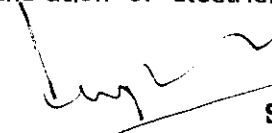
- 4.4.1 Both the Parties agree to facilitate issue of Energy Accounts by 1st day of every month.
- 4.4.2 Energy Account issued by NRPC/ NRLDC/SLDC or any other Competent Authority shall be binding on all the parties for billing and payment purposes.
- 4.4.3 Any change in the methodology of Energy Account shall be done only as per the decisions taken in the NRPC forums and both the Parties agree to abide by the methodology so finalised.
- 4.4.4 Energy Accounts shall be binding on both the Parties for billing and payment purposes
- 4.4.5 UPPCL may identify the energy procured from the Station to meet its renewable purchase obligations (as mandated by the Appropriate Commission). Provided that the renewable purchase obligation of UPPCL shall be considered to be met only if there is no payment default for such energy procured by UPPCL and a certificate to such effect is provided by NTPC to UPPCL on annual basis.
- 4.4.6 NTPC shall provide such certificate identifying the quantum of renewable purchase obligation being met by UPPCL for each year within thirty (30) days after the end of such year.

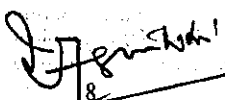
5.0 Tariff

- 5.1 The Tariff for the electricity supplied from the Station would be applicable rate in Rs/kWh for the relevant year of commissioning as notified by CERC from time to time based on the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 and as amended from time to time.

5.2 TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC.:

Statutory taxes, levies, duties, royalty, cess or any other kind of levies imposed/charged by any Government and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of


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consumption including water, environment protection, sale of electricity and/or in respect of any of its installations associated with the Station payable by NTPC to the authorities concerned shall be borne and additionally paid by UPPCL to NTPC.

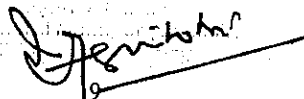
6.0 BILLING AND PAYMENT

6.1 BILLING:

The Charges for Supply of Electricity under this Agreement shall be billed by NTPC as per rates determined from time to time by the Central Electricity Regulatory Commission and/or any other Competent Authority and the same shall be paid by UPPCL in accordance with the following provisions:

- 6.1.1 NTPC shall present the bills for electricity supplied to UPPCL from the Station for the previous month based on Energy Account issued by NRPC/ NRLDC/ SLDC or any other Competent Authority.
- 6.1.2 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the Officer to be nominated by UPPCL.
- 6.1.3 The Monthly Bill for the Station shall include the Charges for Supply of Electricity under this Agreement, income tax, other taxes, duties, cess etc including additional bill (s) for the past period(s) on account of orders of CERC/Appellate Tribunal for Electricity/Other Courts/other Competent Authority(ies). If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main Monthly Bills, such charges shall be billed as soon as possible through Supplementary Bill(s).
- 6.1.4 UPPCL shall arrange payment of such Monthly Bill(s)/Supplementary Bill(s) promptly through irrevocable Letter of Credit at the designated account of NTPC. The date of transfer of payment to NTPC account shall be considered as the date of payment for


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computation of rebate or late payment of surcharge in respect of such payment.

The bill(s) of NTPC shall be paid in full subject to the condition that-

- i) There is no apparent arithmetical error in the bill(s)
- ii) The bill(s) is/are claimed as per the notified/agreed tariff
- iii) They are in accordance with the Regional Energy Accounts issued by NRPC/NRLDC any other Competent Authority

6.1.5 All payments made by UPPCL, shall be appropriated by NTPC for amounts due from the UPPCL in the following order of priority:

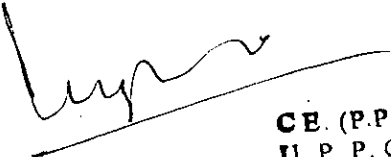
- i) towards Late Payment Surcharge, payable if any;
- ii) towards earlier unpaid bill (s), if any; and
- iii) towards the statutory dues like income tax, other tax, royalty etc in the current bill (s).
- iv) towards the other charges in current Monthly Bill

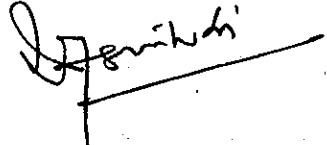
6.1.6 In case UPPCL disputes any amount, even then, it shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

Provided that non-acceptance of tariffs determined/approved by CERC shall not be a valid ground for dispute.

6.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 7 shall be paid/adjusted in line with the applicable interest rate as per CERC regulations.


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6.1.8 REBATE AND LATE PAYMENT SURCHARGE:

Rebate and Late Payment Surcharge shall be as per Terms and Conditions of Tariff issued by CERC as applicable from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess etc.

6.2 ESTABLISHMENT OF LETTER OF CREDIT(LC) AND PAYMENT SECURITY MECHANISM:

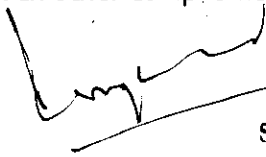
6.2.1 UPPCL shall establish an irrevocable revolving Letters of Credit (LC) in favour of NTPC with a public sector / scheduled commercial bank at least one month prior to the commencement of electricity supply from the first unit of the Station.

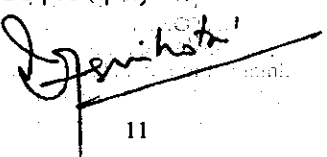
6.2.2 The LC shall cover 105% of the one month's estimated billing in respect of electricity supplied from the Station to UPPCL. This shall be in addition to the obligation of UPPCL to establish similar letters of credit for supply of electricity to the UPPCL from all other generating Stations of NTPC.

6.2.3 The amount of LC shall be reviewed each half-year commencing April and October in each financial year on the basis of the average of billing of previous 12 months and the LC amount shall be enhanced/reduced accordingly not later than 1st July and 1st January respectively of the same financial year.

6.2.4 The LC shall be established for a minimum period of one year. UPPCL shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement. New LC shall be furnished/existing LC reinstated not later than 30 days prior to expiry of existing LCs.

6.2.5 LC shall specify the manner and dates when monthly and supplementary bill(s) can be presented to Bank by NTPC. The bills raised as per order/regulation of CERC or such other competent authority, so presented by NTPC to the Bank shall be promptly


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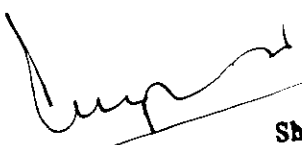

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paid on their presentation through electronic fund transfer or other mutually acceptable instrument(s). In case of non receipt of any part of monthly and supplementary bills on the above specified date, LC shall be operated on the day for unpaid portion of monthly and supplementary bills.

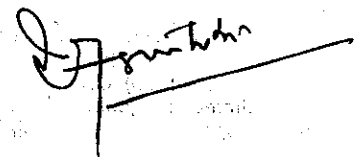
6.2.6 All costs relating to opening and maintenance and negotiation of LC shall be borne by UPPCL.

6.2.7 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of the LC shall be reinstated before next due date.

6.2.8 Provisions of Tripartite Agreement signed on 20.03.2003 between Govt. of Uttar Pradesh, Govt. of India and Reserve Bank of India under the Scheme for One Time Settlement of SEB dues shall be applicable for supply of electricity from this station and for safeguarding payments for the same. It is hereby mutually agreed that after validity period of tripartite agreement is over and an alternative payment security arrangement in the form of Escrow Arrangement as a back up to the Letter of Credit. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Receivables of UPPCL shall be routed as per the terms of Escrow Agreement. UPPCL hereby agrees that NTPC will have first charge on Receivables of UPPCL. However, such first ranking charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of this Agreement and as listed in the schedule enclosed with this Agreement. UPPCL agrees to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, UPPCL shall hypothecate Receivables to the extent required for Payment of dues of NTPC by UPPCL including under this Agreement by creation of first charge in favour of NTPC. These Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments by UPPCL. "Receivables" for this purpose shall mean all of the present and future receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to UPPCL in respect of the sale-by UPPCL to the consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.



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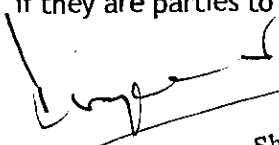


6.2.8 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by UPPCL to the satisfaction of NTPC at least one year before the expiry of the TPA either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by Govt of Uttar Pradesh. In the event before expiry of TPA, UPPCL does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' at least 3 months before the expiry of TPA or UPPCL creating any superior charge in favour of any other party on its Receivables, NTPC shall have the right to reallocate contracted capacity of UPPCL to Third Party (ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, UPPCL shall be liable to pay tariff for such capacity till the capacity is reallocated.

Since the payments from UPPCL are currently secured as per the provisions of the TPA, establishing of Escrow Arrangement is not being insisted upon by NTPC presently. UPPCL and NTPC agree that this Agreement shall deemed to have created a legally binding first charge on UPPCL's Receivables in favour of NTPC. Accordingly, UPPCL shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like electricity supplier(s), banks, financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, UPPCL shall duly inform such electricity supplier(s), banks, financial institutions etc. of the legally binding first charge on UPPCL's Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that UPPCL may create in favour of any other party.

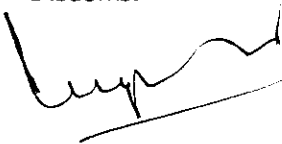
Except for the provisions of this Agreement, the other terms and conditions of "Escrow Agreement" and "Agreement to Hypothecate cum Deed of Hypothecation", to be entered into by the parties as above, shall be as per the provisions of corresponding documents used for the latest Ultra Mega Power Project competitively bid under Case-II format of Standard Bidding Documents of Government of India.

UPPCL agrees to ensure that the successor entities of UPPCL are duly notified of the above arrangement with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

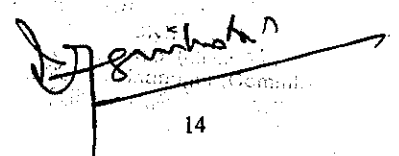

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6.3 REGULATION OF POWER SUPPLY AND THIRD PARTY SALES

- 6.3.1 Till the expiry of Tripartite Agreement, notwithstanding the obligations of UPPCL to pay all the dues as per this Agreement, in the event of default in opening of LC of requisite amount as per Article 6.2 in favour of NTPC or non - payment of bills within a period of 60 days of billing, NTPC shall be entitled to regulate/ divert the Contracted Capacity of UPPCL to any other Bulk Power Customer(s)/ Third Part (ies) as per the provisions of generic procedure for regulation of power supply issued by CERC or any other competent authority from time to time read with the provisions of TPA
- 6.3.2 After expiry of the Tripartite Agreement, in case of a default in payment and or default in establishment of a valid LC/reinstatement of LC for the requisite amount or non-restoration of Escrow arrangement for whatsoever reason as per Article 6.2, NTPC shall be entitled to, without prejudice to its other rights, exercise the option to regulate and or sell or reallocate partly or wholly the Contracted Capacity to Third Parties at the risk and cost of UPPCL, in compliance of the provisions of generic procedure for regulation of power supply issued by CERC or any other competent authority from time to time in the manner herein below;
- 6.3.3 In case payment is not made within the days beyond which surcharge is applicable as per provisions of Tariff Regulations issued by CERC from time to time, and or LC/Escrow arrangements is not established/reinstated as per Article 6.2.7, 6.2.8 and 6.2.9 NTPC shall have the right to regulate and sell up to 25% of the allocated capacity to Third Party(ies), and increase the same by 25% for each week of default thereafter, without prejudice to other rights of NTPC hereunder or in law or otherwise.
- 6.3.4 Supply to UPPCL shall be restored after a period of 30(thirty) days of setting right of the Default in case of 1st (first) occurrence in the Financial Year. Supply to UPPCL will be restored after a period of 60(sixty) or 90(ninety) days from setting right of the default of the 2nd (second), 3rd (Third) or subsequent occurrences in the Financial Year, respectively of such defaults.
- 6.3.5 In case of default in payment of bills beyond a period of 90 (ninety) days of billing, NTPC shall have the right to re-allocate part or full Contracted Capacity to other Discoms.



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6.3.6 In case of regulation/diversion of power, UPPCL shall continue to be liable to pay the total Charges corresponding to Tariff and design generation level at ex bus as per Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2009 as amended from time to time during the period of regulation/diversion of capacity, till the capacity is re-allocated to any other Bulk Power Customer(s)/Third Party (ies). Any amount recovered towards Third Party sale shall be adjusted against the above liability of UPPCL.

7.0 SETTLEMENT OF DISPUTES

7.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and amicably resolved within 90 days.

7.2 ARBITRATION

7.2.1 In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt as per the provisions of the Electricity Act, 2003. The place of Arbitration shall be at New Delhi.

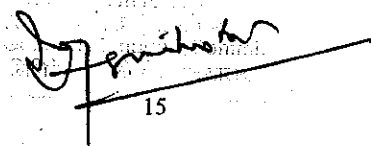
8.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to Force Majeure Events such as war, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God or any other such reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

9.0 IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be


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given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by UPPCL within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (North), NTPC Ltd., NRHQ, Lucknow as well as Executive Director (Commercial), NTPC Ltd., NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110 003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

10.0 NOTICE

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of IMPLEMENTATION OF THE AGREEMENT at Article 10 above.

11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

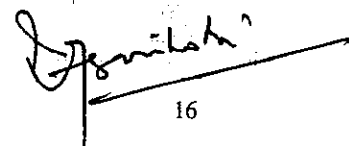
The agreement shall come into effect for all purposes and intent from the date of signing of the Agreement.

Subject to the establishment and continuance of payment security as envisaged under Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM to the satisfaction of NTPC, Agreement shall remain operative upto completion of thirty five (35) years from the date of commercial operation of the station, unless it is specifically extended on mutually agreed terms.

12.0 SUCCESSORS AND PERMITTED ASSIGNS

12.1 In case the functions of UPPCL are reorganised and/or this Agreement is assigned to other organisation(s)/agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor


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Distribution/Trading organisation(s)/agency(ies)/entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor organisation(s)/agency(ies) is/are owned or controlled by the Government of Uttar Pradesh.

12.2 In the event the functions of UPPCL are reorganised and/or privatised or this Agreement is assigned to Private organisation(s)/agency (ies), partly or wholly, UPPCL shall ensure that the agreements namely 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' as mentioned at Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT(LC) AND PAYMENT SECURITY MECHANISM are signed by the assignee before assignment of this Agreement.

12.3 Only such of the successor entities who fulfil the above requirements and execute the requisite documents as above shall be termed as the permitted assigns.

12.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, UPPCL shall be liable and continue to pay the Tariff each month till firm arrangement for sale of power generated at the Station with alternate customers substituting UPPCL is tied up.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

WITNESS

1.

Sukesh Mohan

सुकेश मोहन
SUKESH MOHAN
वरिष्ठ प्रबन्धक (वाणिज्यिक)
Sr. Manager (Commercial)
एनटीपीसी लिमिटेड, उत्तरी क्षेत्र मुख्यालय, लखनऊ (उ०प्र०)
NTPC Limited, Northern Region Headquarters, Lucknow (U.P.)

2.

L.S.P. Pandey
(S.P. PANDEY)
EE, PPA, UPPCL

For and on behalf of

Sukesh Mohan
NTPC Ltd

For and on behalf of

UTTAR PRADESH POWER CORPORATION LIMITED

L.S.P. Pandey
(S.P. PANDEY)
U. P. P. C. Ltd.
Shakti Bhawan Bldg.
Lucknow.