

Annexure i



प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U40101HP2013PLC000345

2012 - 2013

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

JSW Energy (Kutehr) Limited

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन-पत्र आज दिनांक बीस फरवरी दो हजार तेरह को हिमाचल प्रदेश में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U40101HP2013PLC000345

2012 - 2013

I hereby certify that JSW Energy (Kutehr) Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given at Himachal Pradesh this Twentieth day of February Two Thousand Thirteen.



Registrar of Companies, Himachal Pradesh

कम्पनी रजिस्ट्रार, हिमाचल प्रदेश

*Note: The corresponding form has been approved by SHYAM NARAYAN TIWARY, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006. The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

Mailing Address as per record available in Registrar of Companies office:
JSW Energy (Kutehr) Limited
DES RAJ RANA BUILDING, 1ST FLOOR., VILLAGE & POST OFFICE-KARAIN,
CHAMBA - 176318,
Himachal Pradesh, INDIA





HIMACHAL PRADESH

PRE-IMPLEMENTATION AGREEMENT

PRE-IMPLEMENTATION AGREEMENT BETWEEN GOVERNMENT OF HIMACHAL PRADESH AND M/S JSW ENERGY LIMITED FOR THE INVESTIGATION AND IMPLEMENTATION OF KUTEHR HYDRO-ELECTRIC PROJECT (260 MW) IN HIMACHAL PRADESH.

This PRE IMPLEMENTATION AGREEMENT entered into on this 1st day of March in the year Two Thousand and Eight between the Governor of Himachal Pradesh through **Ajay Mittal**, Principal Secretary, Department of Multipurpose Projects and Power (MPP&Power) to the Government of Himachal Pradesh having its office at Civil Secretariat, Shimla-171002 which expression, unless repugnant to the context or meaning thereof, shall include its successor(s), administrator(s) or permitted assigns) of the FIRST PART(hereinafter referred to as the "First Party").

AND

M/s. JSW Energy Limited, a generating Company within the meaning of section 2(28) of the Electricity Act, 2003 having its registered office at **Jindal Mansion**, 5A Dr. G. Deshmukh Marg, Mumbai 400 026, which expression shall, unless repugnant to the context or meaning thereof, include its successor(s), administrator(s), and permitted assigns) through **Sattiraju Seshagiri Rao** Jt. Managing Director who has been duly authorized by the Company vide their resolution dated 31st July, 2007 to execute this Pre Implementation Agreement, of the SECOND PART(hereinafter referred to as the "Second Party").





हिमाचल प्रदेश HIMACHAL PRADESH

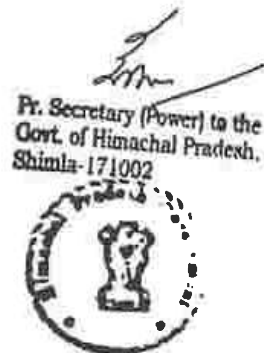
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WHEREAS the First Party has decided in line with the policy guidelines of the Government of India (GOI), to allow power generation in the Private Sector and has invited proposals for private investments in such Projects, interalia Kutehr HE Project in Chamba District (Himachal Pradesh) of the capacity of 260 MW, (hereinafter referred to as the "Project"); and

WHEREAS the Second Party is desirous of setting up Kutehr Hydro Electric Project (260 MW) in District Chamba (Himachal Pradesh on river Ravi, and

WHEREAS the First Party has allotted in Kutehr HE Project to the Second Party for investigations and implementation of the said Project and are desirous of reducing in writing the terms and conditions of the said Understanding.

NOW THIS PRE IMPLEMENTATION AGREEMENT BETWEEN THE PARTIES HERETO WITNESSETH AS FOLLOWS:



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1. The Second Party is desirous of and has submitted its proposal to the First Party for investigations and implementation of the proposed Kutehr Hydro Electric Power Project (260 MW) in Chamba District of Himachal Pradesh.
2. The First Party has accepted the proposal of the Second Party and has agreed, in principle, to allow them to investigate the Project subject to fulfillment of terms and conditions of this Pre-Implementation Agreement by the Second Party.
3. Following milestones shall be achieved by the Second Party failing which consequential action as mentioned will be taken by the First Party. The Second Party shall be required to submit monthly progress report to the First Party. At the end of each quarter the Second Party shall be required to submit a quarterly report to the First Party. The First Party will be at liberty to cancel the Pre Implementation Agreement, after affording due opportunity to the Second Party in case the First Party is not satisfied about the progress made by the Company.

S.No	Milestones	Time Period		Consequential Action.
		For Projects where DPR/PFR ready.	For Projects where the Feasibilities is to be ascertained by the IPP.	
1.	2.	3.	4.	5.
1.	Upfront Premium	50% at the time of allotment of project, 25% at the time of signing of Implementation Agreement and remaining 25% immediately at the time of Financial Closure.	50% at the time of allotment of project, 25% at the time of signing of Implementation Agreement and remaining 25% immediately at the time of Financial Closure.	-



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2.	A Compendium giving details of hydrological data/observations	One year from the date of signing of Pre Implementation Agreement.	One year from the date of signing of Pre Implementation Agreement	Cancellation of the Pre Implementation Agreement and forfeiture of Upfront Premium deposited.
3.	Topographical sheets prepared after conducting surveys.	One year from the date of signing of Pre Implementation Agreement	One year from the date of signing of Pre Implementation Agreement	-do-
4.	A Compendium giving details of Geological/Geophysical observations.	One year from the date of signing of Pre Implementation Agreement	One year from the date of signing of Pre Implementation Agreement	-do-
5.	Conveyance of Feasibility/Non-feasibility of the Project.	-	One year from the date of signing of Pre Implementation Agreement.	-do-
6.	A report on the Power Evacuation Arrangement envisaged by the Second Party.	One year from the date of signing of Pre Implementation Agreement	One year from the date of signing of Pre Implementation Agreement.	-do-
7.	Submission of Detailed Project Report.	24 months from the date of signing of Pre Implementation Agreement.	30 months from the date of signing of Pre Implementation Agreement	-do-
8.	Signing of the Implementation Agreement with the First Party.	36 months (30 months for Projects where DPR is prepared by HPSEB & is ready) after the date of signing of Pre	42 months after the date of signing of Pre Implementation Agreement.	Cancellation of the allotment of the Project and forfeiture of Upfront Premium deposited.



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		Implementation Agreement.		
9.	Submission of necessary inputs for obtaining TEC proposal (s) for obtaining other statutory/non-statutory clearances (Diversion of Forest Land. Environmental & Forest Clearance. Pollution Clearance) and Acquisition of Land by the Second Party to the First Party.	Within 8 months from the date the IA is signed.	Within 8 months from the date the IA is signed	Termination of Implementation Agreement and forfeiture of Security Deposit/ Upfront Premium deposited.
10.	To obtain required sanctions/ approvals/clearances to the proposals submitted by the Second Party as per Sl. No.9 above.	Within 10 months from the date of submission of proposal(s) by the Second Party.	Within 10 months from the date of submission of proposal(s) by the Second Party.	Extension of prescribed period in the Pre-Implementation Agreement subject to deposit of prescribed Extension fees of Rs.10,000/- per MW per month subject to a maximum of Rs.1.00 Crore.
11.	Achieving Financial Closure, signing of PPA, establishment of site office etc. and start of construction work	Within 24 months from the date of signing of the IA or six months of obtaining the approvals/cleara	Within 24 months from the date of signing of the IA or six months of obtaining the approvals/cleara	Termination of the IA in case the construction work on the Project is not started and forfeiture of Security Deposit /



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	on the Project.	nces mentioned at 10 above whichever is earlier.	nces mentioned at 10 above whichever is earlier.	Upfront Premium.
12.	Project commissioning (scheduled Commercial Operation Date of the Project)	As per Techno-economic Clearance of the DPR.	As per Techno-economic Clearance of the DPR.	Disincentive as per Clause stipulated in the IA.
13.	Handing over of the Project to the First Party free of cost.	The date falling 40 years after the Scheduled Commercial Operation Date of the Project.	The date falling 40 years after the Scheduled Commercial Operation Date of the Project.	Action as deemed fit.

4. In case of failure of the Second Party to adhere to the benchmarks as per Pre-Implementation Agreement resulting in extension of time, the extension fees specified shall be made payable to the Principal Secretary (Power), to the Government of Himachal Pradesh and deposited in the accounts of First Party. In case of breach of any provision/Clause of this Pre-Implementation Agreement, or any part thereof, the amount paid on account of up front premium at the time of allotment of the Project shall be liable to be forfeited by the First Party.
5. Second Party agrees to deposit Upfront Premium at the rate of Rs.10.00 lacs per MW + Upfront Premium as quoted, out of which 50% amount amounting to Rs. 67,60,12,870/- (Rupees Sixty Seven Crores Sixty Lacs Twelve Thousand Eight Hundred Seventy Only) has been deposited by the Second Party and the Second Party agrees to deposit the remaining amount of Upfront Premium in two installments i.e. 25% at the time of signing of Implementation Agreement and remaining 25% immediately after the Financial Closure. The upfront premium shall not form part of the project cost in the DPR and financial closure, which shall be borne by the Second Party out of the financial strength of the Second Party.



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6. Essential documents:-

- (a) In those streams & rivers where Small Hydro Electric Projects have been identified either by the IPPs or State, Government shall obtain clearances from the concerned departments like Wild Life stating that the project area is outside the Wild Life Park, Sanctuaries, Zoos etc., from I&PH & Revenue department(s) stating that the proposed projects(s) does not infringe with the drinking and irrigation rights of the local inhabitants and of the ownership of traditional water mills i.e. Gharats, approval under the Himachal Pradesh Transfer of Land (Regulation) Act, 1968 in tribal areas, consent from the Gram Panchayat through Panchayat Secretary within one month's time. In case no communication is received from the concerned Gram Panchayat including that of tribal areas within the stipulated period, it will be presumed that they have no objection in giving consent to such a proposal. Administrative Department shall monitor the progress of such reports in a time bound manner.
- (b) The Second Party shall give an undertaking to the Fisheries Department of the local area that wherever feasible, rearing of fish shall be promoted by the IPP in consultation with the Fisheries Department in the project area at the time of final implementation of the project.
- (c) In case of bonafide Himachali Promoter Directors/cooperatives, a proof thereof shall be furnished to First Party.

7. Within one year of signing of Pre-Implementation Agreement the Second Party shall furnish to the Government the following:-

- (i) A Compendium giving details of hydrological data/observation.
- (ii) Topographical sheets prepared after conducting surveys.
- (iii) A Compendium giving details of Geological/Geophysical observations.
- (iv) A report on the Power Evacuation Arrangement envisaged by the Second Party.



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In case the Second Party is not able to furnish the above documents within the stipulated period, the First Party will be at a liberty to cancel the Pre-Implementation Agreement after affording due opportunity to the Second Party. No compensation whatsoever shall be payable by the First Party in this regard. The Upfront Premium deposited by the Second Party shall also be liable for forfeiture.

8. The Second Party shall carry out the techno-economic studies of the Project and submit a Detailed Project Report (hereinafter called the "DPR") to the First Party within a period of Twenty-four (24) months for Projects where PFR/DPR prepared by HPSEB is available or Thirty (30) months for the Projects where the feasibility is to be ascertained by the Second Party, from the date of signing of this Pre-Implementation Agreement failing which the First Party will be at a liberty to cancel this Pre-Implementation Agreement after affording due opportunity to the Second Party. No compensation whatsoever shall be payable by the First Party in this regard. The Upfront Premium deposited by the Second Party shall be forfeited.
9. In case of the delay being unavoidable, to the satisfaction of the First Party, the Second Party may be granted an extension up to maximum of six months for the submission of the DPR upon payment of fees of Rs.10,000/- (Rupees Ten thousand) per MW per month subject to a maximum of Rs. 1.00 crore.
10. The Second Party shall carry out the requisite detailed investigations and identify the transmission system for evacuation of power from the Project in consultation with the First Party/Himachal Pradesh State Electricity Board (HPSEB) keeping in view, the integrated system requirement, which shall form a part of the Project.
11. The Second Party shall make arrangements for evacuation of power from the Project to the Board's/ PGCIL's sub station (designated as Interconnection Point) as per the provisions in the DPR. For evacuation of power beyond the interconnection point, the Second Party shall tie up with HPSEB/PGCIL for arrangements of a suitable integrated transmission system at mutually agreed Wheeling Charges.



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12. Subject to the First Party and the Second Party having satisfied themselves about the techno-economic feasibility of the Project, an Implementation Agreement shall be signed between the First Party and the Second Party within a period of Thirty six (36) months for Projects where PFR/DPR prepared by HPSEB is available or forty-two (42) months for Projects where feasibility of the Project is to be ascertained by the IPPs, from the date of signing of Pre-Implementation Agreement for the Project. The Company will have to deposit a Security Deposit of sum of Indian Rupees equivalent to Rupees One Lac (Rs. 1,00,000) per MW of installed capacity as cash/Bank Draft within one month of signing the Implementation Agreement with the First Party.
13. The Agreement shall remain in force upto a period of 40 years from the Scheduled Commercial Operation Date of the project, thereafter, the project shall revert to the First Party free of cost and free from all encumbrances. The project assets would be maintained by the Second Party in a condition that would ensure a residual life of the Project at the rated capacity for at least 30 years at any point of time. During the 10th, 20th, 30th & 35th years of operations. The First Party or one of its appointed agencies would carry out a mandatory inspection of the project site to ensure that the project assets are maintained to the required standards to ensure the specified generation capability and residual life of the project.
- If such inspections find that the project capacity and/or life are being undermined by inadequate maintenance, the First Party will be entitled to seek remedial measures from the Second Party. If the Second Party fails to comply with the requirement, the First Party will have the right to take over the commercial operation of the project and shall have full right upon the sale of power including Second Party share. The cost on account of suggestive remedial measures shall be deducted including the operation & maintenance cost for such a period till the project's assets are restored to the required standards to ensure the specified generation capability and residual life of the project as specified above. Thereafter, the project shall be handed over to the Second Party.
14. The validity of this Pre-Implementation Agreement shall be up to a period of maximum of 36 months from the date of signing of Pre Implementation Agreement. In the event, the Project is not found viable by the Second Party after the submission of DPR and the First Party is satisfied that the Second Party has sufficient ground to establish that the Project is not



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techno-economically viable, the Company will be permitted to withdraw from the Project without any compensation or liability of First Party for the expenditure incurred by the Second Party before the expiry of this period. 50% of the upfront premium deposited at the time of allotment of project shall be refunded without any interest. This will ensure the balance 50% of the upfront premium shall be forfeited by the First Party. This will ensure the commitment of the Second Party towards the execution of the project and loss of time for the revenues which could have otherwise accrued.

15. The Second Party agrees to carry out the investigations of the Project keeping in view all stipulated quality control measures as well as safety standards as per prudent utility practices. The Second Party shall allow access to the authorized representative(s) of the First Party to all the locations of the Project to ensure compliance in this respect.
16. The First Party agrees to provide to the Second Party, at its request the copies of all available documents, data, information, reports relating to the Project including copies of all investigations and studies carried out since the inception of the Project to enable them to use this information in the best interest of the implementation of the Project. The Government further agrees to render all possible assistance to facilitate the Second Party in obtaining necessary statutory clearances from the concerned authorities.
17. The Second Party shall be free to dispose of power from the Project(s), after allowing for royalty in the shape of free power to the First Party in any manner they like in accordance with the provisions contained in the Electricity Act, 2003 and the Rules & Regulations made there-under.
18. The Second Party shall to provide royalty in the shape of free power from the Project to the First Party in lieu of surrender of potential site @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending up to 12 years from the date of Scheduled Commercial Operation of the Project, @ 18% of Deliverable energy of the Project for a period of next 18 years and @ 30% of the Deliverable Energy for the balance agreement period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/ synchronization of first generating unit whichever is earlier.



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- 19.
- 19.1 The Second Party agrees to provide employment to Bonafide Himachalis whose names are registered on live register of any Employment Exchange located in the First Party, in respect of all the unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the Project, through the local Employment Exchanges or from other than such live registers from anywhere within the State or outside the State, who are bonafide Himachalis or through the Central Employment Cell at Shimla. However, the first preference shall be given to oustees. In the event of non-availability of the requisite skilled manpower at various levels with requisite qualification and experience, non-availability certificates will be obtained from the Labour Commissioner/ Director Employment, Himachal Pradesh and only thereafter the Second Party will be free to recruit such persons from outside the State of Himachal Pradesh.
- 19.2 The Second Party agrees that the contractors/sub-contractors engaged by them for the Project shall give employment to local people/Himachalis for appointment as supervisors, workmen and labourers/ workers in the Project.
- 19.3 In regard to direct recruitment of engineers and other executives, other things being equal in terms of eligibility criteria, qualification, experience etc, the Second Party shall give preference to the candidates well conversant with customs, culture, language and dialect of Himachal Pradesh. The advertisement regarding employment shall be issued in two English dailies and three Hindi daily papers having wide circulation within Himachal Pradesh, besides advertising through Parsar Bhardi and Giriraj.
- 19.4 The Second Party shall ensure that the deployment of Himachalis in respect of Executive/Non-Executive/Skilled/Non-Skilled categories at any stage of the Project implementation, if it is not possible to recruit 100% staff from Himachalis for justifiable reasons, only then the Second Party shall maintain not less 70% of the total employees/officers/executives from Bonafide Himachali persons.



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- 19.5 The Second Party shall provide employment to one member of each of the displaced families or adversely affected as a result of the acquisition of land for the Project, during construction of the Project. During the operation and maintenance of the Project, the Second Party shall give preference to members of the displaced families for employment in the Project.
- 19.6 The petty contracts of the road work, retaining walls, buildings construction, carriage of construction material like sand, aggregate, cement, steel etc, engagement of all categories of other service providers, taxis for the staff deployed to the sites, engagement of other light and heavy vehicles, running of canteens/mess, engagement of security personnel through ex-servicemen shall normally be awarded to locals/Himachalis.
- 19.7 The Second Party shall provide training programme to the locals affected by the Project so that they are in a position to get employment as various technical/administrative jobs in the Project.
- 19.8 All the above mentioned stipulations shall be monitored strictly by the Labour Commissioner and Director, Employment as well as at the Government level by the Labour Department.
20. The Second Party agrees to reimburse to the HPSEB the amount spent by the HPSEB up to the date of signing of Implementation Agreement on the investigations and infrastructural works of the Project with compound interest @ 10% per annum within three months of the Implementation Agreement.
21. Subject to security and operational factor, the Second Party shall permit free use by the First Party and general public, of all service roads, constructed and maintained by it for the Project. Other facilities like hospitals, post offices, schools etc., shall also be made available to the general public as per policy of the Second Party. However, the needs and requirements of local people shall be kept in view.



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22. The Second Party shall bear the cost of improvement/widening of the existing roads required to be carried out for the construction of the Project.
23. The First Party shall have the right for withdrawal of water from the river course for the consumptive use by pumping or by gravity for the purpose of potable water supply and irrigation to the affected villagers.
24. The First Party shall create an Authority of Hydro Project Safety, Quality Control & Management of water Flows and Discharge in due course. The First Party shall nominate suitable technical and professional persons in the Authority. The issues concerning Hydro Project's safety & management of water flows and discharges have assumed critical importance because of the recurrence of floods, earthquake, avalanches, glaciers, tunnelling, piping, aging, terrorism etc. Un-regulated water flows and discharges particularly during the rainy seasons have been causing havoc downstream. The authority shall prepare safety regulations and guidelines and prepare safety management manual with respect to the Projects being executed by various Second Partys on the lines of International Commissions of Large Dams (ICOLD) and other Hydro Power Countries like Canada, US etc. The authority shall conduct continued surveillances on safety requirements right from the inception of the project such as:-
 - (a) Monitoring & access to quality of construction and designs of each project and recommend the use of modern and appropriate technologies like Tunnel Boring Machines etc.
 - (b) It will ensure that such Hydro Projects operate normally and maintain emergency preparedness.
 - (c) Shall ensure periodic Hydro Project Safety & Management System Audit.
 - (d) Shall ensure dam safety assessment, traditional good practices and risk assessment.
 - (e) Shall prepare regulatory environment and ensure dam owners accountability including corporate manslaughter.
 - (f) To monitor the releases downstream of the diversion and ensure availability of minimum flow of water immediately downstream of the trench/barrage/dam for downstream requirements.
 - (g) Shall impose fines/penalties for violations as may be prescribed by the First Party.
 - (h) May resolve the inter project disputes, if any.



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The Second Party agrees to abide by the guidelines of above authority.

25. The First Party will constitute a multi-disciplinary committee under the Chairmanship of Chief Minister. Other members shall be State Power Minister (Vice Chairman), Minister/MLA of the area where projects are being executed, representatives of the Second Party, representatives from various concerned departments of the Government, Chairman/Managing Director of the concerned Power Utility and Chairman, Local Area Development Committee (LADC). The Committee shall be monitoring the issues arising during the implementation of the Project, Employment related monitoring, Relief and Rehabilitation, review of Progress of LADC schemes, implementation of Catchment Area Treatment (CAT) Plan, Compensatory Afforestation, Environmental Management Plan, Environment Impact Assessment (EIA) Plan, and restoration of facilities which get damaged because of the implementation of the Project, quality control mechanism of the Projects. The committee shall also review the recommendations and implementation thereof of the Forum of Hydroelectric Power Producers. The Committee shall review the progress of all statutory clearances, time and cost overruns of the project, if any. The Committee shall also draw up the methodology to regulate the payments to be made by the Company to the various departments of the Government in connection with the implementation of the Projects. The Committee shall meet at such intervals, preferably quarterly at such places as is decided by it.
26. The Company shall follow environmental related issues concerning disposal of blasting muck and soil etc. In Himachal Pradesh, because of the peculiar topography, the availability of land is scarce to have dumping sites. The Second Party agrees to use such material for the Project and the remaining material and disposal of the blasting and muck shall be allowed to be used by other development departments like PWD, I&PH and several others for the execution of their areas developmental schemes including the channelization of the river waters by the concerned development agencies. Not only that, even private crusher owners etc. and other private users shall also be allowed to remove such material from the site free of cost. The prescribed norms will be available with the Pollution Control Board.

The Second Party agrees not to dump such material on the Project site or any other inappropriate place which flows further to downstream and rivers causing serious environmental concern, which will attract punishment under various laws of Pollution Control Board.



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The Second Party shall ensure that the material excavated from the site shall be dumped in the area duly approved by the MOEF, GOI/State Pollution Control Board.

27. It has been observed that after the setting up of various Hydroelectric Projects in Satluj basin, numbers of technical and socio-economic problems have arisen due to post effects of hydroelectric projects in the State. To mitigate any eventuality with regard to the execution of Hydroelectric Projects in the Satluj Valley, a forum of Hydro Power Producers of Satluj basin has come into existence on 5.11.2005. The main function of the forum relates to (i) Environment (ii) Operation of power Stations and Sharing of Technical Expertise & Experience (iii) Data Sharing (iv) Disaster Management and Planning and (v) Common Issues with First Party & Government of India. The guidelines of the forum wherever applicable, the attempt shall be made to abide by the recommendations of Forum and applicable to all the Power Producers/Second Parties in the State of Himachal Pradesh. If however, any such more forums are constituted for other river basins, the guidelines of the same shall also be applicable on Second Parties/Power Producers, executing projects in that area.
28. The Second Party shall prepare Disaster Management Plan and its implementation taking into consideration the different flood eventualities, cloud bursts or any kind of natural calamity at various stages of construction and operation of the Project and their mitigation measures. The Company shall include this in the DPR to be submitted to the First Party.
29. In case any existing facilities including but not limited to, irrigation systems, water supplies, roads, bridges, buildings, communication system(s), power systems and water mills are adversely affected because of the implementation of the Project, the Second Party shall be responsible for taking remedial measures to mitigate such adverse effects. The cost of the above remedial measures shall become a part of the Project cost. Such facilities shall be as mutually identified and agreed upon between the Second Party and the First Party. The Second Party shall not interfere with any of the existing facilities till an alternate facility, as identified, is created.



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30. The Second Party shall ensure to protect the water rights of the local inhabitants for drinking and irrigation purposes etc. by verifying the revenue entries and activities of I&PH department so as to ensure that such rights are not infringed upon. Any dispute in the matter shall be referred to a committee to be appointed by the First Party involving Irrigation & Public Health and Revenue departments. However, the decision of the First Party shall be final and binding on all the parties.
31. The Second Party shall make suitable financial provisions for mitigation of adverse impacts as per the approved EIA plan and mitigation of degradation of environment due to disturbance of eco-system in watershed area, at the cost of the Project.
32. The Second Party shall have no claim on any Project upstream and down stream of the Project.
33. The First Party shall put in place a committee comprising of experts from the relevant field for determining the impact, if any, on the existing projects due to allotment of any upstream and/or down-stream project. In the event of a dispute, the decision of First Party in the matter shall be final and binding on all the parties.
34. The Second Party 'if ROR Project' shall ensure minimum flow of 15% water immediately downstream of the diversion structure of the project all the times including lean seasons from November to March, keeping in mind the serious concerns of the State Govt. on account of its fragile ecology & environment and also to address issues concerning riparian rights, drinking water, health, aquatic life, wild life, fisheries, silt and even to honour the sensitive religious issues like cremation and other religious rites etc. on the river banks.. However, the Second Party is at liberty to install mini hydel projects to harness such water for their captive use, for their utilities, systems and colonies.
35. The Second Party has an option to develop the Project either as run of the river (ROR) schemes or storage Projects. However, in case of a storage Projects, approval of the First Party shall ensure that such Project causes minimum submergence of habitations and agricultural holding of the people of the area.



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36. The First Party shall constitute a Local Area Development Committee (LADC) for Project (s) being implemented in each river valley. The Deputy Commissioners will be the Chairman of the LADC and other members shall be nominated by the First Party. Concerned SDM shall be the Member Secretary. The LADC will be entrusted with, but not limited to, the following activities in the Project affected areas, which are those areas/ villages surrounding/ falling in the catchment/ watershed areas extending from the Reservoir to the Tail Race of the Project:-

- (a) Oversee the restoration of facilities adversely affected due to implementation of the Project.
- (b) Oversee the implementation of Rehabilitation and Relief Plan.
- (c) Oversee the implementation of Catchment Area Treatment (CAT) Plan and Compensatory Afforestation.
- (d) Local Development activities related to development of Agriculture, Horticulture, Animal Husbandry, Fisheries, Rural Development, I&PH, Health, Forest, Education, PWD, Power and other social, religious and cultural activities etc.

However, PWD/other roads leading to the Project areas shall not form part of LADC activities.

The activities of the LADC during execution shall be financed by the Project itself and for this purpose the Second Party shall make a provision of 1.5% of final cost of the Project. The LADC activities shall be financed from the above provision and not from free power as royalty.

The amount on account of Local Area Development shall be paid by the Second Party to the Deputy Commissioner of the Project Affected Areas (Chairman LADC) in equal annual instalments during the Construction Period of the Project and shall be payable in 1st quarter of every financial year, starting from the date of financial closure.

The Second Party shall keep the First Party informed of any change in the construction cost of the Project and for any increase in the construction cost of the Project from time to time, the Second Party shall release the instalments accordingly.



Pr. Secretary (Power) to the
Govt. of Himachal Pradesh, 7
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37. The Second Party shall open a Police Station/Chowki and a Labour office in Project at their own cost in the Project area. The Second Party shall also bear the cost of deployment of Police Personnel during the construction phase of the Project.
38. The Second Party has been selected for the Project on the basis of their equity participation in implementation of the Project as under:-

Sr. No.	Name of Company/Consortium	Equity Participation
1.	JSW ENERGY LIMITED	100%

- i) The Second Party agrees that they shall retain their equity participation till three years after commissioning of the Project. Any change in Consortium/equity participation would automatically result in termination of this agreement and the Project shall revert back to the First Party. No compensation whatsoever shall be payable by the First Party in this regard. It may be further noted that all the correspondence shall be made with the party which signs the Pre-Implementation Agreement till such time as the authority vested with gives authorization to any other person with valid authorization of Board of Directors of the Second Party.
 - ii) The First Party may consider the request of the Second Party for changing the name of the Second Party or Consortium subject to the condition that the Principal Promoter shall retain the controlling interest i.e. 51% equity in the new entity. In the event of any contravention, the Government of Himachal Pradesh shall terminate the Implementation Agreement forthwith at any stage.
 - iii) The Second Party shall be permitted to incorporate a Special Purpose Vehicle for the implementation of the Project with its registered office within Himachal Pradesh with the same equity participation as stated above. All rights and obligations under this agreement shall thereafter be transferred to the new Company.
39. The Second Party agrees to implement the Project strictly as per the schedule/milestones stipulated by the First Party.



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40. The Second Party agrees to take engineering services of a reputed design consultancy organization to oversee the Project planning, its layout design of various Project components and quality of construction to ensure safety of the Project components/ structures during execution and operation of the Project in such a way that there is no loss of human life, property of the people, energy generation etc.
41. The Second Party agrees to have its Corporate Office within the State of Himachal Pradesh.
42. The First Party agrees that till this Pre Implementation Agreement is in force, it shall not entertain any proposal in respect of the Project from any other party.
43. This Pre-Implementation Agreement is exclusive to the Parties hereto and neither of them shall assign its rights and benefits hereunder to third party except with mutual consent.
44. Each party hereto agrees that it shall not divulge any trade, commercial or technical secrets or confidential matters of one another to any third party, save for the purpose of implementing the understanding arrived at in this Memorandum of Understanding.
45. No party shall be considered to be in default under this Pre-Implementation Agreement for breach of any of the terms thereof due to the imposition of restrictions and onerous regulations by any Government or statutory authority or agency or other cause beyond its reasonable control.
46. Both the parties hereto shall do and execute all such acts, deeds, assurances and things, as may be necessary and proper for carrying out the terms of this Pre Implementation Agreement. The parties agree to negotiate and enter into such agreements as may be required to give effect to the understanding arrived at under this agreement.
47. The Second Party assures the First Party that there is no misrepresentation in the information supplied by it to the First Party as a part of their Bid or during the subsequent selection process. The First Party reserves the right to cancel the Pre-Implementation Agreement after giving an opportunity to the Second Party in case it is found that there was



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Pr. Secretary (Power) to the
Govt. of Himachal Pradesh,
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some such misrepresentation by the Second Party and/or in the event of breach of any of the provisions of this Pre-Implementation Agreement.

48. The Second Party shall abide by the provisions as contained in Hydro Power Policy of First Party.
49. Any violations of the above mentioned issues concerning policy parameters, MOU/PIA/IA may results into monetary penalty including cancellation of the Project.
50. Any difference and/or disputes arising at any time between the parties out of this MOU/PIA/IA or interpretation thereof shall be endeavored to be resolved by the parties hereto by mutual negotiations, failing which the matter shall be referred to the Arbitrator to be appointed as per the provisions of the Arbitration & Conciliation Act, 1996. However, all disputes shall be settled within the jurisdiction of Courts of Himachal Pradesh.

IN WITNESS WHEREOF the parties hereto have set their hands unto this on the day, month and year first above written in the presence of :

For and on behalf of
Government of Himachal Pradesh

(Ajay Mittal)
Principal Secretary (Power) to the
Government of Himachal Pradesh
Shimla-171002

Witnessed by

1. *[Signature]*
Dr. Ashwani
Joshi (Power)

2. *[Signature]*
(Manohar Chand Koundal)
SO
H.P. & Power Section
H.P. Secretariat,
Shimla-2

For and on behalf of
M/s JSW ENERGY LTD.

(Sattiraju Seshadri Rao)
Jt. Managing Director
JSW Energy Limited

Witnessed by

1. *[Signature]*
(P.K. PURI)
GM- Energy Projects
JSWEL

2. *[Signature]*
(PRAMOD SIKKICK)
Sr. Administration Officer
Jsw energy ltd.





भारत सरकार/Government of India
केंद्रीय विद्युत प्राधिकरण/Central Electricity Authority
सेवा भवन/Sewa Bhavan
आर.के.पुरम/R.K. Puram
नई दिल्ली /New Delhi - 110606

Annexure III



No.2/HP/25/CEA/98-PAC/3698-3727

Dated the

31st August, 2010 [ISO : 9001-2008]

OFFICE MEMORANDUM

Subject: Kutehr Hydro Electric Project (3x80=240 MW) in Himachal Pradesh by M/s. JSW Energy Limited (JSWEL) at an estimated Completed cost of US \$ 4.11 Million + Rs.1778.99 Crores including IDC & FC of Rs.353.94 Crores & Rs.6.74 Crores respectively- Issue of Concurrence.

M/s JSW Energy Limited (JSWEL) submitted Four (4) sets of the Detailed Project Report (DPR) of the generation scheme of Kutehr Hydro Electric Project (3x80=240 MW) vide their letter No. JSW/Kutehr/08-09/13-16, dated 6.6.2009 and Eighteen(18) sets vide their letter No. JSW/Kutehr HEP/01/08-09/33, dated 1.8.2009. The presentation of the scheme was made by M/s.JSWEL on 31.8.2009 to appraisal groups of CEA/CWC/GSI.

In the DPR submitted by M/s. JSWEL, certain vital inputs were found to be inadequate. M/s. JSWEL had planned the scheme in such a way that tail water level of Kutehr HE Project was interfering with FRL of down stream project. Further, geological investigations carried out were not complete, as a result of which the appraising groups found it difficult to vet the proposed orientation of underground structures of the project, namely PH, desilting chamber, HRT etc. Alignment of HRT was mostly based on surface mapping. In the last phase of appraisal of DPR, M/s. JSWEL submitted revised labour rates notified by the Govt. of Himachal Pradesh, which resulted in recasting of cost estimates. To resolve the above issues, discussions and meetings were held with M/s. JSWEL which entailed a lot of time.

The proposal for establishment of Kutehr Hydro Electric Project (3x80=240 MW) in Chamba District of the State of Himachal Pradesh proposed by M/s JSWEL was considered in the 300th Meeting of CEA held on 10.08.2010 at Sewa Bhawan, R.K. Puram, New Delhi-110606 based on the Agenda note circulated vide CEA letter No.3/106/300th /2006-PAC/3060-85, dated 05.08.2010.

2. In exercise of the powers vested with the Authority under Section 8 of the Electricity Act, 2003, the Central Electricity Authority accords Concurrence to the aforesaid scheme at an estimated Completed cost of US \$ 4.11 Million + Rs.1778.99 Crores including IDC & FC of Rs.353.94 Crores & Rs.6.74 Crores respectively with the following stipulations:-

(i) the cost of the scheme shall not exceed the above cost except on account of:-

- (a) Variation in foreign exchange rate in respect of US \$.
- (b) Change in rates of Indian taxes and duties such as custom duty, excise duty, sales tax, works tax & service tax and additional taxes and duties levied, if any, subsequent to issue of this O.M.
- (c) Change in Indian Law resulting in change in cost.
- (d) Variation in actual interest rate.



(ii) Interest During Construction (IDC) and Financing Charges (FC) shall be as per actuals but not exceeding the amount as indicated at **Annex-I** except for variation in actual interest rate(s) and the pro-rata variation in hard cost, as stated in clause 2 (i) (a), (b) & (c) of this O.M.

3. The abstract of Completed Project Cost approved by CEA, is furnished at **Annex-I, IA and IB**. The summary of tentative Financial Package, as submitted by M/s. JSWEL and considered by CEA and the salient features of the scheme are given in **Annex- II & III** respectively.

4. This Concurrence is subject to fulfilment of the following conditions:

i) The following conditions/circumstances shall not be a re-opener of the Project Cost / Concurrence:-

- (a) Non-acquisition of land.
- (b) Non-finalisation of power purchase agreement.

ii) M/s JSWEL shall incorporate the suggestions/observations of Central Water Commission (CWC) on Hydrology, Design Flood, Sedimentation, Barrage Design, Hydel Civil Design, Gates Design, Foundation Engineering & Seismic Design aspects and those of Central Soil and Material Research Station (CSMRS) etc. during the detailed design stage as given in **Annex-IV**.

iii) M/s JSWEL shall complete balance explorations/investigations works by Nov. 2010 before detailed design stage as per schedule given in **Annex-V and VA** and the results of the explorations/investigations should be communicated from time to time for appraisal. M/s JSWEL shall submit the monthly progress report on balance explorations/investigations to CEA/CWC/GSI regularly. Further, the suggestions of GSI furnished as comments from time to time shall be followed. Cost for changes required subsequent to investigations shall be absorbed by the company.

iv) In case, changes are made in design parameters during construction due to site conditions or otherwise, the same shall be intimated and got concurred from the Authority before M/s JSWEL implements such changes.

v) The site specific seismic studies shall be expedited and their report shall be put up to the National Committee on Seismic Design Parameters for recommendations on seismic design parameters for detailed design of different components of the project.

vi) M/s JSWEL shall obtain clearances of the project from Ministry of Environment & Forest (MoE&F) from Environment and Forest angles. A provision of Rs 27.3 crores @2.5% of hard cost of civil and E&M works (i.e. Rs 808.83 crores for civil works and Rs 281.81 crores for E&M works) has been made for CAT Plan out of a total provision of Rs 58.30 crores under the sub-head 'Ecology and Environment'.

vii) M/s JSWEL has sought provisions @1.5% of final cost towards Local Area Development. This additional provision has not been considered while working out the estimated cost of the project. Since as per Hydro Policy 2008 of Ministry of Power, Government of India, an additional 1% free power over the life of the project would be provided by the developer for Local Area Development Fund. The policy also recommends that the host State Government would also provide matching 1% from their share of 12% free power towards this corpus.

viii) Under the cost of civil works, total provision under the head "Land" has been made as Rs 13.26 crores.

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- ix) If any impact on wild life is observed, M/s JSWEL shall obtain clearance from Indian Board of Wild Life.
- x) As Schedule Tribe population is getting affected, clearance from Ministry of Social Justice and Empowerment/ Tribal Affairs shall be obtained by M/s JSWEL.
- xi) M/s JSWEL shall obtain clearance from Ministry of Defence.
- xii) M/s JSWEL shall get amended Memorandum of Agreement (MoA) signed on 1st March, 2008 to reflect the present capacity as 240 MW of the project and submit a copy of the same to CEA.
- xiii) M/s JSWEL shall comply with the guidelines for participation of foreign Companies in tender work packages of Hydro electric Projects in sensitive areas issued by Ministry of Power vide No. 7/1/2002-DO(NHPC) [Vol.II], dated 03.09.09 appended at *Annex- VI*.
- xiv) M/s JSWEL has forwarded a copy of DPR to Govt. of Punjab and BBMB as desired by CWC while conveying clearance from Interstate aspects. DPR has also been forwarded to GoHP, who have confirmed that consumptive use from projects on river Ravi is only in the shape of evaporation which accounts for negligible losses(*Annex-VII*).
- xv) MoWR vide letter dated 15th June, 2010 has cleared the DPR from Indus Water Treaty angle mentioning therein that the project is located on the river Ravi and as per Indus Water Treaty, water of Ravi is available for unrestricted use by India.
- xvi) M/s JSWEL shall take appropriate precautions to avert flooding of power house by adopting measures listed at *Annex-VIII*.
- xvii) Fly ash and fly ash based products shall be used in the construction of various works to the extent possible in accordance with MoE&F notification dated 14.09.99 and its amendment dated 27.08.2003. The construction material surveys shall include the required investigations for use of fly ash and fly ash based products in various works, infrastructure facilities etc. and their feasibility be ascertained by M/s JSWEL.
- xviii) M/s JSWEL shall deploy modern tools/software for construction monitoring of the project by establishing IT based monitoring system and linking the same to CEA network.
- xix) Information in respect of tying up essential inputs/statutory clearances, results of investigations/studies shall be submitted to CEA/CWC/GSI on receipt of same later from time to time.
- xx) M/s. JSWEL shall submit the updated DPR incorporating all the changes/modifications agreed during the appraisal process to the State Govt., Appropriate Electricity Regulatory Commission and Central Transmission Utility.
- xxi) Concurrence is subject to compliance by M/s JSWEL of various policies/guidelines etc. issued by Govt. of India from time to time.
- xxii) The broad technical aspects of the project proposal in the project report have been scrutinized in CEA in consultation with CWC, GSI and other concerned agencies. The scrutiny is based on the data, assessment and certificates presented in the report and information/clarifications received as compliances to the observations on the assumption that the data and information furnished are accurate and have been collected reliably by the project authorities from the dependable sources and/or after carrying out detailed surveys and investigations as presented in the report.
5. The cost of the project cleared by the Authority is indicative. The tariff of the project shall be regulated by the appropriate Electricity Regulatory Commission. M/s. JSWEL propose to avail the potential benefit of the Green House Gas (GHG) abatement by selling carbon credits under the Clean Development Mechanism (CDM) of Kyoto Protocol. Benefits due to above shall also be regulated by the appropriate Regulatory Commission.

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6. Commissioning schedule of the generating units from the zero date i.e. 01.10.2014 shall be as follows:

Unit - 1 : 58th month

Unit - 2 : 59th month

Unit - 3 : 60th month

7. Monthly Status Report of compliance of the conditions stipulated under para 4 of this Concurrence letter shall be submitted to Secretary, CEA.

8. Monthly Progress Report of the project shall be submitted to Hydro-Project Monitoring (HPM) Division of CEA. Three (3) copies of the half-yearly reports on both physical progress of the scheme and expenditure actually incurred, duly certified by statutory auditors shall be submitted to the Authority till the Commercial Operation Date of the plant. The project authorities shall give free accessibility to CEA officers and staff to have on the spot assessment of various aspects of the project.

9. Monthly status of the project from the date of Concurrence to Financial closure shall be furnished to Secretary, CEA as per the proforma enclosed at *Annex-IX*.

10. In case the time gap between the Concurrence to the scheme by CEA and the actual start of work by M/s JSWEL is three years or more, a fresh Concurrence of CEA shall be obtained by M/s JSWEL.

11. The Authority reserves the right to revoke this concurrence, if the conditions stipulated in this Office Memorandum are not complied with to the satisfaction of the Authority.

Encls: *Annexes I, IA, IB, II, III, IV, V, VA, VI, VII, VIII & IX*

Amarjeet Singh
(AMARJEET SINGH)
SECRETARY, CEA

1. ✓ General Manager (Hydro), JSW Energy Limited, D-9, Phase-I, Sector-1, New Shimla, Himachal Pradesh -171 009.
2. Secretary, Ministry of Power, Govt. of India, Shram Shakti Bhawan, Rafi Marg, New Delhi -110119.
3. Secretary, Ministry of Environment & Forests, Government of India, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110003.
4. Chairman, Central Electricity Regulatory Commission, Core-3, 5th Floor, Scope Complex, 7 Institutional Area, Lodhi Road, New Delhi-110003.
5. Chairman, Central Water Commission, Sewa Bhawan, R.K. Puram, New Delhi - 110606.
6. Chairperson, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi.



7. Chairman-cum-Managing Director, Power Grid Corporation of India Limited, Saudamini, Plot No.2, Sector 29, Gurgaon - 122001 (Haryana).
8. Secretary (Department of Power), Government of Himachal Pradesh, Secretariat, Shimla, Himachal Pradesh -171 002.
9. Adviser (Energy), Planning Commission, Yojana Bhawan, New Delhi - 110001
10. Member (D&R), Central Water Commission, Sewa Bhawan, R. K. Puram, New Delhi - 110606.
11. Member (WP&P), Central Water Commission, Sewa Bhawan, R.K. Puram, New Delhi - 110606.
12. Member (Hydro / Planning / Thermal / Grid Operation & Distribution / Economic & Commercial / Power System), CEA, Sewa Bhawan, R.K. Puram, New Delhi - 110606.
13. Joint Secretary (Hydro), Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi-110119.
14. Chief Engineer (HPA/ SP&PA/ F&CA/ TCD/ Legal/ HPM / IRP/ HP&I / HE&TD/ LD&T), CEA, Sewa Bhawan, R.K. Puram, New Delhi - 110606.
15. Chief Engineer (PAO), CWC, Sewa Bhawan (S), R.K. Puram, New Delhi - 110606.
16. Director (LHIM&EPE Division), Geological Survey of India, A-II, Pushpa Bhawan, Madangir Road, New Delhi - 110062.

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Annex-I

Kutehr Hydro Electric Project (3x80-240 MW) - Himachal Pradesh
by M/s JSW Energy Limited (JSWEL)

Estimated Completed Cost

1 US\$ = Rs. 46.58

S.No.	Description	Foreign component		Domestic Component (Rs. Crs.)	Total (Rs. Crs.)
		Million \$	Equv. INR (Rs. Crs.)		
1.	Civil works	-	-	1050.80	1050.80
2.	Electro-Mechanical Works	4.11	19.14	367.51	386.65
3.	Total Hard Cost	4.11	19.14	1418.31	1437.45
4.	IDC	-	-	353.94	353.94
5.	FC	-	-	6.74	6.74
	Total Cost	4.11	19.14	1778.99	1798.13

Note : This cost does not include cost of Transmission line of 220 kV D/C line with twin zebra conductor from Kutehr to Lahal.

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Kuterhr Hydroelectric Project (3x80=240 MW)- H.P. by M/s. JSW Energy Limited
Abstract of Estimates of Civil Works

Annex-IA

Sl. No.	Description	Cost-March 2009 Price Level (Rs. Lakh)	Completion cost (Rs Lakh)
	DIRECT CHARGES		
1	A- Preliminary		
2	B- Land	2243.98	2477.10
3	C- Works	1326.00	1604.00
4	J- Power Plant	19887.00	26042.85
5	K- Building	35886.00	48265.52
6	M- Plantation	4485.00	8022.00
7	O Miscellaneous	50.00	87.13
8	P- Maintenance	1615.67	2133.00
9	Q-Special T&P	600.38	808.12
10	R- Communication	45.25	59.74
11	X-Ecology and Environment	2900.00	3831.22
12	Y- Losses on stock	5830.00	7702.10
	I-WORKS (Total)	150.10	195.82
	II-Establishment @8% of I-works less B- Land	74799.37	97206.90
	III- T&P	5877.87	7848.21
	IV- Receipt and Recoveries (-)	100.00	134.00
	TOTAL DIRECT CHARGES	272.00	403.61
	INDIRECT CHARGES	80605.24	104585.20
	V-Audit & Accounts @0.5% of I-Works		
	VI- Capitalisation of abatement of land revenue @ 5% of cost of private land	374.00	486.03
	TOTAL INDIRECT CHARGES	3.30	3.99
	TOTAL OF DIRECT & INDIRECT CHARGES	377.30	490.02
	Total Civil Cost (Rs Crores)	80882.54	105075.22
		808.83	1050.8

Note: Annual Escalation @ 8.2% has been considered for estimating escalated hard cost of the project from March, 2009 to Sept, 2011 (Zero date 01.10.2011).

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Annex-IB
Kutehr Hydroelectric Project (240 MW)- H.P. by M/s JSW Energy Limited
(Abstract of Hard Cost Estimates of Electro Mechanical Works)

Price Level: March-2009

FE Rate: 1US\$ = 46.58 INR

S. No.	Item	Cost - March, 2009		Hard Completion Cost	
		Rs. In Lakhs	Foreign Component (US\$ in Millions)	Rs. in Lakhs	Foreign Component (US\$ in Millions)
1.1	Electro-Mech Work				
1.1.1	Preliminary	200		257.67	
1.1.2	EOT Crane	465		621.63	
1.1.3	T.G.Set and Bus Duct	12,302.40		17,272.00	
1.1.4	Power Transformers	1,560.00		2,242.52	
1.1.5	A C Supply	225		320.5	
1.1.6	220 KV Potheadyard	208.3		299.43	
1.1.7	GIS & XLPE Cable		4.11		4.11
1.1.8	Power & control Cables	375		535.57	
1.1.9	SCADA	800		1,142.55	
1.1.10	Electrical Auxiliaries	610		868.92	
1.1.11	Mechanical Auxiliaries	1,650.00		2,359.59	
1.1.12	Initial Spare	777.32		1,137.70	
1.1.13	F & Insurance	1,424.75		1,976.54	
1.1.14	Erection & Commissioning	1,741.69		2,425.72	
	Total	22,339.47	4.11	31,460.35	4.11
1.2	Taxes & Duties				
1.2.1	Custom Duty	482.86		482.86	
1.2.2	Excise Duty	1,974.10		2,788.53	
1.2.3	Service Tax	179.39		249.85	
	Total (Duties)	2,636.36		3,521.24	
1.3	Over heads				
1.3.1	Establishment	844.46		1,157.37	
1.3.2	Audit & Account	129.79		177.88	
1.3.3	Contingencies	211.11		289.34	
1.3.4	Tools & Plants	105.56		144.67	
	Total (Over heads)	1,290.92		1,769.26	
	Total (E & M)	26,266.75	4.11	36,750.85	4.11
	Total INR	28,181.19		38,665.29	
	Say	Rs. 281.81 Crores		Rs. 386.65 Crores	

Note: Annual escalation @6.4% has been considered for estimating escalated hard cost of the project from March, 2009 to September, 2011 (Zero date 01.10.2011). Escalation on foreign cost component has not been considered.

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Annex - II

Kutehr HEP (3x80 = 240 MW) in Himachal Pradesh by M/s JSW Energy Ltd.

Tentative Financial Package

Debt Equity Ratio = 75:25

Completion cost

Source of Financing	Total (Rs. Cro)
Equity (Internal Resources)	449.53
Debt	
i) External Commercial Borrowing (ECB)	Nil
ii) Domestic Commercial Borrowing (DCB)	1348.60
Rupee Term Loan	
Total (Equity + Debt)	1798.13

Terms of Loan

Sl. No.	Item	(Rs. Cro)	
1	Source of debt	ECB	DCB
2	Loan amount (Rs. Crores)	Nil	1348.60
3	Interest rate		11.50%
4	Financing Charges	Nil	0.5% of debt

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Kutehr Hydro Electric Project (3x80=240 MW)– H.P. by M/s JSW Energy Limited
- Salient features

- | | | |
|----|-----------------------------------|--|
| 1. | Location | Himachal Pradesh |
| | State | Chamba |
| | District | Ravi |
| | River | Indus |
| | River Basin | Indus |
| | Barrage Site- Latitude | 32° 20' 52" N |
| | Longitude | 76° 31' 58" E |
| | Vicinity | Near Holi Village |
| | Powerhouse Site- Latitude | 32° 27' 36" N |
| | Longitude | 76° 27' 36" E |
| 2. | Hydrology | |
| | Catchment area | 1155 km ² |
| | Area under snow | 305 km ² |
| | Elevation of Snow Line | El:4600 m |
| | Probable max. flood for 50-year | 5796 cumec |
| | Probable max. flood for 100-year | 6681 cumec |
| | Standard project flood (SPF) | 8328 cumec |
| | Diversion flood | 302 cumec |
| 3. | Reservoir | |
| | FRL | 1706.75 m |
| | MDDL | 1700 m |
| | Live Storage | 0.65 MCM |
| | Submergence Area | 11.3141 Ha |
| 4 | Barrage- Spillway | |
| | Barrage ht. from foundation level | 27 m |
| | Barrage length | 193.5 m |
| | Barrage width at top (Bridge) | 6 m |
| | Top of Barrage | 1708 m |
| | Barrage crest Elevation | 1685 m |
| | Number of bays of spillway | 5 Nos. |
| | Gate type and size | Radial, 11 m(W)x12.5 m(H) |
| | Stop log type and size | Vertical lift slide type, 11 m(W)x14.9 m(H). (1 Set) |
| 5. | Intake (on Left Abutment) | |
| | Number of Trash racks & size | 4 Nos., 3.5 m x 10 m |
| | Gate type | Vertical lift fixed wheel type (Service gate) |
| | | Vertical lift slide type (Maintenance gate) |
| | Number of gates and size | 4 Nos., 3.5 m(W)x 4.75 m(H) |
| 6. | Feeder Tunnels | |
| | Shape | Modified D- shape |
| | Nos. and size | 2 Nos., each of 3.5 m(W)x 5 m(H) |
| | Length | 644 m / 585 m |

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7. **Desanding Chambers**
 Type Underground
 No. and size 2 Nos., 290 m(L)x15 m(B)x15.9 m (H)
 Flushing Tunnel Gate type Vertical lift slide type
 Nos./size of Flushing Tunnel Gate 4 Nos., 1.55 m(W)x2 m(H)
 Size of Particle to be removed > 0.2 mm
8. **Head Race Tunnel**
 Number and Shape 1 No., Circular
 Lining type Concrete lined
 Length 14.602 km,
 Size 6.2 m Diameter
 Design Discharge 96.8 m³/s
9. **Surge Shaft**
 Type Open to sky Restricted orifice vertical shaft
 Diameter 15 m
 Total Height 87.45 m
 Surge shaft top 1737 m
10. **Butterfly Valve**
 Number and Diameter 1 No., 4.35 m Dia.
11. **Pressure shaft**
- | | Main Pressure Shaft | Intermediate Pressure Shaft | Unit Penstock |
|--------------------|---------------------------------|-----------------------------|-------------------------|
| Type | Steel lined subsurface penstock | | |
| Number | 1 | 1 | 3 |
| Diameter | 4.35 m | 3.55 m | 2.5 m |
| Maximum discharge | 96.8 m ³ /s | 64.53 m ³ /s | 32.27 m ³ /s |
| Length of penstock | 317.425 m | 17.4 m | 38.5 m/ |
| | (vertical reach | | 32.3 m/42.6 m |
| | 253.325 m) | | |
12. **Power House**
 Type Underground
 Number of Units 3
 Unit capacity 80 MW
 Installed Capacity 240 MW
 Design Head 280.47 m
 Rated discharge per Unit 32.27 Cumecs
 Type of Turbine Vertical axis Francis
 Speed of Turbine 375 rpm
 Generation Voltage/ Frequency 11 kV/ 50 Hz
 Power factor 0.9
 Size of machine Hall 90 m (L) x 19 m (W) x 44 m (H)
 Capacity of EOT Crane 200T/ 32 T
13. **Generator Transformers**
 Numbers 10 Nos. (9 +1 No. Spare)
 Rating 11/220 kV, 30 MVA, Single phase
 Transformer Cavern 90 m (L) x 16 m (W) x 44 m (H)

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14. **Tail Water Level**
 Minimum TWL at no flow 1397 m
 Normal TWL (All units at rated discharge) 1402.8 m
15. **Tailrace Tunnel**
 Shape and size Circular, 6.2 m dia.
 Length 275 m
16. **Switchgear**
 Type GIS type located above transformer cavern.
 Rating 220 kV single breaker double bus GIS switching.
 Number of bays of GIS switchgear 6 Nos.
 i) 3 generator bays
 ii) 1 bus coupler bay
 iii) 2 outgoing feeder bays
17. **Pothhead Yard**
 Type Outdoor,
 Area 88 m (L) x 19.5 m (W)
 Power Evacuation Power evacuated through 220 kV D/C transmission line to Lahal
18. **Power Benefits**
 Installed Capacity 240 MW
 Design Energy 969 MU
 Annual load factor 46.8 %
 Peaking hours during lean period 3 hours in 2 blocks
19. **Land Requirement**
 Total land 85.3609 ha
 Govt. land with Forest cover 39.4939 ha
 Private land without forest cover 6.1782 ha
 Govt. land without forest cover 28.5038 ha
 Submergence area 11.3141 ha
 Private land in Submergence area 0.1291 ha
 Total land in Submergence area 11.3141 ha
20. **Affected Villages/ Families**
 No. of villages affected 8 Nos.
 No. of Families losing homeshed & land both 3 Nos.
 No. of Families losing land only 30
 No. of Persons affected 152 Nos.
21. **Construction Period** 5 Years
 Commissioning Schedule From zero date i.e. 01.10.2011
 Unit - 1 : 58th month
 Unit - 2 : 59th month
 Unit - 3 : 60th month




**Kutehr Hydro Electric Project (3x80=240 MW)- Himachal Pradesh
by M/ JSW Energy Limited
(Observations/comments of CWC)**

I. Hydrology

i) Water Availability

Flow series for the project was cleared by CWC in 1999 for the period from January 1972 to September 1999. Extended series from October 1999 to July 2001 is based on observed data at Kutehr and from August 2001 to May 2008 is based on the relationship between the observed data at Bajoli and Kutehr.

As data beyond 2000 at Duragathi and beyond 2001 at Kutehr is not available, the approach of transferring the observed data at Bajoli to the project site was accepted by CWC. The correlation coefficient between the Kutehr and Bajoli data for the overlapping period (1997 -2001) monsoon period, post monsoon period and snow melt period is 0.95, 0.98 and 0.99 respectively.

In view of the above water availability series from 1972-73 to 2007-08 was cleared by CWC for planning of the project.

ii) Design Flood

In compliance to observation of CWC, M/s JSW obtained satellite imageries for finalization of elevation of permanent snow line. The snow line of the catchment based on the satellite imageries is found to be at elevation of 3500 m in the month of April and 4600 m in the month of October. Snowline for design flood study has been considered at 4500m elevation in view of possibility of occurrence of severe storm in basin in October.

Design flood studies of Project carried out by Project Authorities were examined by CWC and found to be in order. Estimated design flood value of 5796 cumec for 50-years, 6681 cumec for 100-year and 8328 cumec for SPF is recommended for project planning.

iii) Design Flood for Diversion

Flood frequency analysis of the non- monsoon observed/estimated annual flood peaks (Oct- May) (1972-08) at Kutehr site have been carried out and observed non- monsoon peak of 302 cumec at the project diversion which is more than the 25-year return period flood (247 cumec) has been adopted as diversion flood.

Proposed value of 302 cumec as diversion flood for the non-monsoon period (Oct-May) has been recommended to be adopted for the planning of the project.

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iv) **Sedimentation**

- a) Water and sediment flow pattern for various discharges at the power intake including the proposed sediment management measures at barrage may be studied in a physical model.
- b) The water and sediment flow pattern in the de-sanding chamber and the settling and flushing efficiency may be studied on a physical/numerical model.

II **Barrage Design Aspect**

As per CWC letter dated 13.01.2010, final layout of Barrage shall be decided after recommendations based on hydraulic model studies/tests.

III. **Hydel Civil Design**

- i) Geological investigation carried out at DPR stage are inadequate and that more field investigations and rock mechanics tests are required to be carried out. All the DPR stage investigations i.e. drilling and drifting for all the components like desanding chambers, head race tunnel and power house complex shall be completed and rock mechanics test carried out by M/s. JSW. The results shall be furnished to CWC.
- ii) During detailed design stage physical/numerical model studies may be carried out for the following and the refinement in designs may be carried out based on the results of the model studies:
 - f) Water and sediment flow pattern for various discharges at the power intake including the proposed sediment management measures at barrage may be studied in a physical model.
 - g) Water and sediment flow pattern in the desanding chamber and the settling and flushing efficiency may be studied on a physical/numerical model.
 - h) In the proposed restricted orifice surge shaft, the gate groove is being used as an orifice. Hydraulic performance of surge shaft with gate groove as an orifice and the effect of transients on gate and gate groove for all possible operation conditions of power house may be studied in a physical model. Provision of a central orifice, if required, may be considered during detailed design stage.
 - i) 2D and 3D Numerical model studies may be carried out for the underground power house complex to study the interaction between the caverns, stresses and deformation patterns around the caverns and adequacy of the rock pillar width between caverns and rock support system provided.
 - j) Hydraulics of tail race system comprising of draft tubes, collection gallery and tail race tunnel for various operating conditions of power house may be studied on a physical model.

Results of physical/numerical model studies shall be submitted to CEA & CWC.

S. and C.



IV. Gate Design Aspects

i) Barrage Radial Gates

- a) Suitable Air Vent at downstream of stoplog shall be provided.
- b) Location of (Sill of Radial Gate on the flat portion) shall be reviewed in order to ensure that water jet leaving beneath the partially opened Radial Gate moves touching the D/S Bottom profile of waterway.

ii) Surge Shaft Gates

Utility of Air Vent at D/S of Surge Shaft Gate may be examined by M/s JSW Limited.

V. Foundation Engineering & Seismic Aspects

- a) As there is no mention about the details & results of the in-situ test (density, shear, bearing capacity etc.) at different locations of the major component of the project viz. barrage, surge shaft, desilting chambers, power house etc., it should be ensured that the same shall be carried out in consultation with GSI by M/s. JSW Energy at the excavation stage.
- b) Alignment of HRT is sub-parallel to the strike of the foliation, which is not considered as a favourable alignment in the underground works. Further, the HRT is crossing the Sunah-ka-Nala between RD's 6600 m with overburden of approx. 25 m and rock cover of approx. 20 m, over HRT. Hence during excavation precautionary measures as per site requirement shall have to be ensured especially during negotiating the weak zones as identified during investigations. It is suggested that in these reaches the tunneling may be preceded by probe holes and adequate support system shall be ensured during the excavation.

VI. Inter-State /International Aspects

- (A) DPR of the Project has been examined from Inter-State angle by CWC and clearance given vide CEA letter dated 17.05.2010 subject to following conditions:
 - i) As per clause 1 of "Agreement dated 19th January, 1979 between the Govts. Of Himachal Pradesh and Punjab regarding Thein Dam and Power Plant Scheme", the H.P. Govt. shall have the right to make consumptive use of water upstream of Thein Dam in H.P. on the river Ravi or its tributaries or from Thein Dam, reservoir, free of cost up to 21 cusecs.
 - ii) A copy of the DPR shall be sent to Govt. of Punjab & BBMB for information/views.
 - iii) Project is planned as a run-of-the river scheme with provision of small storage for peaking, involving pondage created by construction of gated barrage across river Ravi. The loss due to evaporation or any other consumptive use shall be assessed and accounted against the allocated share of H.P. The State Govt. may

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ensure that total consumptive use of all the projects upstream of Thein Dam in H.P. on river Ravi or its tributaries from Thein Dam Reservoir does not exceed 21 cusecs. Project-wise details of utilization of Ravi water or its tributaries from various existing, ongoing & proposed projects/schemes etc. shall be furnished.

Subsequently, the Govt. of H.P. vide their letter dated 25.06.2010 have informed that till date the existing/conceived H.E. Projects on the river Ravi and its tributaries are R-O-R schemes, having small reservoirs. As such consumptive use is only in the shape of the evaporation which accounts for negligible losses.

- (B) DPR has been examined by MOWR from International aspects and cleared vide their letter dated 15th June 2010. MOWR has mentioned that the project is located on river Ravi and as per Indus Water Treaty, waters of Ravi are available for unrestricted use by India.

VII. CSMRS Aspects

Soil: M/s.JSW have mentioned that liquefaction may not take place at barrage site. Hence CSMRS have no further observations.

Rock: M/s.JSW should ensure that the rock mechanics tests shall be carried out before pre-construction stage.

Concrete

Course aggregates with aggregate impact value, aggregate crushing value and aggregate abrasion value less than 30% shall be used as construction material in concrete wearing structures like spillway glacis, bucket, baffle wall, stilling basin etc, as well as non wearing structures. Aggregate with crushing value less than 45% and the aggregate abrasion value less than 50% shall be used as construction material in concrete exclusively for non wearing structures like core of the dam, power house building etc.

Petrographic examination of aggregates reveals that the percentage of strained quartz and undulatory extinction angle are high. Proper precautions should be taken while using the aggregate in concrete for prevention of deleterious alkali aggregate reaction at the pre-construction stage itself.

Natural sand materials have more fines and high percentage of strained quartz. The alkali aggregate reactivity tests by conventional /accelerated method are to be conducted/ repeated on representative rock / sand samples of all potential quarries for use as aggregate in concrete to assess the reactivity potential of deleterious materials with cement in concrete at the pre-construction stage.

Suitable remedial measures like mineral additives such as flyash, slag, metakaoline, silica fume, etc. have to be blended with cement to prevent Alkali Silica Reaction (ASR) when used in concrete.

Cement should be tested at the pre-construction stage. The PPC, if preferred, must have fly ash more than 25% of the cement replaced by weight.

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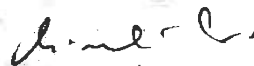
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Annex-V

Observations of GSI

Project has been examined from geological aspects by GSI and cleared on 16.02.2010 subject to conditions given below:

- Balance explorations/investigations agreed upon by M/s JSW Energy Limited should be completed as per "Investigations/Studies for Kutehr HEP (Time Schedule for Different Activities)" as given at Annex-V-A and before detailed design stage. Results of the explorations/investigations should be communicated from time to time for appraisal.
- Status of monthly progress on balance explorations/investigations should be communicated regularly.
- During monsoon months, when suspended sediment load vis-a-vis discharge is in general high, the frequency of sample collection should be increased on daily basis and during significantly high silt condition, every three hourly. Composition as well as angularity of suspended particles (below 0.02 mm size) may be analyzed petrographically to assess the impact and plan accordingly.



INVESTIGATIONS/ STUDIES FOR KUTEHR HEP

TIME SCHEDULE FOR DIFFERENT ACTIVITIES

Sl. No.	Activity	Start Date	End Date	Duration	Remarks
1	Exploratory Drilling				
2	Drill to existing Chamber (Length = 300 m)	01.11.09	31.10.10	12 months	
3	Drill to Power house cavern (Length = 275 m, 100 m already excavated before drilling)	01.12.09	30.09.10	10 months	
4	Drill to Surge shaft cavern (Length = 150 m, 70 m already excavated before drilling)	15.02.10	15.10.10	9 months	
5	Rock mechanics tests in exploratory drift				
6	Rock mechanics tests in Drilling chamber	01.08.10	31.11.10	4 months	
7	Rock mechanics tests in Power house cavern	01.04.10	31.10.10	7 months	
8	Hydraulic Model studies				
9	Hydraulic Model Study of Barrage	01.04.10	31.12.10	9 months	

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Annex - V A

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No.7/1/2002-DO(NHPC) [Vol.II]
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi, dated 3.9.2009

OFFICE MEMORANDUM

Sub: Guidelines for participation of foreign companies in tenders for work packages of Hydroelectric Projects in sensitive areas.

The Government hereby lays down the following guidelines for participation of foreign companies in tenders for work packages of Hydroelectric Projects in sensitive areas.

1. These guidelines may be called "Guidelines for participation of foreign companies in tenders for work packages of Hydroelectric Projects in sensitive areas, 2009" and shall be applicable from the date of their issue.

2. These guidelines have been framed, on the considerations that:-

- National security will be a critical determinant while making choices in regard to hydro-electric projects in sensitive regions and border areas.

Along the border, the concerned area may extend to a width of 50 kms on the Indian side of the international border with neighbouring countries. Every hydro-electric project, within this belt, with foreign participation of any form will need prior security clearance. This would extend to both public and private sector projects.

Prior clearance would apply in the case of similar hydro-electric projects being set up in certain sensitive locations, even if these are away from the border. Specific guidelines will be drawn up in consultation with the Ministry of Home Affairs to draw up a list of such sensitive locations.

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Security aspects of hydro projects also need to be kept in view elsewhere as well. These would involve ensuring the safety and security of structures such as dams, intakes, tunnels, etc. Security implications shall inevitably form part of any pre-contract discussions and must be addressed prior to the actual commencement of the project or assigning of a project to any party.

3. These guidelines shall be applicable to all Hydro-Electric Projects, being set up in the Central and State Sector and by Independent Power Producers with foreign participation of any form, regardless of the Project size or investment limit, located in the State of Jammu & Kashmir, in the North Eastern States including Sikkim and within an aerial distance of 50 kilometers on the Indian side of the international border with neighbouring countries or of the line of control (LOC) with Pakistan, or of the Line of Actual Control (LAC) with Tibet Autonomous Region (China), or within any notified Restricted/Protected areas, or within sensitive locations as identified by Ministry of Home Affairs from time to time.
4. (a) The State Government, before allotting any Hydro-Electric Project covered by criteria at 3 above to a foreign company or to a company involving foreign collaboration in any form including Build Own Operate (BOO) or Build Operate Transfer (BOT), shall seek prior clearance from Ministry of Home Affairs.
- (b) Similarly, a Developer of any Hydro-Electric Project covered by the criteria at 3 above, before appointing a foreign contractor or sub-contractor, shall seek prior clearance from Ministry of Home Affairs, through the State Government



concerned. The details of the foreign companies shall be provided by the Developer.

(c) In case of a bid process for selection of a developer, contractor or sub-contractor such clearance from Ministry of Home Affairs shall be sought at the stage of Request for Qualification (RFQ).

5. (a) The Ministry of Home Affairs shall give its clearance/advice within 6 weeks on the reference from the State Government or from the Developer through the State government, as to whether the foreign developer/ contractor/ sub-contractor needs to be eliminated on the grounds of national security, invoking a clause to be inserted in all bid documents to the effect that any bid can be rejected without assigning any reason.

(b) The period of 6 weeks shall commence from the date complete details are made available in the reference/questionnaire to the Ministry of Home Affairs.

(c) If the clearance/advice from Ministry of Home Affairs is not received within 6 weeks, the bid process would continue its normal course.

6. Once a foreign developer/ contractor/ sub-contractor has been qualified at the RFQ stage to submit his commercial bid, he should not be eliminated on the ground of national security.

7. (a) The project developer would evaluate and determine the optimum number of foreign employees required to be deployed at the project being awarded or sub-contracted to a foreign company, keeping in view the project's requirements, location and technical necessities. The number of foreign



employees would be kept to the minimum and be confined only to technical/supervisory staff.

- (b) Foreign employees would ordinarily be expected to confine their stay and movements to the designated place of stay and project site. Any visits outside the project site in any Restricted/Protected areas would only be undertaken after permission from the competent authority is obtained through the company in which they are employed, failing which they will be liable to action as per prevalent rules and orders. It will be the specific responsibility of the developer to ensure that the contract with the foreign company carries a clause that if the personnel of that Company are found indulging in activities prejudicial to India's national security interest, then the project developer may cancel the contract without any liability.
 - (c) The project developer shall furnish the list of foreigners (consultants, contractors, employees or retainers) proposed to be engaged in the project, with their full particulars (passport details, job profile/expertise, duration/location of stay, etc.) well in advance, which would be vetted before issue of visa.
 - (d) The Ministry of Power will certify in case of CPSUs, the project completion time and the requirement of the foreign personnel, while in case of all other projects, this will be certified by the concerned State Government.
8. (a) The Ministry of External Affairs in consultation with Ministry of Home Affairs, will decide on the kind of Visa to be issued.
- (b) While issuing visa/work permits, the Ministry of External Affairs will impose the necessary restrictions on specific individuals or on employees of specific companies that need to be watched, as well as the total number of visas issued at a given point of time in respect of project, so as to ensure

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compliance of the guidelines. Particular care would also be taken in respect of projects which are already allotted or where contracts and sub-contracts are already allotted, in the interest of national security.

9. If any equipment or electrical gadgets are proposed to be imported for the execution/implementation of the project, the promoters and CPSU's shall provide the equipment details, purpose, import route, etc., to the Department of Power/Energy in the State Government or to the Ministry of Power as the case may be.
10. Considering the importance of security and safety aspects of all Hydro-Electric Projects including Hydro-Electric Projects not covered at criterion 3 above, Central Electricity Authority will, in consultation with Ministry of Home Affairs, also address the issue of ensuring safety and security of structures such as dams, intakes, tunnels etc. and, where considered necessary, issue guidelines for the purpose. These guidelines will be taken into account while according concurrence under Section 8 of the Electricity Act, 2003. Observance of such security guidelines by Hydro-Electric Projects that do not require Central Electricity Authority's concurrence under Section 8 of the Electricity Act, 2003 will be ensured by the respective State Governments.
11. Prior clearance of security implications should inevitably form part of any pre-contract negotiations and must be addressed prior to the actual commencement of the Project or assigning of a Project to any Party.
12. The Ministry of Power shall ensure implementation of these guidelines by the CPSUs under its administrative control. The primary responsibility of ensuring compliance of these guidelines in respect of other Developers shall be that of the State Governments in consultation with the Ministry of Home Affairs.

Janet C.



(Kamal Bose)
Under Secretary to the Govt. of India
Tel. No. 23324357

To

Energy/Power Secretaries of all the State Governments

Copy forwarded to :

1. Foreign Secretary, South Block, New Delhi
2. Secretary (R) R&AW, New Delhi
3. Home Secretary, North Block, New Delhi
4. Director Intelligence Bureau, New Delhi
5. Secretary, Deptt. of Industrial Policy, Udyog Bhawan, New Delhi
6. Secretary, Department of Heavy Industry, Udyog Bhawan, New Delhi
7. Dy. National Security Adviser, Sardar Patel Bhawan, New Delhi
8. Defence Secretary, South Block, New Delhi
9. Principal Secretary to PM, PMO, South Block New Delhi
10. Secretary, Department of Economic Affairs, North Block, New Delhi
11. Cabinet Secretariat (Shri K.L. Sharma Director) Rashtrapati Bhawan New Delhi
12. Chairperson, CEA, R.K. Puram, New Delhi.

Copy also to in the Ministry of Power :

PS to Minister of Power/PS to Minister of State for Power
PS to Secretary (Power)/Sr. PPS to AS (AK)/PPS to AS (GBP)
PS to all Joint Secretaries
Economic Adviser
All Directors/Deputy Secretaries

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Annex-VII

Reg

DIRECTORATE OF ENERGY
GOVT. OF HIMACHAL PRADESH,
THAKUR VATIKA, KHALINI, SHIMLA-2

Ref: DOE/CE(Energy)/Kutehr HEP/2010-808-10

Dated: 25/6/10

To

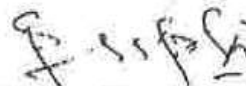
Director (PAC),
Central Electricity Authority,
PAC Directorate, Sewa Bhawan,
R.K.Puram, New Delhi-110606.

Sub: Kutehr HEP (240MW)-Clarification sought by CEA on DPR.

This has reference to your letter Nos. 2/HP/25/CEA/98-PAC/232-35 dated 17.1.2010 and 2/HP/25/CEA/98-PAC/695-97 dated 13.5.2010 received through M/s JSW Energy Limited on the cited subject. In this regard, it is intimated as under;

1. Kutehr HEP (260MW) was conceived by HPSEB and its DPR was submitted to CEA by HPSEB during the year 1999 for accord of TEC. The same project was later on awarded to M/s JSW Energy Ltd. for implementation through Private Sector and PIA was signed by GoHP with the company on dated 1.3.2008.
2. Till date the existing/conceived HEPs on the river Ravi and its tributaries are R-Q-R Schemes, having small reservoirs. As such consumptive use is only in the shape of the evaporation which accounts for negligible losses.
3. As mentioned in Sr. No. 1, the scheme was conceived by HPSEB after detailed survey and investigations and awarded for the Private Sector considering the facts that land and water is available for execution of the Kutehr HEP.

Thank you.


Chief Engineer (Energy),
Directorate of Energy,
Khalini, Shimla (H.P.)

Copy for information and necessary action

1. Principal Secretary (Power) to the Government of Himachal Pradesh, Shimla-2
2. M/s JSW Energy Limited, D-9, Phase-I, Sector-I, New Shimla, Pin-171009 with reference to letter Nos. dated 14.6.2010.

Chief Engineer (Energy),
Directorate of Energy,
Khalini, Shimla (H.P.)





Measures to be adopted to avert flooding of Power House

1. Installation of submersible type dewatering pumps of sufficient capacity in the dewatering sump.
2. In addition to drainage and dewatering pumps, provision of suitable number of submersible pumps of adequate capacity at MIV floor with provision for automatic starting by means of level switches.
3. Location of control panels for dewatering & drainage pumps at a floor higher than that of turbine floor.
4. Provision of suitable float switches in the P.H. building on MIV floor to give closing signal to the MIV in the event of inundation of P.H. due to penstock rupture or leakage in penstock or for some other reasons.
5. Provision of hoisting individual mechanism for draft tube gate of each unit for quick closing. The draft tube gates to be capable of closing under unbalance condition of water pressure.
6. Provision of operation and control of surge shaft gates from remote for quick isolation of water conductor system in case of failure of other line of defense/protection.
7. In the catchment area of the project, discharge measuring system may be installed to give advance warning on the occurrence of flood in the river so as to take action for timely shut down of power house.
8. The unit control panels, unit protection panels etc. to be located at the machine hall to the extent possible.
9. D.C. Batteries, batteries chargers & D.C. Distribution Boards to be placed at a floor higher than that of machine hall.
10. Location of Station Service Transformers and Station Service Board on floor at higher level. Provision of D.G. set connected to Station Service Board capable of operating dewatering pumps in case of failure of supply from other sources.
11. The hydro power station may employ quick methods for determination of silt concentration in the water. One simple method for measurement of silt concentration in the river water is to weigh silted water of a given volume and compare with relatively silt free water of same volume and correlation may be established between the difference in weight and silt concentration. With this, approximate silt concentration will be ascertained quickly and decision may be taken for shut down of power house if silt level exceeds the permissible limit.

J. N. C.



PROFORMA

Monthly status of progress in respect of Power Generation Schemes already accorded Concurrence by CEA and which are yet to achieve financial closure/ investment sanction.

1. Name of the Project **Kutehr H.E. Project (3x80=240 MW) in Himachal Pradesh**
2. Name of Power Company **M/s. JSW Energy Limited. (JSWEL)**
3. Date of Concurrence
4. Status of Power Purchase Agreement
5. Status of tie-up of Finances
6. Status of Contracts
7. Date of Financial closure
 - a) Details of financial tie-up
 - b) Name of Banks/ Financial Institutions
 - c) Debt : Equity
8. Reasons/ constraints for delays in achieving the financial closure
9. Expected COD
10. Status of Site Activities
(Land acquisition, R&R activities, site development works etc.)

11. Status of Environment & forest clearance.

	Environment	Forest
Date of application		
Date of accordance of clearance.		

12. Status of Compliance of the conditions imposed at the time of issue of Concurrence

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भारत सरकार/Government of India
केंद्रीय विद्युत प्राधिकरण/ Central Electricity Authority
कार्यालय सचिव/Office of Secretary
सेवा भवन/Sewa Bhavan
आर.के.पुरम/ R.K. Puram
नई दिल्ली/ New Delhi - 110606



संख्या 2/हिमाचल प्रदेश/25/सी ई ए/98 - पी ए सी/5328-3/ [आई.एस.ओ. : 9001-2000]
दिनांक 14/September,2013

सहायक उपाध्यक्ष (हाइड्रो)
जे.एस.इब्यू एनर्जी लिमिटेड
Kutehr HEP (240 MW),
Village-Karian, PO-Bhadian Kothi,
Tehsil & Distt.- Chamba - हिमाचल प्रदेश-176318.
(Fax No. 01899-220847)

विषय : हिमाचल प्रदेश में जे.एस.इब्यू एनर्जी लिमिटेड द्वारा कुटेहर जल विद्युत परियोजना
(3x80=240 मेगावाट)

- संदर्भ: i) O.M. संख्या 2/HP/25/CEA/98-PAC/3698-3727 dated 31.08.2010.
ii) आप का पत्र संख्या JSW/Kutehr/01/13-14/1489 dated 08.05.2013.
iii) आप का पत्र संख्या JSW/Kutehr HEP/01/13-14/1593 dated 14.08.2013.

महोदय,

Central Electricity Authority had accorded concurrence to Kutehr Hydro Electric Project (3x80 MW) in Himachal Pradesh by M/s. JSW Energy Ltd. vide Office Memorandum cited at (i) above. The concurrence was valid upto 30.08.2013.

M/s. JSW Energy Ltd. have requested vide their letters cited at (ii) & (iii) above to extend the validity of concurrence of the subject project upto 04.03.2014 & 03.03.2014 respectively. M/s. JSW Energy Ltd. have stated that they are not able to start the construction of the project due to delay in acquisition of Private Land and delay in diversion of Forest Land. They have further stated that both of these delays are beyond the control of M/s. JSW Energy Ltd.

The matter has been reviewed in CEA. Considering the need to give thrust to the development of hydro projects and delay not being attributable to developer, the request of M/s. JSW Energy Ltd. for extension of validity of Concurrence of Kutehr Hydro Electric Project (3x80 MW) in Himachal Pradesh upto 03.03.2014 has been agreed to at the same cost and same terms & conditions as stipulated in CEA O.M. of even no.3698-3727 dated 31.08.2010 conveying concurrence of CEA to the subject project.

भवदीय,
(मनजीत सिंह पुरी)
सचिव

Tel No.011-26732203





भारत सरकार
Government of India
विद्युत मंत्रालय
Ministry of Power
केन्द्रीय विद्युत प्राधिकरण
Central Electricity Authority
सचिव का कार्यालय
Office of Secretary
परियोजना मूल्यांकन समन्वय निदेशालय
Project Appraisal Co-ordination Directorate

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No. 2/HP/25/CEA/98-PAC/2000-1-62

Date: 06th August 2018

Chairman and Managing Director,
JSW Energy Limited,
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai-400051,
Maharashtra.

Sub: -Kutehr HEP (3x80 MW=240 MW) in Himachal Pradesh by M/s JSW Energy Ltd.
(JSWEL) -reg.

- I. CEA's Office Memorandum No. 2/HP/25/CEA/98-PAC 3698-3727 dated 31.08.10.
- II. CEA's Office Memorandum No. 2/HP/25/CEA/98-PAC 5328-31 dated 10.09.13.
- III. CEA letter no. NR/201/22/2014-HPA/3357 dated 04.08.14.
- IV. CEA letter no. 2/HP/25/CEA/98-PAC/1900-1906 dated 22.12.15.
- V. M/s JSW Energy Ltd. letter no. JSW/Kutehr HEP/01/17-18/3918 dated 10.03.18

Sir,

Central Electricity Authority accorded Concurrence to Kutehr HE Project (3x80 MW= 240 MW) vide Office Memorandum dated 31.08.2010 cited at (i) above. The validity of Concurrence expired on 30.08.2013. Thereafter, the validity was extended further vide CEA letter dated 10.09.13 as mentioned above at (ii) up to 03.03.2014.

M/s. JSWEL had again requested vide their letters dated 29.04.14 & 28.08.15 to extend the validity of Concurrence of the subject project stating that they were not able to start the construction of the project due to non-completion of activities like acquisition of private land, lease of forest land and felling of trees which were in the scope of Govt. of Himachal Pradesh.

The request was declined by CEA vide letters dated 04.08.14 and 22.12.15 cited at (iii) & (iv) in absence of No. Objection/Authorization of Govt. of Himachal Pradesh.

द्वितीय तल, सेवा भवन, आर.के. पुरम, 1- नई दिल्ली 110066- टेलीफ़ैक्स: 011-26108476 ईमेल: prabhat.kureel@gov.in
2nd Floor, Sewa Bhawan, R.K. Puram-I, New Delhi-110066 Telefax-011-26108476 Email: prabhat.kureel@gov.in



M/s JSWEL has again requested vide their letter dated 10.03.18 cited at (v) above to extend the validity of concurrence of the subject project for another two years, i.e. upto 12.05.2019. M/s JSWEL has intimated that the due to delay in land acquisition and non-signing of PPA, the project work could not be started.

The Government of Himachal Pradesh vide their letter 06.04.2018 has informed to CEA that the matter for grant of time extension of zero date i.e. to start of construction work on project is under consideration of Himachal Pradesh Govt. and it is requested to consider the case for extension of CEA Concurrence to Kutehr HEP up to 03.03.2019.

The Authority, after considering all aspects, agreed for extension of the validity of Concurrence accorded to Kutehr HE Project (3x 80 MW) in Himachal Pradesh of M/s JSW Energy Limited (JSWEL) up to 03.03.2019 on the same cost, same features and same terms & conditions as stipulated in CEA's Concurrence letter dated 31.08.2010.

(पी सी कुरील)
सचिव

Copy for information to: -

1. Member (Hydro), CEA
2. Joint Secretary (Hydro), Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. Chief Engineer (Energy), Directorate of Energy, Government of HP, Shanti Bhawan, Phase-III, Sector-06, New Shimla-09, H.P.
4. Chief Engineer (HPA-I/Legal), CEA.
5. AVP-Hydro, JSW Energy (Kutehr) Limited, Village-Karia, PO-Bhadiyan Kothi, Tehsil & District- Chamba-176318, Himachal Pradesh

(पी सी कुरील)
सचिव



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**DIRECTORATE OF ENERGY
GOVERNMENT OF HIMACHAL PRADESH
SHANTI BHAWAN PHASE-III SECTOR-6 NEW SHIMLA-9**
Tel No: 0177-2673552, Fax No: 2673553, Email: ceenergy09@gmail.com

No. HPDOE/CE(Energy)/Kutehr HEP/2019- 972-73

Dated: 03/05/2019

To

The Director (PAC),
Govt. of India, Ministry of Power,
Central Electricity Authority,
Sewa Bhawan, R. K. Puram,
New Delhi-110606

Subject: - Kutehr HEP (240 MW) – Extension of CEA Concurrence to the project.

Sir,

This is in reference to M/s JSW Energy (Kutehr) Limited letter No. JSW(Kutehr)Energy/KHEP/01/19-20-3999 dated 13.04.2019 (**copy enclosed**) addressed to your office with copy to this office amongst others on the subject cited matter vide which they have requested to extend CEA Concurrence for Kutehr HEP upto 31.03.2020. It is further intimated by the project developer that they are in advanced stage of award of work for construction of Kutehr HEP.

Kutehr HEP has been accorded concurrence on 31.08.2010 vide CEA office memo 2/HP/25/CEA/98-PAC/3698-3727 dated 31.08.2010 and subsequently the validity of the concurrence was extended upto 03.03.2019 vide CEA letter dated 06.08.2018.


It is, therefore, requested to consider the request of the project developer to extend CEA concurrence for Kutehr HEP upto 31.03.2020.

Yours faithfully,

DA: As above

(Manasi Sahay Thakur, IAS)
Director,
Directorate of Energy, GoHP.

✓ Copy to M/s JSW Energy (Kutehr) Limited, Village Machhettar, P.O. Chanhouta, Tehsil Bharnour, Distt. Chamba, Himachal Pradesh-176309 for information w.r.t. the letter referred above and necessary follow up in the matter.


Director,
Directorate of Energy, GoHP.





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भारत सरकार
Government of India
विद्युत मंत्रालय
Ministry of Power
केन्द्रीय विद्युत प्राधिकरण
Central Electricity Authority
सचिव का कार्यालय
Office of Secretary
परियोजना मूल्यांकन समन्वय निदेशालय
Project Appraisal Co-ordination Directorate

No. 2/HP/25/CEA/98-PAC/ 508-14

Date: 24th July 2019

Chief Executive Officer,
JSW Energy, Ltd.,
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai-400051
Maharashtra

Sub: - Kutehr Hydro Electric Project (3x80MW=240 MW) by M/s. JSW Energy Ltd -reg.

- Office Memorandum No 2/HP/25/CEA/98-PAC/3698-3727 dated 31.08.2010
- CEA letter No. 2/HP/25/CEA/98-PAC/5328-31 dated 10.09.2013
- CEA letter No. NR/201/22/2014-HPA/3357 dated 04.08.2014
- CEA letter No. 2/HP/25/CEA/98-PAC/1900-1906 dated 22.12.2015
- Office Memorandum No 2/HP/25/CEA/98-PAC/2056-62 dated 06.08.2018
- M/s JSW Ltd vide letter no. JSW (Kutehr) Energy/KHEP/01/19-20/3999 dated 13.04.2019

Sir,

Central Electricity Authority accorded Concurrence to Kutehr HE Project (3x80 MW=240 MW) vide Office Memorandum dated 31.08.2010 cited at (i) above. The validity of Concurrence expired on 30.08.2013. Thereafter, the validity was extended further vide CEA letter dated 10.09.2013, as mentioned above at (ii), up to 03.03.2014.

M/s. JSWEL had again requested vide their letters dated 29.04.14 & 28.08.15 to extend the validity of Concurrence of the subject project stating that they were not able to start the construction of the project due to non-completion of activities like acquisition of private land, lease of Forest Land and felling of trees which were in the scope of Govt. of HP.

The request was declined by CEA vide letters dated 04.08.2014 & 22.12.15 cited at (iii) & (iv) respectively in absence of No Objection/Authorization of Govt. of HP.

द्वितीय तल, सेवा भवन, आर.के. पुरम-1, नई दिल्ली-110088- टेलीफैक्स: 011-26108476 ईमेल: prabhat.kuroel@gov.in
2nd Floor, Sewa Bhawan, R.K. Puram-I, New Delhi-110088 Telefax-011:26108476 Email: prabhat.kuroel@gov.in



Thereafter, the validity was extended further vide CEA letter dated 06.08.2018 mentioned above at (v) up to 03.03.2019, in view of GoHP letter dated 06/04/2018.

M/s JSWEL has requested vide their letter dated 13.04.19 cited at (vi) above to extend the validity of Concurrence of the subject project up to 31.03.2020. M/s JSWEL has intimated that the construction of the project could not be started till date due to non-completion of activities like Lease of Forest Land and felling of trees, which are in the scope of Govt. of Himachal Pradesh.

The Government of Himachal Pradesh vide their letter 03.05.2019 has requested that the request of the project developer to extend CEA Concurrence for Kutehr HEP up to 31.03.2020 may be considered.

The Authority, after considering all aspects, has agreed for extension of the validity of Concurrence accorded to Kutehr HE Project (3x 80 MW) of M/s JSW Energy Limited (JSWEL) up to 31.03.2020 on the same cost, same features and same terms & conditions as stipulated in CEA OM of even no. 3698-3727 dated 31.08.2010 conveying Concurrence of CEA to the subject Project.

[Handwritten signature]
7/2/2019
पी सी कुरील
सचिव

Copy for information to: -

1. Member (Hydro), CEA
2. Joint Secretary (Hydro), Ministry of Power, Shram Shakti Bhawan, New Delhi.
3. Chief Engineer (Energy), Directorate of Energy, Government of HP, Shanti Bhawan, Phase-III, Sector-06, New Shimla-09, H.P.
4. Chief Engineer (HPA-I/Legal), CEA.
5. AVP-Hydro, JSW Energy (Kutehr) Limited, Village-Karian, PO-Bhadiyan Kothi, Tehsil & District- Chamba-176318, Himachal Pradesh





हिमाचल प्रदेश HIMACHAL PRADESH

070439

IMPLEMENTATION AGREEMENT

FOR KUTEHR HYDRO-ELECTRIC PROJECT(240MW)

This Agreement executed on this 4th day of the month of March in the year Two Thousand Eleven between the Governor of Himachal Pradesh, through Sh. K. Sanjay Murthy, Director, directorate of Energy, Government of Himachal Pradesh, having its office at Khalini, Shimla - 171002, (hereinafter referred to as "First Party"), which expression unless repugnant to the context or meaning thereof, shall include its successor(s), administrator(s) or permitted assigns, of the **FIRST PART**;

AND

M/s JSW Energy Ltd. having its registered office at Jindal Mension, 5 A, Dr. G. Deshmukh Marg, Mumbai-400026 (hereinafter referred to as "Second Party") which expression shall, unless repugnant to the context or meaning thereof, include its successor(s), administrator(s) or permitted assigns, through Sh. Ajai Srivastava, who has been duly authorized by the Second Party vide their resolution dated 03.03.2011 to execute this agreement, of the **SECOND PART**.

WHEREAS the First Party in accordance with its power policy had entered into a Pre Implementation Agreement on 1st March in the year 2008 with the Second Party to carry out detailed investigations, techno-economic studies, submission of a Detailed

Director
Directorate of Energy,
H.P. Government, Thakur Vatika
Khalini, Shimla - 171002





हिमाचल प्रदेश HIMACHAL PRADESH

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
Project Report (DPR) for the implementation of Kutehr Hydro-electric Project (HEP) 260 MW installed capacity, located in District Chamba, of Himachal Pradesh hereinafter referred to as the "Project"); and

WHEREAS the Second Party submitted the DPR at a reduced capacity of 240 MW to the CEA for grant of TEC, which stand accorded by CEA on 31.08.2010.

WHEREAS the Second Party has deposited the 1st instalment (50% of the Total Upfront premium payable) of the upfront premium amounting to Rs.67,60,12,870 on 24.08.2007.

WHEREAS the Second Party has deposited the 2nd instalment of upfront premium amounting to Rs. 26,00,04,950/- after carrying out the necessary adjustment of Rs. 5,20,00,990/- deposited in excess to the amount paid on account of the 1st instalment (i.e. 25% of the total Upfront premium payable as 2nd Instalment minus the amount of Rs. 5,20,00,990/- deposited in excess), in view of reduction in the installed capacity of the project from 260MW to 240MW, through online transaction in the Account No. 65080765789 (IFSC Code: STBP0000204) State Bank of Patiala, in favour of Director, Directorate of Energy, on 4th March, 2011.

WHEREAS the Second Party has agreed to deposit the balance amount of upfront premium of Rs. 31,20,05,940/- on account of 3rd Instalment payable at the time of achieving Financial closure.


Director
Directorate of Energy,
H.P. Government, Vidhan Sabha,
Shimla - 171002

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WHEREAS the Second Party has agreed to provide to the First Party or its agent 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Scheduled Commercial Operation of the Project, 18% of Deliverable Energy of the Project for a period of next 18 years and thereafter 30% of the Deliverable Energy for the balance agreement period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/synchronization of the first generating unit whichever is earlier; and

WHEREAS the Company is required to provide an additional 1% free power payable for Local Area Development, as per the National Hydro Power Policy (2008) and adopted by the State Government. In respect of the Projects allotted prior to 2010, the provision of additional 1% free power for LADF shall be subject to the final outcome of the CWP No. 697 of 2010 filed by the Second Party M/s JSW Energy Ltd., pending in the Hon'ble High Court of HP.

NOW, THEREFORE, in consideration of the promises and mutual covenants and conditions set forth herein, it is agreed by and between the parties hereto as follows:

1. INTERPRETATIONS AND DEFINITIONS:-

1.1. INTERPRETATIONS:-

- 1.1.1 The nomenclature of this agreement, headings and paragraphs numbers are for convenience of reference only and shall be ignored in construing or interpreting this agreement.
- 1.1.2 References to persons and words denoting natural persons shall include bodies corporate and partnerships, joint ventures and statutory and other authorities and entities.
- 1.1.3 References to any enactment, ordinance or regulation or any provision thereof shall include any amendment thereof or any replacement in whole or in part.
- 1.1.4 Reference to Recitals, Articles, Clauses, Sub-Clauses or Annexures shall unless the context otherwise requires, be deemed to include the Recitals, Articles, Clauses, Sub-Clauses or Annexures of this Agreement.
- 1.1.5 The words importing singulars shall include plurals and vice versa as may be necessary.
- 1.1.6 Terms beginning with capital letters and defined as per Clause 1.2 of this agreement shall have the same meaning ascribed thereto and the terms defined in the Annexures and used therein shall have the meaning ascribed thereto in the Annexures.
- 1.1.7 The Annexures and Schedules to this agreement form an integral part of this agreement and shall be in full force and effect as if they were expressly set out in the body of this agreement.
- 1.1.8 Any reference at anytime to any agreement, deed, instrument, license or document of any description shall be construed as reference to that agreement, deed, instrument, license or other document as amended, varied, supplemented, modified or

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suspended at the time of such reference provided that this Clause shall not operate so as to increase liability or obligations of any Party hereunder or pursuant hereto in any manner whatsoever.

1.1.9 Any agreement, consent, approval, authorization, notice, communication, information or report required under or pursuant to this agreement from or by any Party shall be valid and effectual only if it is in writing and under the hands of duly authorized representative of such Party in this behalf and not otherwise.

1.1.10 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 and dates.

1.2 **DEFINITIONS:-** In this Agreement, the following words and expressions, unless repugnant to the context or meaning thereof, shall have the meanings hereinafter respectively as assigned to them as under:-

1.2.1 "Act" means the Electricity Act, 2003;

1.2.2 "Acquired Land" shall have the meaning set forth in Clause 4.3.

1.2.3 "Agent" means the Board/appropriate State Power Utility or such other authority as may be appointed by the First Party for the purpose of this agreement;

1.2.4 "Agreement" means this agreement together with all its Appendices and Annexures and any amendments thereto made in accordance with the provisions herein contained;

1.2.5 "Agreement Period" shall have the meaning as specified in Clause 3;


1.2.6 "Board" shall mean the Himachal Pradesh State Electricity Board Ltd.;

1.2.7 "CEA/Authority" means the Central Electricity Authority as defined under section 2 (6) of the Electricity Act, 2003 or its successors;

1.2.8 "Central Transmission Utility (CTU)" means any Government Company which the Central Government has notified under sub-section (1) of section 38 of the Act;

1.2.9 "Commercial Operation" means the state of Unit/Project when Unit/Project is capable of delivering Active Power and Reactive Power on a regular basis after having successfully completed the commissioning tests as per Prudent Utility Practices;

1.2.10 "Commercial Operation Date (COD)" means the date on which the Commercial Operation of Unit/Project as the case may be is achieved by the Second Party;


Director
Directorate of Energy,
H.P. Government Chakur Vatika,
Kharla, Sonbatta - 171002

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1.2.11 "Company" means M/s JSW Energy Ltd. a generating company within the meaning of section 2 (28) of the Electricity Act, 2003 and registered under Companies Act, 1956;

1.2.12 "Contractor" means any person, firm or body corporate engaged by the Second Party for the implementation of the Project;

1.2.13 "Control Centre" or "State Load Dispatch Centre" or "SLDC" means the State Load Dispatch Centre located at Shimla or such other control center designated by the Board/State Transmission Utility/First Party from time to time (but not more than one at a time) from which the Dispatch Instructions will be issued to the Second Party at the Station;

1.2.14 "Debt" means the amount of any loan, non-convertible debenture or other similar obligation, contracted or raised and received by the Second Party under the Financing agreements, and actually expended (or to be expended) for the Project and which shall not be greater than the principal amount of debt specified in the applicable currency in the estimate of Capital Cost of the Project;

1.2.15 "Deliverable Energy" means the electrical energy generated at the Station, as measured at generator(s) terminals less the summation of the following:-

(i) actual auxiliary consumption for the bonafide use of auxiliaries, lighting and ventilation in the Power Station and intake works and the transformation losses (from generation voltage to transmission voltage) of the step up transformers at the power house switchyard; and

(ii) transmission losses at actuals, which shall be the difference of the electrical energy measured at sending and receiving ends of the transmission line (i.e. the power station end and the Interconnection Point);

For this purpose and subject to above, the energy meter reading shall be taken on monthly basis at the Interconnection Point;

1.2.16 "Despatch" means to schedule and control the generation of the Project in order to commence, increase, decrease or cease the electrical output as delivered to the Grid System in accordance with the Board's/State Transmission Utility's instructions from the Control Centre in conformity with the agreement and Prudent Practices;

1.2.17 "Despatch Instruction" shall mean an instruction issued by the Control Centre to the Second Party for the Despatch of power by message/fax/email to be confirmed in writing by Control Centre as per the operating procedure developed by the Parties to operate the Project in accordance with the terms of this agreement, technical limits and Prudent Utility Practices including-

(a) an instruction to target active/reactive power output to be maintained by the Project;

Director
Directorate of
Himachal Pradesh
Government
Shimla






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Himachal Government Judicial Paper

- (b) an instruction to synchronise or desynchronise a unit at a particular time;
 - (c) an instruction to defer or cancel a scheduled outage or maintenance outage; and
 - (d) an instruction for backing down the active/reactive power due to Grid conditions;
- 1.2.18 "Detailed Project Report (DPR)" means the Project Report submitted by the Second Party and as finally approved by the competent authority;
- 1.2.19 "Disincentive Energy" shall have the meaning set forth in Clause 5.31.
- 1.2.20 "Dispute" shall have the meaning as specified in Article 11;
- 1.2.21 "Effective Date" means the date of signing of the agreement;
- 1.2.22 "Equity" means the aggregate of all subscribed and paid up share capital of the Second Party in different currencies as converted into Rupees, by application of the procedure approved by the Authority/GOI, as invested in the Project and held by one or more shareholders in the Second Party, which shall be in accordance with the financial plan;
- 1.2.23 "Financial Closure" means the first business day on which substantial funds are made available to the Second Party under the terms of the Financing Agreement;
- 1.2.24 "Financing Agreement" mean the loan agreements, notes, indenture, security agreements, letters of credit and other documents relating to the financing (including refinancing) of the Project and the capital cost of any part thereof, as amended, supplemented or modified from time to time and approved by the First Party;
- 1.2.25 "Force Majeure" shall have the meaning as described thereto in Clause 7;
- 1.2.26 "Government" means the Government of Himachal Pradesh;
- 1.2.27 "GOI" means the Government of India;
- 1.2.28 "Grid/Grid System" means the network of power system interconnecting different power generating stations, transmission lines and sub-stations for transmitting the electrical output from the Interconnection Point upto main load Centre(s);
- 1.2.29 "HIPERC" means the Himachal Pradesh Electricity Regulatory Commission;
- 1.2.30 "Incentive Energy" shall have the meaning set forth in Clause 5.30;

Director 
 Directorate of Energy,
 H.P. Government, Thakur Vatika,
 Kharoli, Shimla - 171002





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- 1.2.31 **"Interconnection Facilities"** means all the facilities which shall include without limitation, switching equipment, communication, protection, control and metering devices etc. at the Interconnection Point(s) to be installed and maintained at the cost of the Second Party to enable evacuation of power output from the Project in accordance with this agreement;
- 1.2.32 **"Interconnection Point(s)"** shall mean the physical touch point at sub-station(s) of the Board/State Transmission Utility/Central Transmission Utility where the Project's transmission line for evacuating the power from the Project is connected to the Grid and shall be at Lahal sub-station(s) of the HPSEB Ltd.;
- 1.2.33 **"Local Area Development Committee (LADC)"** shall mean the Committee constituted by the Government and entrusted with the function as specified in Clause 4.16;
- 1.2.34 **"Law"** means any Act, rule, regulation, notification, order or instruction having the force of Law enacted or issued by any competent legislature, Government or statutory authority in India;
- 1.2.35 **"MOEF"** means Ministry of Environment & Forests, Government of India or its successor authority/agency;
- 1.2.36 **"Month"** means English Calendar month;
- 1.2.37 **"Net Saleable Energy"** means the electrical energy in KWh, delivered by the Second Party at the Interconnection Point, less the First Party Supply;
- 1.2.38 **"NRLDC"** means "Northern Regional Load Despatch Centre" or its successor entity;
- 1.2.39 **"PGCIL"** means Power Grid Corporation of India Ltd.;
- 1.2.40 **"Parties"** refer to the First Party and the Second Party collectively;
- 1.2.41 **"Party"** shall refer to the Government and/or the Company individually;
- 1.2.42 **"Permanent Works"** means the permanent Works forming part of the Project that are required to be constructed/installed and maintained as such for the implementation of the Project for at least the Agreement Period and shall also include housing facilities for staff to be engaged for operation and maintenance of the Project;
- 1.2.43 **"Power Purchase Agreement (PPA)"** means a contractual agreement to be signed by the Second Party with a party for sale of power from the Project to that party;
- 1.2.44 **"Project Affected Areas"** means areas/ villages surrounding/ falling in the catchment/ watershed areas extending from the Reservoir to the Tail Race of the Project.;

Director *hfm*
 Directorate of Energy
 B.P. Gurdwara, The Kur Vatika,
 Khadim, Shimla - 171002

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


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- 1.2.45 **"Project"** means Kutehr Hydroelectric Power Project proposed to be established on Ravi river in the Chamba District of Himachal Pradesh, India including complete hydroelectric power generating facility covering all components such as dam, intake works, water conductor system, power station, generating units, Project roads, bridges, offices, residential facilities, stores, guest houses, police station and other connected facilities including the Interconnection Facilities;
- 1.2.46 **"Prudent Utility Practices"** means those practices, methods, techniques and standards that are generally accepted internationally from time to time by electric utilities for the purpose of ensuring safe, efficient and economic design, engineering, construction, commissioning, testing, operation and maintenance of various components of the Project of the type specified in this agreement and which practices, methods and standards shall be adjusted as necessary to take account of:-
- (i) installation, operation and maintenance guidelines recommended by the manufacturers of plant and equipment to be incorporated in the Project;
 - (ii) the requirements of Indian Law; and
 - (iii) physical conditions at the Site;
- 1.2.47 **"Royalty"** shall have the meaning set forth in Clause 5.3;
- 1.2.48 **"Security Deposit"** shall mean the sum as prescribed in Clause 2.
- 1.2.49 **"Scheduled Commercial Operation Date"** means the date by which the Second Party shall have achieved the Commercial Operation of the Project and shall be **24 months plus 60 month construction period as per Techno-economic Clearance**, from the Effective Date;
- 1.2.50 **"Site"** means the site of Project appurtenances, generating plant including land, waterways, roads and any rights acquired or to be acquired by the Second Party for the purposes of the Project;
- 1.2.51 **"State"** means Himachal Pradesh ;
- 1.2.52 **"Station"** means the Kutehar HEP for generating electricity, including any building and plant with step up transformer, switchgear, switchyard, cables or other appurtenant equipment, if any, used for that purpose;
- 1.2.53 **"State Transmission Utility (STU)"** means HPSEB Ltd./the Government company specified as such by the First Party under sub-section(1) of section 39 of the Act;
- 1.2.54 **"Temporary Works"** means all temporary Works of any kind required in connection with the implementation of the Project and that are incidental and ancillary to the design, engineering and construction of the Project and are constructed/installed and maintained till the Commercial Operation Date for the Project, and not forming part of Permanent Works;

Director 
 Directorate of Energy,
 H.P. Government, Thakur Vatika, [B]
 Chandigarh, Shivalik - 171002





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Himachal Government Judicial Paper

1.2.55 "Transmission Licensee" means a licensee authorized by the Appropriate Electricity Regulatory Commission to establish or operate transmission lines;

1.2.56 "Unit" means one hydro turbine generator including ancillary equipment and facilities thereto; and

1.2.57 "Works" means all works of civil, electrical and mechanical nature and including design, engineering, services, supplies and other work activities required and necessary for the implementation of the Project and shall also include the Permanent Works and the Temporary Works.

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 Director
 Directorate of Mines
 H.P. Government, Thekur Vatika,
 Ghadim, Shimla - 171002





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ARTICLE 2

2. SECURITY DEPOSIT / UPFRONT PREMIUM:-

- 2.1 The Security Deposit of a sum of Indian Rupees equivalent to Rupees one lac (Rs. 1,00,000) per Mega Watt of installed capacity shall be required to be deposited as the Security Deposit within a period of 30 days after signing of this agreement, through Banker's Cheque or the Bank Draft drawn in favour of First Party, payable at Shimla on a scheduled Indian Bank.
- 2.2 The Security Deposit shall remain valid till 6 (Six) months after the Commercial Operation Date of the Project and thereafter be immediately released/refunded to the Second Party.
- 2.2.1 The Second Party shall be responsible for the payment of any taxes, charges and fees in connection with the Security Deposit.
- 2.3 Upfront premium
- 2.3.1 The Second Party has quoted the highest Upfront Premium @ Rs. 52,00,099/- per MW for Kutehr HEP.
- 2.3.2 The Second Party has already deposited the 1st instalment (50% of the Total Upfront premium payable) of the upfront premium amounting to Rs. 67,60,12,870/- on 24.08.2007.
- 2.3.3 In pursuance to the provision at Clause No.(vii) of Chapter-V of the Hydro Power Policy-2006, the Second Party has deposited the 2nd instalment of upfront premium amounting to Rs. 26,00,04,950/- after carrying out the necessary adjustment of Rs. 5,20,00,990/- deposited in excess to the amount paid on account of the 1st instalment (i.e. 25% of the total Upfront premium payable as 2nd Instalment minus the amount of Rs. 5,20,00,990/- deposited in excess), in view of reduction in the installed capacity of the project from 260MW to 240MW, through online transaction in the Account No. 65080765789 (IFSC Code: STBP0000204) State Bank of Patiala, in favour of Director, Directorate of Energy, on 4th March, 2011.
- 2.3.4 The Second Party has agreed to deposit the balance amount of upfront premium (3rd Instalment) i.e. Rs. 31,20,05,940/- at the time of achieving Financial closure for the Project.

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 For the State of Himachal Pradesh
 The Government, Punjab Vastika,
 Shimla, Himachal Pradesh - 171002





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ARTICLE 3

3. TERM OF THE AGREEMENT:-

3.1 **Effectiveness:-** This Agreement shall come into force on the Effective Date.

3.2 Agreement Period:-

- (a) This Agreement shall remain in force upto a period of 40 years from the Schedule Commercial Operation Date of the Project.(Agreement Period) unless terminated earlier in accordance with the provisions of this agreement.
- (b) On completion of the Agreement Period, the Project shall revert to the First Party free from all encumbrances together with all land, buildings, plant, machinery, spare parts and all assets of the Project which have been charged to the Projects cost and the First Party shall operate and maintain the Project in entirety and the Project shall not be further handed over to any private party.

3.3 **Survival:-** The termination or expiry of this agreement shall not affect the accrued rights, obligations and liabilities of either Party under this agreement, nor shall it affect any continuing obligations which this agreement provides, whether expressly or by necessary implication.

Director
Directorate of Energy,
H.P. Government, Thakur Vatika,
Khalasi, Shimla - 171002





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ARTICLE 4

4. OBLIGATIONS OF THE FIRST PARTY

4.1 Granting Consents/Permissions and Assistance in Obtaining Clearances:-

The First Party hereby agrees to grant to the Second Party all consents, permissions, statutory/non-statutory, within its purview as required by the Second Party to undertake, establish, operate maintain and transfer the Project. The First Party shall assist the Second Party for expediting the various statutory/non statutory clearances required for the implementation of the Project, from various competent authorities of the First Party/Central Government or the Board/appropriate State Power Utility. The First Party shall forward all relevant proposals received from the Second Party to the GOI/Governmental authorities and shall assist so that all sanctions are accorded/got accorded from the competent authority within the prescribed period the progress of which shall be monitored by the Multi-Disciplinary Committee (MDC) under the Chairmanship of Hon'ble Chief Minister, Himachal Pradesh. In case the sanctions/approvals are not accorded by the Government of Himachal Pradesh or got accorded by it from the competent authority, the First Party shall correspondingly extend the Scheduled Commercial Operation Date of the Project, if it is prevailed beyond doubt that there have been no available delays on the part of the Second Party.


4.2 Use of materials:-

The First Party shall permit the Second Party, in accordance with the Law to collect and use boulders, stones, shingles, limestone and other building materials, except precious and semi-precious materials, from the river beds, and/or from the land acquired for or transferred to or leased out to the Second Party for the Project, on payment of royalty in accordance with the Government rules/rates in force from time to time.

4.3 Acquisition and transfer of land:-

(a) The First Party shall acquire, at the request and expense of the Second Party, and in accordance with the provisions of Land Acquisition Act, 1894 and other applicable laws, such private lands within the State of Himachal Pradesh as may be required by the Second Party for Permanent Works. The Second Party shall within a period of eight months submit such request to the First Party and the First Party shall finalize/settle such acquisition cases within ten months thereafter by resorting to the compulsory acquisition provision of Land Acquisition Act, 1894. In case of non-settlement /finalization of such cases within the stipulated period, the First Party shall correspondingly extend the Scheduled Commercial Operation Date of the Project. The Second Party shall at its own risk also be allowed to acquire such land through direct negotiations with the owners in accordance with the prevailing laws, rules and regulations in the State. However, failure of the Second Party to acquire such land through direct negotiations shall not entitle the Second Party for automatic extension in Scheduled Commercial Operation Date of the Project.

(b) The First Party shall provide necessary assistance to the Second Party in obtaining permission of the competent authority for the removal of trees standing on the Acquired/leased Land and on the Government lands which

Director 
Directorate of Energy,
H.P. Government, Thakur Vatika,
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in its reasonable opinion are required to be felled or removed for the Implementation of the Project.

- 4.4 Lease of Land for Permanent Works:-** Upon the request of the Second Party and subject to the provisions of laws in force, the First Party may, on such terms and conditions and rates prescribed by the First Party from time to time, provide for, on a long term lease, the Government land required for Permanent Works, as may be necessary for the construction, operation and maintenance of the Project.
- 4.5 Lease of land for Temporary Works:-** Upon the request of the Second Party and subject to the provisions of laws in force, the First Party may provide, on such terms and conditions and rates as may be prescribed by the First Party from time to time, on a short term lease for a period not exceeding ten (10) years, such Government land required for Temporary Works, as is considered reasonably necessary by the First Party.
- 4.6 Rehabilitation and Resettlement Plan:-** The First Party shall, subject to the approval of the GOI or any other competent authority, prepare a rehabilitation and re-settlement plan in association with the Second Party for local residents likely to be adversely affected or displaced due to construction of the Project at the Site as on the Effective Date. The cost of preparation and implementation of the above plan shall be borne by the Second Party.
- 4.7 Upgradation of Roads and Bridges:-** The First Party may, at the request and cost of the Second Party, construct, widen and strengthen such roads and bridges within the State of Himachal Pradesh as are considered reasonably necessary by the First Party. The First Party permits the Second Party to construct roads, bridges, culverts as considered necessary for the Project in the Project lands. The First Party may also permit the Second Party to construct roads, bridges, culverts as are considered reasonably necessary by the First Party in the interest of the Project on a case-to-case basis.
- 4.8 Other Approvals:-** If any approval is required under the Law by the Second Party, the lenders, or Contractor(s) with respect to the Project, upon application therefore being made by the Second Party, First Party may take all reasonable and appropriate steps within its administrative power and as permissible by Law, to ensure that such approval is granted in a time bound manner mutually agreed between the parties.
- 4.9 Communication:-** The First Party shall provide due assistance to the Second Party to obtain, in accordance with the prevailing Law and regulations, necessary permits to install and use suitable radio communication systems, including satellite communication equipment and walkie-talkies. Any system connecting with the national telecommunication system or any international telecommunication system will be subject to the approval/license from the relevant authorities, for the issuance of which First Party shall assist.
- 4.10 Explosives:-** The First Party shall provide due assistance to the Second Party, under the Law and regulations, to obtain permission to procure, store and use such explosives which are required for the Project; provided that the responsibility of obtaining such a clearance and making the necessary arrangements rests with the Second Party.

For the Government of Himachal Pradesh
Secretary, Government of Himachal Pradesh
Shri. V. S. Verma, Secretary

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4.11 Import License:- The First Party shall provide due assistance to the Second Party in obtaining all necessary import licenses for the Project from the relevant GOI authorities to the extent permissible by Law. The Second Party shall submit a list of such equipment required to be imported for the Project to the First Party for approval.

4.12 Upstream/Downstream Projects:- The First Party, through its own departments/Boards or IPPs shall be entitled to survey, investigate and implement any river valley power generation scheme upstream or downstream of the Project. The First Party shall, as and when required, put in place a Committee comprising of experts from the relevant field for determining the impact, if any, on the existing Project due to allotment of any upstream and/or downstream Project. In the event of a dispute, the decision of First Party in the matter shall be final and binding on all the parties.

4.13 Monitoring Committee:- The First Party will have the right to constitute a Committee with such membership as it deems fit to review and monitor various matters during the implementation of the Project. These may inter-alia include Employment related provisions, Relief and Rehabilitation, review of Progress of LADC schemes, implementation of Catchment Area Treatment (CAT) Plan, Compensatory Afforestation, Environmental Management Plan, Environment Impact Assessment (EIA) Plan, restoration of facilities which get damaged because of the implementation of the Project, quality control mechanism of the Projects etc. The Committee may also review the recommendations and implementation thereof of the Forum of Hydroelectric Power Producers. The Committee may review the progress of all statutory clearances, time and cost overruns of the project, if any. The Committee may also draw up the methodology to regulate the payments to be made by the Company to the various departments of the Government in connection with the implementation of the Projects. The Committee may meet at such intervals and at such places as is decided by it.

4.14 Authority of Hydro Project Safety, Quality Control & Water Management:- The First Party shall create an Authority of Hydro Project Safety, Quality Control & Management of water Flows and Discharge in due course. The First Party shall nominate suitable technical and professional persons in the Authority. The issues concerning Hydro Project's safety & management of water flows and discharges have assumed critical importance because of the recurrence of floods, earthquake, avalanches, glaciers, tunneling, piping, aging, terrorism etc. Un-regulated water flows and discharges particularly during the rainy seasons have been causing havoc downstream. The authority shall prepare safety regulations and guidelines and prepare safety management manual with respect to the Projects being executed by various Second Parties on the lines of International Commissions of Large Dams (ICOLD) and other Hydro Power Countries like Canada, US etc. The authority shall conduct continued surveillances on safety requirements right from the inception of the Project such as:-

- (a) Monitoring & access to quality of construction and designs of each Project and recommend the use of modern and appropriate technologies like Tunnel Boring Machines etc.





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- (b) It shall ensure that such Hydro Projects operate normally and maintain emergency preparedness.
- (c) Shall ensure periodic Hydro Project Safety & Management System Audit.
- (d) Shall ensure dam safety assessment, traditional good practices and risk assessment.
- (e) Shall prepare regulatory environment and ensure dam owners accountability including corporate manslaughter.
- (f) To monitor the releases downstream of the diversion and ensure availability of minimum flow of water immediately downstream of the trench/barrage/dam for downstream requirements.
- (g) Shall impose fines/penalties for violations as may be prescribed by the First Party.
- (h) May resolve the inter Project disputes, if any.

The Second Party agrees to abide by the guidelines of above authority.

4.15 Subsidiary Company:- The First Party may provide possible assistance to the Second Party in the incorporation of the new subsidiary Company provided that the registered office of such a Company is within Himachal Pradesh.


4.16 Local Area Development Committee:- The First Party shall constitute a Local Area Development Committee (LADC) for Project being implemented in each river valley with membership as notified from time to time. The LADC shall be entrusted with, but not limited to, the following activities in the Project Affected Areas:-

- (a) Oversee the restoration of facilities adversely affected due to implementation of the Project.
- (b) Oversee the implementation of Rehabilitation and Relief Plan.
- (c) Oversee the implementation of Catchment Area Treatment (CAT) Plan and Compensatory Afforestation.
- (d) Local Development activities related to development of Agriculture, Horticulture, Animal Husbandry, Fisheries, Rural Development, I&PH, Health, Forest, Education, PWD, Power and other social, religious and cultural activities etc.

The Deputy Commissioner may co-opt any other member as he deems fit.

However, PWD/ other roads leading to the Project areas shall not form part of LADC activities.

The activities of the LADC during execution shall be financed by the Project itself and for this purpose the Second Party shall make a provision of 1.5% of

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 Directorate of Energy,
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final cost of the Project. The LADC activities shall be financed from the above provision and not from free power as royalty.

The amount on account of Local Area Development shall be paid by the Second Party to the Deputy Commissioner of the Project Affected Areas (Chairman LADC) in equal annual instalments during the Construction Period of the Project and shall be payable in 1st quarter of every financial year, starting from the zero date.

The Second Party shall keep the First Party informed of any change in the Construction cost of the Project and for any increase in the construction cost of the Project from time to time, the Second Party shall release the installments accordingly

4.17 Infrastructure Development Works:- The Second Party shall build such infrastructural development works in the vicinity for the Project area that may be essentially required for the benefit of local population. The expenditure on such works shall be incurred by the Second Party. These developmental works may be mutually decided with the First Party.

4.18 Mortgaging of Land:- The First Party agrees to permit mortgaging of land acquired/diverted for the Project as per rules in favour of the Financial Institutions/Banks/Lenders in order that the Financial Closure of the Project is achieved /expedited.

4.19 Recruitment of Staff:- The implementation of the provisions in respect of recruitment of staff on the Project made under Clause 5.4 of this agreement shall be monitored strictly by the Labour Commissioner and Director, Employment as well as by the Department of Labour & Employment and in case of infringement of provisions of employment Clauses by the Second Party, the Labour and Employment Department shall initiate any stringent legal action as they may deem fit. The Secretary (MPP & Power) to the Government of Himachal Pradesh shall also simultaneously initiate any punitive action in the form of withdrawal of approvals/clearances in respect of the Project, including disconnection of power/water supply etc. to the Project and other facilities in the Project area.

4.20 Comprehensive Insurance:- The First Party/Department of Labour and Employment shall monitor from time to time, the validity of the Comprehensive Insurance executed by the Second Party during the construction and O&M stage of the Project.

Director
Department of Labour & Employment
H.P. Government, Chandigarh
Shakti Bhawan - 160002





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ARTICLE 5

5. OBLIGATIONS OF THE SECOND PARTY

5.1 MILESTONES


5.1(a) Milestones achieved till date

Sr. No	Milestones	Details of achievement
1.	Allotment Letter	Issued on 28.07.2007.
2.	Deposit of Upfront Premium	<p>i). 1st instalment (50% of the Total Upfront premium payable) = Rs.67.60.12.870/- deposited on 27.08.2007.</p> <p>ii). 2nd Installment of upfront premium (i.e. 25% of the total Upfront premium payable minus the amount of Rs. 5,20,00,990/- deposited in excess) Rs. 26,00,04,950/- deposited online on 04.03.2011.</p> <p>iii). 3rd Installment upfront premium Rs. 31,20,05,940/- shall be payable at the time of achieving Financial closure.</p>
3.	Signing of Pre Implementation Agreement (PIA)	PIA signed on 01.03.2008
4.	Submission of PFR	Submitted on -----
5.	Submission of DPR	Submitted on 06.06.2009

5.1(b) Milestones to be Achieved

The Second Party agrees to implement the Project strictly as per the schedule/milestones stipulated by the First Party.

Following milestones shall be achieved by the Second Party failing which consequential action as mentioned shall be taken by the First Party:-


 Director
 Directorate of Energy,
 H.P. Government, Thekur Vatika,
 Khalini, Sonata - 171002






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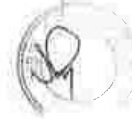
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Sr. No	Milestones	Time Period	Consequential Action (Extension Provisions)
(1)	(2)	(3)	(4)
1.	Date of Signing of this Agreement (Implementation Agreement)	04.03.2011	
2.	TEC	Within 18 months from the date of signing of IA by the Company. All other clearances will also have to be obtained in this period.	An Extension upto a period of 6 months allowed on payment of extension fee of Rs.10,000/- per month.
3.	Zero Date for start of construction work. Zero date:-Zero date will be the date from which the construction period allowed in TEC will start, i.e. 24 months after IA even if work starts before 24 months of IA or actual start of work if work starts after 24 months of IA. This will be the date after all clearances are obtained. In case IPP takes extension under Sr. No. 2 above but is within 6 months of extension period, zero date will be the date when all clearances are obtained and IPP starts the work.	Within 24 months from the date of signing of the IA or 30 months if extension of 6 months taken for securing TEC.	Automatic extension if extension is given in 2 above. Termination of the IA in case the construction work on the Project is not started even after extended period (as in Sr. No. 2 above) and forfeiture of Security Deposit/ Upfront Premium deposited.
4.	Scheduled Commercial Operation Date (SCOD) of the Project	Construction period allowed as per Techno-economic Clearance(TEC) of the DPR.	Disincentive as per Clause Stipulated in the IA. This will not change even if extension is given in Sr. no. 3 above. SCOD will be based on the 1st TEC and will not Change with revised TEC

Director 
 Directorate of Energy,
 P.O. Government, Thakur Vatika,
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5.	Commercial Operation Date (COD) -Actual Commercial Operation		
6.	Handing over of the Project to the Government free of cost.	The date falling 40 years after the Scheduled Commercial Operation Date of the Project.	Action as deemed fit.

In case the Second Party is unable to achieve Financial Closure within the time limit specified above, the Second Party agrees to start construction work on the Project positively within the time limit specified above by investing from its equity component. The Financial Closure shall be concluded within six months of start of the construction work on the Project.

5.1.1 Submission of reports/documents:-

- 5.1.1.1 The Second Party shall submit monthly progress report and the status of employment in the Project at the stage of obtaining statutory/non-statutory clearances and achieving Financial Closure of the Project. The Second Party shall also provide two copies each of the clearances/approvals as and when the same are obtained. The First Party will be at liberty to cancel the IA after affording due opportunity to the Second Party in case the First Party is not satisfied about the progress made by the Second Party.
- 5.1.1.2 The Second Party shall submit to the First Party two copies (hard and soft) each of the Project related agreements including in particular the Construction Contracts / EPC Contract, if any, the Financing Documents and the O&M Contract, if any. The Second Party shall ensure that these Project related agreements do not in any way hold the First Party liable to the Second Party or any Contract in any manner whatsoever and shall be without prejudice to the rights of the First Party.
- 5.1.1.3 During the construction period of the Project, the Second Party shall submit progress report and status of the employment at the end of every calendar quarter along with videography covering the construction of the Project in that quarter. Such progress report and video recording shall be provided not later than fifteen days after the close of each quarter.
- 5.1.1.4 All the reports and documents mentioned in Clauses 5.2.1, 5.2.2 & 5.2.3 shall be submitted by the Second Party to the officer/agency designated by the First Party. The First Party shall constitute a team of experts to scrutinize such reports/documents, to carry out inspection of the Project site to submit its report to the First Party. The designated officer/agency shall provide all assistance to facilitate the functioning of the Committee.
- 5.1.1.5 The First Party may inspect the Construction Works and the Project in association with the representatives of the Second Party. The Second Party shall, at all times, afford access to the Site to the authorized representatives of the First Party and to the persons duly authorized by any Governmental Agency having jurisdiction over the

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Directorate of Energy,
H. P. Government, Thakur Vatika,
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Project, including those concerned with safety, security or environmental protection to inspect the Project Site and to investigate any matter within their authority and upon reasonable notice, the Second Party shall provide to such persons reasonable assistance/necessary information to carry out their respective duties and functions with minimum disruption to the construction, operation and maintenance of the Project consistent with the purpose for which such persons have gained such access to the Site.

5.2 Mode of sale of power:- The Second Party shall be free to dispose of power from the Project(s), after allowing royalty in the shape of free power to the First Party in any manner they like in accordance with the provisions contained in the Electricity Act, 2003 and the rules and regulations made there under.

5.3 Royalty:-


5.3.1 The royalty in the shape of free power shall be levied @ 12 % of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Schedule Commercial Operation of the Project, @ 18% of Deliverable Energy of the Project for a period of next 18 years and @ 30% of the Deliverable Energy for the balance Agreement Period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/ synchronization of first generating unit, whichever is earlier; and

5.3.2 Second Party is required to provide an additional 1% free power payable for Local Area Development, as per the National Hydro Power Policy (2008) and adopted by the State Government. In respect of the Projects allotted prior to 2010, the provision of additional 1% free power for LADF shall be subject to the final outcome of the CWP No. 697 of 2010 filed by the Second Party M/s JSW Energy Ltd., pending in the Hon'ble High Court of HP.

5.3.3 In case the First Party levies any duty/tax on generation and supply of power, the same shall be borne by the Second Party except for royalty which shall be borne by the First Party.

5.4 EMPLOYMENT TO HIMACHALIS

5.4.1 The Second Party agrees to provide employment to bonafide Himachalis in respect of all the unskilled/skilled staff and other non-executives as may be required for execution, operation and maintenance of the Project, through the local Employment Exchanges or from other than such live registers from anywhere within the State or outside the State or through the Central Employment Cell at Shimla. However, the first preference shall be given to persons belonging to project affected families. In the event of non-availability of the requisite skilled manpower at various levels with requisite qualification and experience, non-availability certificates will be obtained from the Labour Commissioner/Director Employment, Himachal Pradesh and only thereafter the Second Party will be free to recruit such persons from outside the State of Himachal Pradesh.


Director of Energy,
H.P. Government, Thakur Vardola,
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- 5.4.2 The Second Party agrees to ensure employment to bonafide Himachalis in all the unskilled/skilled and other non-executive categories of staff with the Contractors and Sub-Contractors as may be required for implementation of the Project. The Second Party shall ensure that all the unskilled/skilled staff and other non-executives as may be required for implementation of the Project, after deployment of surplus workers from other Projects of the Second Party located within Himachal Pradesh, shall be recruited through Central Employment Cell. Whenever, the Central Employment Exchange Cell to whom the vacancies have been notified in pursuance of the provisions of this Clause, fails to sponsor suitable candidates for the posts so notified within four weeks of receipt of the request, then the Second Party may resort to the other modes of recruitment. If it is not possible to recruit 100% staff from Himachalis for justifiable reasons, only then the Second Party shall maintain not less than 70% of the total employees/officers/executives from bonafide Himachalis persons.
- 5.4.3 The Second Party shall satisfy the Government that the Contractors / Sub-Contractors engaged by them for the Project shall give employment to local people/Himachalis for appointment as supervisors, workmen and labourers/workers in the Project.
- 5.4.4 In regard to direct recruitment of engineers and other executives, other things being equal in terms of eligibility criteria, qualification, experience etc, the Second Party shall give preference to the candidates well conversant with customs, culture, language and dialect of Himachal Pradesh. The advertisement regarding employment shall be issued in at least one English and one Hindi daily newspaper having wide circulation within Himachal Pradesh, besides advertising through Prasar Bharti and Giriraj
- 5.4.5 The Second Party shall maintain not less 70% of the total employees/officers/executives from amongst Bonafide Himachali persons.
- 5.4.6 The Second Party shall provide employment to one member of each of the families displaced or adversely affected as a result of the acquisition of land for the Project, during construction of the Project. During the operation and maintenance of the Project, the Second Party shall give preference to members of the displaced families for employment in the Project.
- 5.4.7 The petty contracts of the road work, retaining walls, buildings construction, carriage of construction material like sand, aggregate, cement, steel etc, engagement of all categories of other service providers, taxis for the staff deployed to the sites, engagement of other light and heavy vehicles, running of canteens/mess, engagement of security personnel through ex-servicemen cell normally be awarded to locals/Himachalis.
- 5.4.8 The Second Party shall also be required to provide in-house training programme/s to the locals affected by the Project so that they are in a position to get employment against various technical/administrative jobs in the Project.
- 5.4.9 The Second Party shall provide mandatory employment related information to the Labour Department of the Himachal Pradesh Government on the lines of instructions issued by the First Party in this regard within one month of signing of IA and thereafter on monthly basis.

Director
Directorate of Energy
H. P. Government, Thiruv. Vatika.
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5.4.10 The entire skilled/unskilled/supervisory manpower required for the execution, operation and maintenance of the Project by the Second Party or their Sub-contractors shall be recruited through the local employment exchanges. In case skilled workers/Personnel's are not available locally the Second Party shall be required to recruit such personnel at the start of the Project implementation from the local area only and provide to them the necessary job related training to acquire the required skills.

5.5 Consultancy:- The Second Party agrees to contract engineering services of a reputed design consultancy organization to oversee the Project planning, its layout design of various Project components and quality of construction to ensure safety of the Project components/structures during execution and operation of the Project in such a way that there is no loss of human life, property of the people, energy generation etc.

5.6 Project Performance:- The Second Party shall ensure that the execution, operation and maintenance of the Project is in conformity with the Project concept as per Detailed Project Report (DPR), Prudent Utility Practices and the manufacturer's specifications. The Project/Unit(s) shall be capable of meeting the load dispatch requirements. The Second Party shall follow the directives of the Control Centre/NRLDC in the interest of integrated grid operation. Any Dispute with reference to the directives of the Control Centre/NRLDC shall be referred to State Electricity Regulatory Commission whose decision in such a matter shall be final. Pending the decision of State Electricity Regulatory Commission, Control Centre's/NRLDC's directives shall prevail in the interest of smooth operation of the grid.

5.7 Rehabilitation and Resettlement plan:- The Second Party shall execute the rehabilitation and resettlement plan prepared by the First Party, pursuant to Clause 4.6 at its cost and also pay for the cost of preparation of the same to the First Party as stipulated under Clause 4.6. The amount so incurred shall form part of the Project cost.

5.8 Safety measures:- The Second Party shall share the detailed engineering drawings of the Project and equipment installed whenever directed by the First Party to do so, to ensure transparency, safety, quality control and timely remedial action in case of operational problems.

5.8.1 The Second Party shall ensure proper quality control and safety measures during implementation of the Project including any geological study, construction and testing at the site. During execution of the work the Second Party shall ensure all kinds of safety measures as per standard practice for safety of manpower and property including all the required safety measures for underground works. The First Party at the cost of the Second Party shall have the right to institute an appropriate mechanism to ensure the compliance by the Second Party in this regard. Second Party shall also ensure essential first aid facilities at all Project sites.

5.8.2 The Second Party shall ensure that the residential camps for all categories of manpower are situated at safer locations by taking into consideration the occurrence of probable flash floods and other eventualities like cloudbursts etc. The Second Party shall also ensure the well interconnectedness of the

Director
Director
H.P. Government, Deokar Vatika,
Chandigarh, Punjab - 160002

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whole Project area through effective communication and transportation arrangements.

5.8.3 The Second Party shall ensure that all the Project vehicles and the access to roads are properly maintained and fully safe for use.

5.8.4 The Committee constituted under Clause 5.2.4 shall also monitor the safety measures as mentioned under Clause 5.9.

5.8.5 The Second party shall be entirely responsible for detailed designs and working drawings of project components with regard to their structural, hydrological and mechanical performance & safety and ensure its compliance during execution of the Project.

5.9 **Maintenance of Project/Project Safety:-** The agreement shall remain in force upto a period of 40 years from the Scheduled Commercial Operation Date of the Project. Thereafter, the Project shall revert to the First Party free of cost and free from all encumbrances. The Project assets will be maintained by the Second Party in a condition that would ensure a residual life of the Project at the rated capacity for at least 30 years at any point of time during the 10th, 20th, 30th & 35th years of operations. The First Party or one of its appointed agencies would carry out a mandatory inspection of the Project site to ensure that the Project assets are maintained to the required standards to ensure the specified generation capability and residual life of the Project.

If such inspections find that the Project capacity and/or life are being undermined by inadequate maintenance, the First Party would be entitled to seek remedial measures from the Second Party. If the Second Party fails to comply with the requirement, the First Party would have the right to take over the commercial operation of the Project and shall have full right upon the sale of power including Second Party share. The cost on account of suggestive remedial measures shall be deducted including the operation & maintenance cost for such a period till the Project's assets are restored to the required standards to ensure the specified generation capability and residual life of the Project as specified above. Thereafter, the Project shall be handed over to the Second Party.

5.10 **Existing / Alternative facilities:-** In case any existing facilities including, but not limited to, irrigation systems, water supplies, roads, bridges, buildings, communication system(s), power systems and water mills are adversely affected because of the implementation of the Project, the Second Party shall be responsible for taking remedial measures to mitigate such adverse effects. The cost of the above remedial measures shall become a part of the Project cost. Such facilities shall be as mutually identified and agreed upon between the Second Party, the First Party and LADC. The Second Party shall not interfere with any of the existing facilities till an alternate facility, as identified, is created.

The Second Party shall make suitable financial provisions for mitigation of adverse impacts as per the approved EIA plan and mitigation of degradation of environment due to disturbance of eco-system in watershed area, at the cost of Project

5.11 **Compensatory Afforestation:-** The Second Party shall pay to the First Party the cost of raising compensatory afforestation and its maintenance for a period and the extent of area, as may be determined by Ministry of Environment and Forests (MOEF), GOI.

Director
Directorate of Energy,
H.P. Government, Thakur Vatika,
Khalani, Shimla - 171002

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- 5.12 Catchment Area Treatment Plans:-** The Second Party shall make suitable financial provisions in the Project cost for the Catchment Area Treatment Plans, as may be determined by the MOEF, GOI. The cost involved on this account shall be paid by the Second Party to the Forest Department of the Government of Himachal Pradesh as per Forest and Environment clearance accorded by the GOI.
- 5.13 Environmental Impact Assessment:-**
- 5.13.1** The Second Party shall be liable to carry out Environmental Impact Assessment as required under the Environmental (Protection) Act, 1986 and Wild Life Protection Act through Consultant(s)/Experts drawn from a reputed National/International organisation and obtain the consent of State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 or any other environmental law(s). Wild Life Protection Laws as may be applicable.
- 5.13.2** The Second Party shall be responsible for mitigation of adverse impacts as per the approved EIA Plan and mitigation of degradation of environment due to disturbance of eco-system in watershed area. The cost of the same will be entirely borne by the Second Party.
- 5.14 Disaster Management Plan:-** The Second Party shall prepare a Disaster Management Plan taking into consideration the different flood eventualities, cloud bursts or other natural calamity that could occur at various stages of construction and operation of the Project. The Company shall include this in the DPR to be submitted to the First Party.
- 5.15 Maintaining Ecological Balance:-** The Second Party shall be responsible for maintaining the ecological balance by preventing deforestation, water pollution and defacement of natural landscape in the vicinity of Works. The Second Party shall take all reasonable measures to prevent any unnecessary destruction, scarring or defacement of the natural surroundings in the vicinity of the Works. Any damage caused shall be made good by LADC at the cost of the Second Party.
- 5.16 Ensuring Flow of Water:-** The Second Party 'if ROR Project' shall ensure minimum flow of 15% water immediately downstream of the diversion structure of the project at all times as per the Policy of Department of Environment, Govt. of HP issued vide notification no.: MPP-F(1)-2/2005-V, dated:18.3.2009, as applicable from time to time.
- The Second Party shall provide necessary arrangement/ mechanism in the civil structure including discharge measurement system for the release of laid down minimum flow immediately downstream of the diversion structure.
- 5.17 Protection of Fish Culture:-** The Second Party shall take appropriate steps, as may be required, for the protection of fish culture as per environmental requirements. The Second Party shall enter into a separate agreement on protection of fish culture with the First Party, if it is considered necessary by the Fisheries Department of the Government of Himachal Pradesh.
- 5.18 Fishing, Recreational and Navigational Rights:-** The fishing, recreational and navigational rights in the river, water, channels, reservoirs, lakes shall remain vested in the First Party subject only to such restrictions as may be necessary for the operational requirements, safety and security of the Project.

Director 
 Directorate of Energy
 11.11 Government, P.O. Sector, Varanasi
 Pin Code: 221002

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- 5.19 **Water requirement for construction:-** The Second Party shall ensure that the water requirement for construction of the Project including potable water shall be generally arranged and harnessed by them from the river source.
- 5.20 **Dumping of Excavated Material:-** The Second Party shall follow instructions and directives of concerned environmental authorities with regard to disposal of blasting muck and soil etc. This will include use of such material during Project construction, use by other development departments like PWD, I&PH and others for the execution of their area developmental schemes including the channelization of the river waters by the concerned development agencies, Private crusher owners/ other private users. The prescribed norms in this regard will be as laid down by the Pollution Control Board. The Second Party agrees not to dump such material on the Project site or any other inappropriate place from where it could flow into rivers and streams and cause environmental damage. Any such action will attract penal action by the Pollution Control Board. The Second Party shall ensure that the material excavated from the site shall be dumped in the area duly approved by the relevant statutory authority.
- 5.21 **Improvement of Existing Roads:-** The Second Party shall bear the cost of improvement/widening of the existing roads required to be used for the construction of the Project.
- 5.22 **Use of Facilities:-** Subject to availability, security, safety, law and order and operational factors being met, the Second Party shall permit free use, by the First Party and the general public, of all service roads/bridges constructed and maintained by it. Other facilities like hospitals, post offices, schools etc. shall also be extended to the local public in this regard based on the objective of providing such facilities.
- 5.23 **Consumptive Use of Water:-** The First Party shall have the right for withdrawal of water from the river course for the consumptive use by pumping or by gravity for the purpose of potable water supply and irrigation to the affected population.
- 5.24 **Local Area Development:-** The Second Party shall build such infrastructural development works in the vicinity for the Project area that may be essentially required for the benefits of local population. The expenditure on such works shall be incurred by the Second Party. These developmental works may be mutually decided with the First Party.
- 5.25 **Forum of Hydro Power Producers:-** It has been observed that after the setting up of various Hydroelectric Projects in Satluj basin, a number of technical and socio-economic problems have arisen due to after effects of hydroelectric projects in the State. To mitigate any eventuality in the execution of Hydroelectric Projects in the Satluj Valley, a forum of Hydro Power Producers of Satluj basin has come into existence on 5.11.2005. The main functions of the forum relate to securing consensus on (i) Environment (ii) Operation of power Stations and Sharing of Technical Expertise & Experience (iii) Data Sharing (iv) Disaster Management and Planning and (v) Common Issues with First Party & Government of India. Attempt shall be made to abide by the recommendations/guidelines of the Forum wherever applicable by all the Power Producers/Second Parties in the State of Himachal Pradesh. If any more such forums are constituted for other river basins, the recommendations/guidelines of the same shall also be applicable on Second Parties/Power Producers, executing projects in that area.

Director
Directorate of Energy,
H.P. Government, The Fair Vatika,
Chakrali, Shimla - 171002

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5.26 **Police Station/Chowki and Labour Office:-** The Second Party shall open a Police Station/Chowki and a Labour office in Projects at their own cost in the Project area. The Second Party shall also bear the cost of deployment of Police Personnel during the construction phase of the Project.

5.27 **Protection of water rights:-** The Second Party shall ensure protection of the water rights of the local inhabitants for drinking and irrigation purposes etc. by verifying the revenue entries and activities of I&PH department so as to ensure that such rights are not infringed upon. Any dispute in the matter shall be referred to a committee to be appointed by the First Party involving Irrigation & Public Health and Revenue departments. Thereafter, the decision of the First Party shall be final and binding on all the parties.

5.28 **Development of Projects:-** The IPPs have an option to develop such Projects either as run of the river (ROR) schemes or storage Projects. However, in case of a storage Projects, approval of the First Party shall ensure that such Projects cause minimum submergence of habitations and agricultural holding of the people of the area.

5.29 Equity Participation:-

5.29.1 The Second Party has been selected for the Project on the basis of the equity participation in implementation of the Project as under:-

Sr. No.	Name of Company/Consortium	Equity participation
1.	M/s JSW Energy Ltd.	100%

5.29.2 The Second Party agrees that they shall retain their equity participation till two years after commissioning of the Project. Any change in Consortium/ equity participation would automatically result in termination of this agreement and the Project shall revert back to the First Party. No compensation whatsoever shall be payable by the First Party in this regard. The Second party agrees that all the correspondence shall be made with the party which signs the Pre-Implementation Agreement till such time as Board of Directors of the Second Party authorizes any other person in this regard.

5.29.3 The First Party may consider the request of the Second Party for changing the name of the Second Party or Consortium subject to the condition that the Principal promoter shall retain the controlling interest i.e. 51% equity in the new entity. In the event of any contravention, the First Party shall terminate this Agreement forthwith at any stage.

5.29.4 The Second Party shall be permitted to incorporate a Special Purpose Vehicle for the implementation of the Project with its Registered Office within Himachal Pradesh with the same equity participation as given in Clause 5.29.1. All rights and obligations under this agreement shall thereafter be transferred to the new company by entering into a Tripartite Agreement between the parent Company and Special Purpose Vehicle and the First Party. The new Company shall ensure that the second party shall retain controlling interest in the equity of the new company upto the Commercial Operation Date of the Project and two years thereafter.

Director
Government of Himachal Pradesh
Himachal Pradesh Sahakar Vastika
Chandigarh

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5.30 Incentive For Early Commercial Operation of The Project:- In case the Commercial Operation of the Project is achieved prior to the Scheduled Commercial Operation Date, the quantum of free power to First Party shall be as under:-

- (1) Commencing from date of synchronization of the first unit up to the COD of the Project, 12% of Deliverable Energy.
- (2) From COD of the Project upto the Scheduled Commercial Operation Date of the Project, such percentage of Deliverable Energy as is equal to the following:-
 - (i) 12% less two tenth (0.2) percentage points for each period of seventy three (73) days (or part thereof) falling between the COD of the Project and Scheduled Commercial Operation Date of the Project.
 - (ii) 12% of the Deliverable Energy for a period of twelve (12) years from Scheduled Commercial Operation Date of the Project.

5.31 Disincentive For Delayed Commercial Operation of The Project:-

In the event that the Commercial Operation Date of the Project is delayed beyond the Scheduled Commercial Operation Date, the quantum of free power to the First Party shall be as under:-

- (1) Commencing from date of synchronization of the first Unit up to the Scheduled Commercial Date of the Project, twelve (12) percent of Deliverable Energy.
- (2) Commencing from scheduled COD of the Project and for such number of days by which the Commercial Operation of the Project is delayed beyond the Scheduled Commercial Operation Date of the Project, such percentage of Deliverable Energy as is equal to the following:-
 - (i) 12% plus two tenth (0.2) percentage points for each period of seventy three (73) days (or part thereof) falling between the Scheduled COD of the Project and Commercial Operation Date of the Project.
 - (ii) From Commercial Operation Date of the Project up to the date falling twelve (12) years from the Scheduled Commercial Operation Date of the Project, 12% of the Deliverable Energy.
 - (iii) The Second Party shall pay the amount of free power component as mentioned at Sr. No. (2)(i) above in 10 equal monthly installments from actual COD of the Project, in addition to normal free power due.

5.32 Usage of Land:- The Second Party shall ensure that the land is used only for the Project. Any land exceeding the bonafide requirement of the Project shall be taken over by the First Party free of cost.

5.33 Precious material found during execution of Project:- During the implementation of the Project, in case any object of archaeological importance is found by the Second Party or by any of its employees/ Contractors, the Second Party shall arrange to hand over the same to the First Party free of cost, provided

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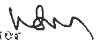
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that, in case any precious or semi-precious material is located, the Second Party shall inform the First Party immediately and shall then abide by the instructions of the First Party which shall be communicated within a period of two (2) months from the date of receipt of such intimation from the Second Party.

- 5.34 Adherence to laws:-** The Second Party shall follow all the relevant laws, including, but/ without limitation, all labour laws, and shall also provide for safety provisions as per the Electricity Act, 2003, Factories Act, 1948, Mines Act, 1952 and such other statutory provisions relating to the safety of the Projects and any subsequent amendments made thereto.
- 5.35 Trees in the Land transferred to the Second Party:-** The Second Party shall pay to the Forest Department of the First Party, the price of the trees as are required to be felled or are damaged in the execution of the Project, at prevailing market rates as may be notified by the First Party from time to time. The responsibility of felling and removing of the trees shall be of the First Party. The net sale proceeds of the trees shall be made over to the Second Party.
- 5.36 Project Maintenance:-** The Second Party shall ensure that the Project is in good working condition as per the Prudent Utility practices during the Agreement Period.
- 5.37 Tax Deduction at Source:-** The Second Party shall ensure that it makes the payments for works within the State of Himachal Pradesh and deposits the tax deducted at source with the offices of the Income Tax Department located within the State of Himachal Pradesh.
- 5.38 Indemnity:-** The Second Party shall be fully responsible for any damage or loss arising out of the construction, operation or maintenance of the Project to any property or person.
- 5.39 Site investigations:-** The Second Party shall be deemed to have conducted a due diligent exercise in respect of all the aspects of the Project, including a detailed survey of the site. The failure to investigate fully the Site or sub-surface conditions shall not relieve the Second Party from its responsibility for successfully implementing the Project.
- 5.40 Expenditure incurred on investigations:-** The Second Party shall reimburse to the Board/appropriate State Power Utility the amount spent by that entity, on investigations and infrastructural works of the Project upto the Effective Date along with compound interest @ 10% per annum on year to year basis from the date of incurrence of such expenditure upto the date of actual reimbursement, within two years from the Effective Date or three (3) months of the Financial Closure whichever is earlier. This shall form a part of the Project cost. The First Party shall intimate all such expenditure within three months of the Effective Date.
- 5.41 Upstream/Downstream Project:-** The Second Party shall have no claim on any Project upstream and downstream of the Project.
- 5.42 Misrepresentation:-** The Second Party assures the First Party that there is no misrepresentation in the information supplied by it to the First Party at any stage. The First Party reserves the right to cancel the IA after giving an opportunity to


Director
Directorate of Energy,
H.P. Government, Thakur Vatika,
Khalana, Shimla - 171002

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the Second Party in case it is found that there was some such misrepresentation by the Second Party and/or in the event of breach of any of the provisions of this IA.

5.43 Comprehensive Insurance:- The Second Party shall be bound to execute total comprehensive insurance of the whole Project covering loss of human life, property etc including third party losses, during construction and O&M of the Project.

5.44 Tentative installed capacity of the Project:- The Project has been allotted on the basis of tentative installed capacity as mentioned in the Notice Inviting Proposal. However, in case the capacity of the Project increases/decreases upon firming up of the potential as per TEC accorded by the competent authority, the Second Party shall be required to sign the fresh/revised MOU/PIA/IA with the First Party as the case may be. In all such cases, the Additional Free Power Royalty and the capacity addition charges shall be payable as per the Hydro Power Policy of the State Govt. and/or the notification No. MPP-F(1)-2/2005-V dated 26.11.2009, as applicable.

5.45 Green House Gas/Carbon Credits:- In Himachal Pradesh, electricity is generated only from Hydroelectric Projects which help in reduction of emission of "Green House Gases". The Second Party shall carryout development of the Project so that these qualify for carbon credits at the National/International levels. Sale of such equivalent Carbon credits by the Second Party on account of development of Project shall be through competitive process amongst buyers, in order to derive the maximum benefits.

5.46 The Second Party agrees to abide by the provisions as contained in the Hydro Power Policy of the Government of Himachal Pradesh.

Secretary
Government of Himachal Pradesh,
H.P. Government, Tibetan Vastu,
Abadi, Shimla - 171002





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ARTICLE 6

6. TERMINATION AND TAKING OVER OF THE PROJECT:-

- 6.1 The First Party reserves the right to terminate the agreement if the Second Party fails to achieve the milestone as stipulated in Clause 5.1.
- 6.2 In the event it is eventually confirmed as impossible or impractical to start construction work on the Project on or before the expiry of period mentioned in Clause 5.1 of this agreement, for the reasons other than those solely attributable to the First Party, the First Party reserves the right to terminate the agreement and forfeit the Security Deposit.
- 6.3 In the event of continuous stoppage of construction on the main Project components by the Second Party for a period of more than three months for reasons not covered under Force Majeure and for reasons attributable to the Second Party, the First Party shall, after giving due opportunity to the Second Party, have the right to terminate this agreement. In such event, the Security Deposit furnished by the Second Party as per Clause 2.1 of this agreement, shall stand forfeited and the site shall revert to and vest in the name of First Party without any compensation. Notwithstanding any investment in the First Party under this Clause, the Second Party shall be liable to pay all the dues owed to the First Party by the Second Party in pursuant to this agreement.

ARTICLE 7

7. FORCE MAJEURE:-

- 7.1 For the purpose of this agreement, "Force Majeure" shall mean an event which is unforeseeable, beyond the control of the Second Party and not involving the Second Party fault or negligence. Such events may include acts of the First Party /GOI either in its sovereign or its contractual capacity, war, civil war, insurrection, riots, revolutions, fires, floods, epidemics, quarantine restrictions, freight embargoes, radioactivity and earthquakes.
- 7.2 If a Force Majeure situation arises, the Second Party shall promptly inform the First Party in writing of such conditions and the cause thereof. Unless otherwise directed by the First Party in writing, the Second Party shall continue to perform its obligations under the agreement, as far as is reasonably practical, and shall seek all reasonable alternative means for performance, not prevented by the Force Majeure event.
- 7.3 In the event, a Party is rendered unable to perform any obligation required to be performed by it under this agreement by Force Majeure, the particular obligations shall, upon information to the other Party be suspended for the period of Force Majeure. The time for performance of the relative obligations suspended by Force Majeure shall be extendable by the period of delay which is directly attributable to Force Majeure.



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ARTICLE 8

8. CONFIDENTIALITY:-

Each Party hereto agrees that it shall not divulge any trade, commercial or technical secrets or confidential matters of one another to any third party, except for the purpose of implementation, operation and maintenance of the Project.

ARTICLE 9

9. GOVERNING LAW:-

The rights and obligations of the Parties under or pursuant to this Agreement shall be governed by and construed according to Law. This Agreement shall be subject to the jurisdiction of the competent courts of Himachal Pradesh.

ARTICLE 10

10. VIOLATION PENALTY:-

Any violations of the above mentioned issues concerning Policy parameters, MOU/IA may result into monetary penalty including cancellation of the Project.

ARTICLE 11

11. RESOLUTION OF DISPUTES:-

11.1 The Parties shall attempt to resolve any dispute in relation to, arising out of or in connection with the agreement (hereinafter referred to as the Dispute) by mutual discussions.

11.2 Any difference and/or disputes arising at any time between the parties out of this MOU/PIA/IA or interpretation thereof shall be endeavored to be resolved by the parties hereto by mutual negotiations, failing which the matter shall be referred to the Arbitrator to be appointed as per the provisions of the Arbitration & Conciliation Act, 1996. However, all disputes shall be settled within the jurisdiction of Courts of Himachal Pradesh.

11.3 During the pendency of the court proceedings, both Parties shall continue to perform their respective obligations under this agreement, unless the performance of such obligation itself is subject of such proceedings.

11.4 No party shall be considered to be in default under this IA for any breach of any of the terms thereof due to the imposition of restrictions and onerous regulations by any Government or statutory authority or agency or other cause beyond its reasonable control.

Director
Directorate of Energy,
H.P. Government, Thakur Vatika,
Dehra Dun - 247002

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11.5 All legal proceedings arising in connection with this agreement shall be subject to the jurisdiction of the Himachal Pradesh High Court and its subordinate courts in the State of Himachal Pradesh irrespective of the place of performance/execution of the Agreement.

ARTICLE 12

12. **ASSIGNMENT AND AMENDMENTS:-** The Second Party may, only for the purpose of arranging or rearranging finance for the Project, assign or otherwise transfer all or any portion of its rights and benefits with prior written approval of the First Party, but not its obligations under the agreement to any other person or entity. No amendment or waiver of any provision of the agreement, and no consent to any departure by either Party here from, shall in any event be effective unless the same is in writing and signed by each of the parties.

Wm

Director
Directorate of Energy,
H. P. Government, Thakur Vatika
Gurgaon, Haryana - 122002





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ARTICLE 13

13. COMMUNICATION:-

13.1 Any communication/notice by one Party to the other Party under this agreement shall be deemed to have been served if sent by cable, fax or Email followed by a confirmation letter delivered by hand or by mail to the respective addresses.

13.2 Communication should be addressed as below:-

If to the Company:

M/s JSW Ltd,
Jindal Mension, 5 A,
Dr. G. Deshmukh Marg, Mumbai-400026.
Ph. 022-23513000, Fax: 022-23526400

If to the Government:

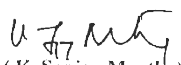
The Director,
Directorate of Energy,
Government of Himachal Pradesh,
Khalini Shimla, (H.P.)-171002.
Ph. 0177-2620552, Fax: 0177-2620553

13.3 Either Party may change the address and/or addresses to which such communications/notices are to be delivered or mailed by duly informing the other Party.

In witness whereof, the Parties hereto have executed and delivered this agreement at Shimla, Himachal Pradesh on the date first written above.

For & on behalf of the Government of HP

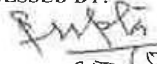
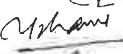
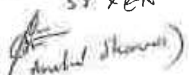
For and on behalf of Company

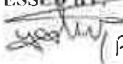
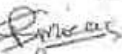

(K. Sanjay Murthy)
The Director,
Directorate of Energy,
Government of Himachal Pradesh,
Khalini Shimla, (H.P.)-171002.
Ph. 0177-2620552, Fax: 0177-2620553


(Sh. Ajai Srivastava),
Sr. Vice President,
M/s JSW Energy Ltd,
Jindal Mension, 5 A,
Dr. G. Deshmukh Marg, Mumbai-400026.
Ph. 022-23513000, Fax: 022-23526400

WITNESSED BY:

WITNESSED BY:

1. 
CE (Energy)
2. 
Sr. XEN
3. 
(Sr. Admin Officer)

1. 
(P.K. Puri
AVP-HYDRO)
2. 
Sr. Admin Officer



Annexure IV



हिमाचल प्रदेश HIMACHAL PRADESH

650545

TRIPARTITE AGREEMENT FOR KUTEHR HEP (240 MW)

THIS TRIPARTITE AGREEMENT is made on the 31st day of October in the year 2013 between the **Governor of Himachal Pradesh**, through Sh. R. D. Nazeem, Director, Directorate of Energy, Government of Himachal Pradesh, having its office at Shanti Bhawan Sector-6, Phase-III, New Shimla, - 171009 (HP) hereinafter referred to as "Government" (which expression shall unless repugnant to the context or meaning thereof, include its successor(s), administrator(s) or permitted assigns) of the FIRST PART.

AND

JSW Energy Limited, (JSWEL) a company incorporated under the Companies Act 1956 and having its registered office at JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 (which expression shall, unless repugnant to the context or meaning thereof, include its holding company, subsidiaries, associates, successor(s), administrator(s), and permitted assigns(s)) (hereinafter referred to as "Second Party") through Mr. Pramod Menon who has been duly authorized by the Second Party vide their Board resolution dated 26.07.2013 to execute this agreement of SECOND PART.

Director of Energy
Himachal Pradesh

[Signature]



[Signature]



AND

JSW Energy (Kutehr) Limited, (JSWEKL) a generating company within the meaning of section 2(28) of the Electricity Act, 2003, an Indian Company incorporated under the provision of the Companies Act, 1956 and having its registered office at JSW Energy (Kutehr) Limited, Des Raj Rana Building, 1st Floor, Village & Post Office- Karian, Tehsil & District-Chamba, Himachal Pradesh-176318 (hereinafter to as "Third Party") which expression shall, unless repugnant to the context or meaning there of include its holding company, subsidiaries, associate(s), successor(s) administrator(s) and permitted assign(s) through Mr. Perveen Kumar Puri, who has been duly authorized by the Third Party vide their Board resolution dated 25.07.2013 to execute the agreement, on behalf of the Third Party.

WHEREAS, the Second Party is desirous of setting up Kutehr Hydro-electric Project in District Chamba, Himachal Pradesh on river Ravi in Chenab basin; and

WHEREAS, the First Party has allotted Kutehr (260 MW) Hydro-electric Project to the Second Party for investigations and implementation of the said Project.

WHEREAS, the First Party signed a Pre-Implementation Agreement on 1st March, 2008 with the Second Party for Kutehr Hydro Electric Project for an installed capacity of 260 MW in District Chamba. (hereinafter referred to as "Project").

WHEREAS, the Second Party submitted the DPR at a reduced capacity of 240 MW to the CEA for grant of TEC, which stand accorded by CEA on 31.08.2010.

WHEREAS, the Second Party has already deposited Rs.67,60,12,870/- on 24.08.2007 on account of First Installment of Upfront Premium.

WHEREAS, the Second Party has deposited the 2nd installment of Upfront Premium amounting to Rs.26,00,04,950/- after carrying out the necessary adjustment of Rs.5,20,00,990/- deposited in excess to the amount paid on account of the 1st installment (i.e. 25% of the total Upfront Premium payable as 2nd installment minus the amount of Rs.5,20,00,990/- deposited in excess), in view of reduction in the installed capacity of the Project from 260 MW to 240 MW, through online transaction in the account no. 65080765789 (IFSC Code: STBP0000204) State Bank of Patiala, in favour of Director, Directorate of Energy, on 4th March, 2011.

WHEREAS, the First Party signed Implementation Agreement on 4th March, 2011 with the Second Party for Kutehr Hydro Electric Project for an installed capacity of 240 MW.

WHEREAS, the Second Party has agreed to deposit the balance amount of Upfront Premium of Rs.31,20,05,940/- on account of 3rd installment payable at the time of achieving Financial Closure.

WHEREAS, the First Party after considering the request made by Second Party vide letter no. JSW/Kutehr IIEP/01/13-14/1597 has agreed to incorporate a Special Purpose Vehicle (SPV) named JSW Energy (Kutehr) Ltd., as per the Clause 5.29.4 of the Implementation Agreement dated 04.03.2011.

WHEREAS, the Second Party vide undertaking dated 14.08.2013 has agreed that the Principal Promoter shall retain the controlling interest having equity not less than 51% in the newly incorporated SPV, till 6 months after Commercial Operation Date of the Project.



No. 1396935
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Himachal Government Judicial Paper

NOW THIS TRIPARTITE AGREEMENT WITNESSED AS UNDER AMONG THE PARTIES HERE TO AS FOLLOWS:

1. That the First Party hereby grants its consent to transfer/assign all the assets, liabilities, obligations, privileges, NOC's and the benefits of the Project incurred by the Second Party to Third Party, arising out of the Implementation Agreement signed on 4th March, 2011 with the unequivocal acceptance of Third Party of all the assets, rights, abilities, obligations, privileges and benefits arising out of above mentioned Implementation Agreement.
2. The First Party hereby releases the Second Party of all the obligations under the Implementation Agreement signed on 4th March, 2011 mentioned above and agrees to bind the Third Party in terms thereof.
3. That the Third Party hereby agrees that it shall be bound and liable for all the liabilities, obligations and execution of the Project on the terms and condition as specified in the Implementation Agreement dated 4th March, 2011 to the First Party.
4. All the terms and conditions of the Implementation Agreement signed on 4th March, 2011 remain same and except as provided herein above and wherever the expression of Second Party (JSW Energy Ltd.) appear in the Implementation Agreement, the same shall be read, construed, mean and deemed to be referred to as JSW Energy (Kutchr) Limited (JSWEKL).
5. That the Third Party agrees to perform under the Implementation Agreement signed on 4th March, 2011 as if they were the original party to the aforesaid Implementation Agreement in the place of the Second Party.

This TRIPARTITE AGREEMENT shall become an integral part of the Implementation Agreement signed on 4th March, 2011 and unless affected by the provision of this Tripartite Agreement, all other terms and condition of the Implementation Agreement shall remain unchanged.

IN WITNESS WHEREOF the parties hereto execute and set their hands on this TRIPARTITE AGREEMENT at Shimla, Himachal Pradesh on the date first written above.

FIRST PARTY
For and on behalf of
Govt. of Himachal Pradesh.

SECOND PARTY
For and on behalf of JSW
Energy Limited

THIRD PARTY
For and on behalf of JSW
Energy (Kutchr) Limited,

[Signature]
H.M. Nazam,
Director,
Directorate of Energy

[Signature]
Pranod Menon
Director (Finance)
Authorized Signatory

[Signature]
Perveen Kumar Puri
Associate Vice President
Hydro
Authorized Signatory

Witnessed by
1. *[Signature]*
CE (Energy)
2. *[Signature]*
Asst. Secy.
S&EE, D&E

Witnessed by
1. *[Signature]*
2. *[Signature]*
Asst. Secy.
Asst. Secy.

Witnessed by
1. *[Signature]*
Sd/- *[Signature]*
G.M. JSWEL
2. *[Signature]*
Head Z+ (TUL HANDA)
DCM Shimla Infrastructure Ltd.





हिमाचल प्रदेश HIMACHAL PRADESH

B 531286

SUPPLEMENTARY IMPLEMENTATION AGREEMENT


FOR

KUTEHR HYDRO ELECTRIC PROJECT (240 MW)

This **Supplementary Implementation Agreement** executed on 26th of the month of **November** in the year **Two Thousand Eighteen** between the Governor of Himachal Pradesh, through **Mrs. Manasi Sahay Thakur, Director, Directorate of Energy, Government of Himachal Pradesh**, having its office at Shanti Bhawan, Sector-6, Phase-III, New Shimla (HP)-171009, (hereinafter referred to as "**First Party**"), which expression unless repugnant to the context or meaning thereof, shall include its successor(s), administrator(s) or permitted assigns, of the **FIRST PART**;

AND

M/s JSW Energy (Kutehr) Limited, a generating Company within the meaning of Section 2 (28) of the Electricity Act, 2003, an Indian Company incorporated under the Companies Act, 1956 having its Registered Office at Village- Machetar, PO- Chanhota, Tehsil- Bharmour, Chamba (HP) -176309, India (hereinafter referred to as "**Second Party**") which expression shall, unless repugnant to the context or meaning thereof, include its successor(s), administrator(s) or permitted assigns, through **Mr. Perveen Puri** who has been duly authorized by the Second Party vide their resolution dated 11.09.2018 to execute this agreement, of the **SECOND PART**.


Director
Directorate of Energy,
Himachal Pradesh

-(1)-



WHEREAS the First Party, in accordance with its Power Policy had allotted Kutehr Hydro Electric Power Project for an installed capacity of 260 MW to M/s JSW Energy Limited and entered into a Pre-Implementation Agreement on 01.03.2008 to carry out detailed investigations, Techno –Economic Studies and submission of a Detailed Project Report (DPR) in respect of Kutehr HEP (260 MW), located in District Chamba of Himachal Pradesh (hereinafter referred to as the “Project”); and

WHEREAS, M/s JSW Energy Limited after carrying out the necessary detailed investigation on the Project, submitted the Detailed Project Report for an installed capacity of 240 MW to Central Electricity Authority (CEA) which was accorded concurrence on 31.08.2010; and

WHEREAS, the Implementation Agreement was signed between the First Party and M/s JSW Energy Limited for the implementation of Kutehr HEP (240 MW) on 04.03.2011; and

WHEREAS, M/s JSW Energy Limited requested the First Party to transfer all the assets, responsibilities, obligations, rights, privileges and benefits in respect of Kutehr HEP (240 MW) in favour of M/s JSW Energy (Kutehr) Limited, for which a Tripartite Agreement between the First Party, M/s JSW Energy Limited and M/s JSW Energy (Kutehr) Limited was signed on 31.10.2013; and

WHEREAS, this Supplementary Implementation Agreement is being signed by both the Parties only to the extent that the amended provisions of Free Power Royalty applicable to allotted projects as per Govt. notification dated 15.05.2018 is incorporated. This agreement shall in no way affect all other terms & conditions and pre-determined milestones as per Implementation Agreement dated 04.03.2011.

NOW THIS SUPPLEMENTARY AGREEMENT WITNESSES AS UNDER

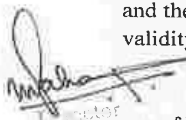
I. Both the parties agree to amend the existing clause no. 5.3.1 as under:-

5.3 Royalty:

5.3.1 The royalty in the shape of free power shall be levied @ 12 % of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending up to 12 years from the date of Schedule Commercial Operation of the Project, @ 18 % of Deliverable Energy of the Project for a period of next 18 years and @ 30 % of the Deliverable Energy for the balance Agreement Period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/Synchronization of first generation unit, whichever is earlier.

Provided further that the First Party vide notification No. MPP (F)-2/2005-X dated 15.05.2018 has deferred Free Power Royalty for the critical period of initial 12 years i.e. during first time band of the Project. The quantum to be deferred shall be recovered in the next 28 years i.e. during the period starting from 13th year and extending till completion of 40th year of commissioning at a uniform percentage rate.

This **Supplementary Implementation Agreement** signed on the date first written above and the Implementation Agreement signed on **04.03.2011** shall be in force simultaneously till the validity of the Implementation Agreement.



Director of Energy,
Himachal Pradesh

-(2)-




In witness whereof, the Parties hereto have executed and delivered this agreement at Shimla, Himachal Pradesh on the date first written above.



For & on behalf of the Government of
Himachal Pradesh


(Manasi Sahay Thakur)
The Director,
Directorate of Energy


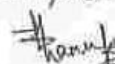
For and on behalf of M/s JSW Energy (Kutehr)
Limited

 26/11/18
(Perveen Puri)
Authorized signatory

WITNESSED BY:

1. 
SE (AEP)
2. 
ASE

WITNESSED BY:

1. 
(Shekhar Gupta)
JSW Hydro Energy Ltd
2. 
(Kanwar Bhanu Uday Singh)
Asst. Manager, JSW Hydro Energy Ltd.





No. 20823 Dated 22/11/18
Name Sir M. S. Kulkarni LTD
Site Work Ltd. Vile Parle East, Mumbai 400 011
Address Mumbai, Chhatrapati Shivaji Maharaj
Tel. 23456789
Through Mumbai, 12/11/18
By [Signature]
R P Chaudhan, [Signature]
Dist. Court, Mumbai

Anil Chaudhan



150

Annexure VII



हिमाचल प्रदेश HIMACHAL PRADESH

C 177242

**SECOND SUPPLEMENTARY IMPLEMENTATION AGREEMENT
FOR KUTEHR HYDRO-ELECTRIC PROJECT (240 MW)**

This Agreement executed on 27th day of the month of **January** in the year **Two Thousand and Twenty One**, between the Governor of Himachal Pradesh, through **Sh. Harikesh Meena, IAS**, Director, Directorate of Energy, Government of Himachal Pradesh, having its office at Shanti Bhawan, Sector-6, Phase-III, New Shimla, Shimla (HP)-171009, (hereinafter referred to as "First. Party"), which expression unless repugnant to the context or meaning thereof, shall include its successor(s), administrator(s) or permitted assigns, of the **FIRST PART**;

AND

M/s JSW Energy (Kutehr) Limited, a company incorporated under the Companies Act 1956 and having its registered office at Village – Machetar, PO- Chanhota Tehsil – Bharmour Chamba Chamba HP 176309 In (which expression shall, unless repugnant to the context or meaning thereof, include its holding company, subsidiaries, associates, successor(s), administrator(s), and permitted assigns(s) (hereinafter referred to as "**Second Party**") through **Sh. Sanjeev Kumar Mahajan** who has been duly authorized by the Second Party vide their Board resolution dated 19.11.2020 to execute this agreement of **SECOND PART**.

Director,
Directorate of Energy,
GoHP, Sector-6, Phase-III,
New Shimla-171009



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12 JAN 2021

2701

14-1-2021

Sr. No. 2701
Name M/s Jsw Energy Claukehr's Limited
S/o, D/o, V. Do Chanchants
R/o. Machhetla
Teh. Bhazmura, Khairatabad, Bhadrachalam
Through Agnee
Purpose 100

VATSHA
B.O. Chanchants
14-1-2021

[Signature]



WHEREAS the First Party, in accordance with its Power Policy had allotted Kutehr Hydro Electric Power Project for an installed capacity of 260 MW to M/s JSW Energy Limited and entered into a Pre-Implementation Agreement on 01.03.2008 to carry out detailed investigations, Techno –Economic Studies and submission of a Detailed Project Report (DPR) in respect of Kutehr HEP (260 MW), located in District Chamba of Himachal Pradesh (hereinafter referred to as the “Project”); and

WHEREAS, M/s JSW Energy Limited after carrying out the necessary detailed investigation on the Project, submitted the Detailed Project Report for an installed capacity of 240 MW to Central Electricity Authority (CEA) which was accorded concurrence on 31.08.2010; and

WHEREAS, the Implementation Agreement was signed between the First Party and M/s JSW Energy Limited for the implementation of Kutehr HEP (240 MW) on 04.03.2011; and

WHEREAS, M/s JSW Energy Limited requested the First Party to transfer all the assets, responsibilities, obligations, rights, privileges and benefits in respect of Kutehr HEP (240 MW) in favour of M/s JSW Energy (Kutehr) Limited, for which a Tripartite Agreement between the First Party, M/s JSW Energy Limited and M/s JSW Energy (Kutehr) Limited was signed on 31.10.2013; and

WHEREAS, the Supplementary Implementation Agreement (SIA) between GoHP and M/s JSW Energy (Kutehr) Limited for incorporating the provision of free power Royalty deferment applicable to allotted projects as per GoHP notification 15.05.2018, was signed on 26.11.2018; and

WHEREAS, the Zero Date in respect of Kutehr HEP (240 MW) as per the milestones stipulated in the Implementation Agreement signed on 04.03.2011 was 03.03.2014; and

WHEREAS, First Party vide notification dated 07.11.2020 has allowed One Time Amnesty by redefining zero date for projects which are under investigation & clearance stage where IAs have already been signed and by redefining Scheduled Commercial Operation Date (SCOD) for projects under construction stage; and

WHEREAS, in pursuance to the above notification, the Second Party vide its application dated 30.11.2020, has requested to avail One Time Amnesty and further requested to sign Supplementary Implementation Agreement; and

WHEREAS, this Second Supplementary Implementation Agreement is being signed by both the Parties only to the extent that the Zero Date of Kutehr HEP (240 MW) shall be redefined as per notification dated 07.11.2020. This agreement shall in no way affect all other terms and conditions of Implementation Agreement dated 04.03.2011, Tripartite Agreement signed on 31.10.2013 and Supplementary Implementation Agreement dated 26.11.2018.

Director,
Directorate of Energy,
GoHP, Sector-6, Phase-III,
New Shimla-171009



[2]



NOW THIS SUPPLEMENTARY AGREEMENT WITNESSES AS UNDER

- I. Both the Parties agree to amend /incorporate the existing clause 5.1.2 as under:

The timelines for redefining of Zero Date in respect of Kutehr HEP (240 MW) is as under:

Sr. No.	Milestones	Time period	Consequential Action
1.	Apply for connectivity & signing of Long Term Open Access (LTOA) Agreement with HPPTCL or for signing of PPA with HPSEBL.	Within one month from the date of signing of SIA.	If the project developer fails to achieve this milestone within specified period of one month, the allotment of the project shall be liable to be cancelled.
2.	Signing of Connectivity Agreement & Long Term Open Access (LTOA) Agreement with HPPTCL or PPA with HPSEBL.	Within six months from the date of signing of SIA.	If the project developer fails to achieve this milestone within specified period of six months, the allotment of the project shall be liable to be cancelled.
3.	Furnishing of compliance reports for the progress achieved on continuous basis in the prescribed format.	Every two months on continuous basis starting two months from the date of signing of SIA	In case a project developer fails to submit the bimonthly, three consecutive compliance reports on prescribed formats in the first six months, the allotment of the respective project shall be liable to be cancelled.
4.	Submission of quantitative progress report on the progress achieved so far	At the time of completion of one year from the date of signing of SIA	In case a project developer fails to submit the quantitative progress report on the progress achieved so far at the time of completion of one year from the date of signing of SIA, and the report is not found satisfactory, the allotment of the respective project shall be liable to be cancelled.
5.	Zero Date for start of construction work	Redefined as 29.10.2019	

Director,
Directorate of Energy,
GoHP, Sector-6, Phase-III,
New Shimla-171009



Note: The Second Party shall not be entitled for any incentive on account of early commissioning of the project after availing relaxation under One Time Amnesty.

This **Second Supplementary Implementation Agreement** signed on the date first written above and the Implementation Agreement signed on 04.03.2011, Tripartite Agreement signed on 31.10.2013 and Supplementary Implementation Agreement signed on 26.11.2018 shall be in force simultaneously till the validity of the Implementation Agreement, Tripartite Agreement and Supplementary Implementation Agreement.

In witness whereof, the Parties hereto have executed and delivered this Agreement at Shimla, Himachal Pradesh on the date first written above, for the Implementation of Kutehr HEP for installed capacity of 240 MW.

For & on behalf of the Government

of Himachal Pradesh
Director,
Directorate of Energy,
GoHP, Sector-6, Phase-III,
Shimla-171009
(Harikesh Meena, IAS)
Director,
Directorate of Energy,

For and on behalf of M/s JSW Energy

(Kutehr) Limited

(Signature)
(Sanjeev Kumar Sahasrabudhe)
Authorized signatory

WITNESSED BY:

1.

(Signature)
Anshul Sharma
SE (AMP)

2.

(Signature)
Akhil Kashyap
AEE, DOE

WITNESSED BY:

1.

(Signature)
Rajendra Kumar
Head Corporate Affairs

2.

(Signature)
Prashant Saxena
Chief (Accounts)



Annexure VIII

**UTTAR HARYANA BIJLI VITRAN NIGAM LIMITED**

Regd. & Corp. Office: C-16, Vidyut Sadan, Secor-6, Panchkula, Haryana
Ph. No. 0172-2583729, Fax-0172-2586836, Web Site: www.uhbn.org.in
CIN No. U40109HR1999SG034166, Email- cehppc@gmail.com


EoI No.1/HPPC/ LT Hydro Power/500MW

Dated 03.07.2018

Expression of Interests are invited in the prescribed format for procurement of 500 MW of hydro power on long term basis, preferably with storage/pondage, for supply of power from 1st April 2019 onwards or a later date thereof.

Last date & time of submission of expression of interest: 20 /08/2018 at 15:00 hrs

The Detailed EOI document is available and downloaded from website www.uhbn.org.in.


Chief Engineer
HPPC, Panchkula



**UTTAR HARYANA BIJLI VITRAN NIGAM LIMITED**

Regd. & Corp. Office: C-16, Vidyut Sadan, Secor-6, Panchkula, Haryana
Ph. No. 0172-2583728, Fax-0172-2586836, Web Site: www.uhbvn.org.in
CIN No. U40109HR1999SG034166, Email- cehppc@gmail.com

Eoi No.1/HPPC/ LT Hydro Power/500MW

Dated 03.07.2018

Expression of Interests are invited in the prescribed format for procurement of 500 MW of hydro power on long term basis, preferably with storage/pondage, for supply of power from 1st April 2019 onwards or a later date thereof.

Last date & time of submission of expression of interest: 20 /08/2018 at 15:00 hrs

The Detailed EOI document is available and downloaded from website www.uhbvn.org.in.

Chief Engineer
HPPC, Panchkula



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power from Generators from 1st April 2019

Eoi No. 01/HPPC/ LT Hydro Power/ 500 MW/ Dated 09.07.2018

Issued by:

Chief Engineer (HPPC)
Haryana Power Purchase Centre

2nd Floor, Shakti Bhawan, Sector-6,

Panchkula – 134109, Haryana

Phone: +91 - 172 – 2583728

Email ID: cehppc@gmail.com

Website: www.uhbvn.org.in



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

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Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

I. BACKGROUND

1. The state of Haryana has variable power demand during the different time blocks in a day. Energy requirement and peak (MW) demand of the State also varies from month to month. The energy requirement and peak (MW) demand is highest in the summer months from June to September because of paddy cultivation and it generally tapers down from October onwards in the winter. The highest month wise Maximum Demand in FY 2017-18 was 9773 MW in the month of August and the lowest was 6605 MW in the month of November. Similarly during the day, the system experiences peak demand firstly in the morning hours from around 0500 to 0800 Hrs and again in the evening between 1800 to 2200 Hrs. During rest of the day the demand remains comparatively low. Most of the procurement by the state is from coal based thermal plants which serve as base load power plants. Of the total power tied up on long term basis, the hydro power constitutes just 19 %. Therefore, State need to tie up more of hydro power to improve thermal hydro mix. Moreover demand pattern of the state matches with the generation pattern of hydro projects i.e. when energy requirement/peak demand is at its maximum in summer months, the hydro generation is also at its maximum. Similarly when energy requirement/peak demand tapers down in winter, the hydro generation also tapers down. As per the latest Demand- Supply Scenario upto FY 2022-23, the State is shown to be deficit in meeting the peak MW demand only in the months of June to September whereas energy wise it is surplus up to FY 2021-22. In the given scenario hydro generation, especially with some storage/pondage for 2-3 hours generation seems to be is the most optimal option with the State to meet the peak deficit.

Keeping in view the above, the state has planned to procure power from hydro power stations preferably with storage/pondage as defined as per CERC norms, (hereinafter referred to as "Hydro Plant", "Generator "or "Plant"), to cater the peak demand of the state. It has been decided to procure power from hydro plants by entering into long term power purchase agreements ("PPA") for a capacity of 500 MW for a period of 35 years or life time of the plant, whichever is later, at a tariff to be determined by the State Commission as per its Tariff Regulations but subject to the levelised ceiling tariff (Rs/ kWh) to be indicated by the Applicant.

2. This invitation for Eoi has been designed for inviting responses from interested Generation Companies owning hydro plants, preferably with storage/pondage, to participate in the procurement of 500 MW of hydro power by the state of Haryana at a tariff to be determined by the State Commission as per its Tariff Regulations subject to levelised ceiling tariff (Rs/ kWh) to be indicated by the Applicant.



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

3. The procurement shall be done by Haryana Power Purchase Centre, which is a Statutory Body constituted by Government of Haryana vide Notification No. 1/1/2008 -1 Power dated 11.04.2008 as single buyer model for long term and short term power planning and procurement on behalf of the two distribution licensees of Haryana ie UHBVNL and DHBVNL , having its Head Office at Shakti Bhawan, sector 6, Panchkula (hereinafter referred to as "HPPC") acting through Chief Engineer, HPPC, Shakti Bhawan, Sector 6, Panchkula, Haryana.
4. In view of above, HPPC has planned to procure 500 MW of power from Hydro Plants, preferably with storage/pondage, for supply of power from 1st April 2019 onwards. HPPC, accordingly, is initiating the process for selection of generator(s) to whom the contracts may be awarded for supply of electricity.
5. HPPC, therefore, invites the Generating Companies/Generators to submit their expression of interest to participate in the procurement of 500 MW of power by HPPC from Hydro Plants, with storage/pondage, capable of supplying minimum of 3 hours of power at the capacity quoted, for supply of electricity from 1st April 2019 onwards. The scope, eligibility criteria and timelines are as provided below.

II. SCOPE

The hydro generator(s) shall supply power from the plant, under and in accordance with the provisions of a long term PPA to be entered into between the successful generator(s) and HPPC on the terms and conditions to be approved by appropriate authority.

III. ELIGIBILITY CRITERIA

1. The Applicant should be a Generation Company, as defined in the Electricity Act, 2003.
2. Applicant must own a Hydro Power Plant, preferably with storage/pondage, defined as per CERC norms, capable of supplying minimum of 3 hours of power at the capacity quoted, during evening or morning peak hours as per requirement.
3. The hydro plant should have achieved commercial operations at the time of submission of Eoi. However the hydro plants expected to achieve commercial operation by 31st March 2023¹, which date may be extended further with mutual consent without any Impact on quoted tariff, can also submit Eoi.

¹ While HPPC plans to start power procurement from 1st April 2019, in case of plants getting commissioned after April 2019 and subject to their selection, the power procurement from such plants shall take place post their commissioning.



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

4. The available operating capacity of the hydro plant must be equal to or more than the quantum of power offered by the applicant. The offered capacity shall be:
 - a) Should not be a subject of any litigation or conflict
 - b) Should not have been offered or being offered to any other buyer at the Time of submission of Eoi.
5. The hydro plants should qualify the conditions for supply of power under MOU route as mentioned in the Tariff Policy dated 28th January 2016 notified by Ministry of Power, Govt. of India.

IV. KEY TERMS

1. The levelised ceiling tariff given shall be ex-bus. The responsibility for obtaining long term open access and the wheeling of the power upto Haryana state's periphery will be of the generator(s). However the actual charges shall be borne/ reimbursed by HPPC. For generator(s) connected to project state transmission utility (STU), all the charges and losses up to the interconnection point with CTU(central transmission utility) shall be borne by the generator(s) under the quoted tariff and will not be pass through.
2. HPPC has the right to reject the Eoi of any generation company in case of any conflict of interest or for any other reasons. Mere participation in the bid shall not be construed as a right of the generating company to enter in to the PPA with HPPC and the decision of HPPC in this regard shall be final and binding on all the parties.
3. The free power to be supplied by the hydro plant to the home state shall be quoted explicitly in Annexure 2. The cost of free power to the project State over and above that allowed as per Govt. of India notification shall be borne by the generator(s).
4. Impact of any Force Majeure condition, of any kind, or any other risk impacting the cost of generation, directly or indirectly as well as delay in Commissioning of the project due to any unforeseen reasons covered under force majeure will not affect the levelised ceiling tariff. Extra cost incurred on this account shall be borne by the generator/developer. Only the increase in statutory taxes and duties as amended from time to time, if any, shall be borne/reimburse by HPPC.
5. The procurement of power shall be subject to the approval of Haryana Electricity Regulatory Commission.



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

V. TIMELINES

(Currently mentioned as T₀, actual dates to be put post finalization of date by HPPC)

S.No.	Activity	Date
1.	Release of invitation for Eoi	9.07.2018
2.	Pre-Eoi submission discussion	30.07.2018
3.	Submission of response to Eoi	20.08.2018, 3 pm

Only the companies eligible after the Eoi stage will be allowed to participate in the subsequent discussions/submission of offers. The draft PPA shall be shared with the shortlisted generator(s) and meeting shall be called to resolve any queries.

VI. DETAILS TO BE SUBMITTED

The applicant is required to submit the following documents as a part of the Eoi:

1. Covering letter (*Refer to Annexure I*)
2. Particulars of the hydro power station (*Refer to Annexure II*)
3. Commissioning certificate (*Refer to Annexure III*)
4. Detailed project report with complete details regarding Project cost, design energy with calculations, availability of storage/pondage etc and project financing details
5. Completed project cost with break-up and item wise comparison with cost as per DPR along with reason for variation.

The hard copy of the above documents should reach the office of the 'Chief Engineer (HPPC), Shakti Bhavan, Sector 6, Panchkula, Haryana' by the submission deadline ofpm. No requests for late submission shall be entertained.

VII. CONTACT FOR QUERIES

The applicant may contact the following persons in case of any queries:

1. Er. A.K. Sharma
Chief Engineer (HPPC)
Phone No.: 0172-2583728
Email ID: cehppc@gmail.com
2. Er. Umesh Aggarwal,
Superintending Engineer (HPPC)
Phone No.: 0172-2587208
Email ID: cehppc@gmail.com
3. Er. Rajiv Mishra,
Executive Engineer (HPPC)
Email ID: cehppc@gmail.com



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Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

ANNEXURE I: COVERING LETTER

(The covering letter should be on the letter head of the applicant)

Date:

Reference No.:

From: (Insert Name and address of applicant along with telephone number and email address)

To,
Chief Engineer (HPPC)
Haryana Power Purchase Center
2nd Floor, Shakti Bhawan, Sec-6,
Panchkula - 134109

Sub: Response to invitation for Eoi No. HPPC/ Hydro Power/ 500 MW/ 01/ dated *** for procurement of 500 MW electricity from operational hydro power generating stations for a period from 1st April 2019 under long term agreement.**

Dear Sir/ Madam,

We, the undersigned [insert name of the applicant'.....] having read, examined and understood in detail the invitation for Eoi including eligibility requirements, hereby, submit our response to the invitation for Eoi. We confirm that, in response to the aforesaid invitation for Eoi, neither we nor any of our Ultimate Parent Company/ Parent Company/ Affiliate/ Group Company has submitted response to the said invitation for Eoi other than this response for the same power station, directly or indirectly.

We certify that in terms of the Eoi Document, our Maximum Continuous Rated Capacity is MW (in words MW).

1. We offer a capacity of {...MW} from ourMW { Name and address of the Project} against the required the Capacity of 500 MW given in the Eoi.
2. We have submitted our response to the invitation for Eoi strictly as per Section VI of the invitation for Eoi, without any deviations, conditions and without mentioning any assumptions or notes in the said formats.
3. We, hereby, unconditionally and irrevocably agree that we shall accept the decision of



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

HPPC in respect of any matter regarding or arising out of this Eoi and the same shall be binding on us.

5. We confirm that we have studied the provisions of the relevant Indian laws and regulations as required to enable us to submit this response to invitation for Eoi.
6. We confirm that this offer qualifies the conditions for supply of power under MOU route as mentioned in Tariff Policy dated 28th January 2016 notified by Ministry of Power, Govt. of India.
7. We confirm we have not applied or submitted proposal for the offered capacity to any other buyer. (If, any proposal is under consideration at any forum, disclosure thereof is annexed as Annexure.)
8. We confirm that there is no conflict of interest of any kind in our response to this invitation for Eoi.
9. We confirm that the outcome of this Eoi shall be binding on us and no claims, legal or any other kind, shall be made against HPPC in any court of law.
10. It is confirmed that our response to the invitation for Eoi is consistent with all the requirements of submission as stated in the invitation for Eoi, including all clarifications and amendments and subsequent communications from HPPC.
11. The information submitted in our response to the invitation for Eoi is correct to the best of our knowledge and understanding and no assumptions have been taken by us with regard to the same. We would be solely responsible for any errors or omissions in our response to the invitation for Eoi. If any misrepresentation is found at any stage, the offer/PPA entered shall be null and void.
12. Details of the representative to be contacted by HPPC are furnished as under:
 Name:
 Designation:
 Company:
 Address:
 Phone nos.:
 Mobile nos.:
 Fax Nos.:
 E-mail address:
13. We have neither made any statement nor provided any information in this Eoi, which to the best of our knowledge is inaccurate or misleading. In case this is found to be incorrect at any stage of the process or after our selection as shortlisted



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

hydrogenerator, we agree that the same would result in us being liable for the
cancellation of Award/PPA without any liability on the HPPC.

Dated the day of _____, 2018

Thanking you,

Yours faithfully,

(Name, Designation and Signature of Person Authorized by the Board of Directors)



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

VIII. ANNEXURE II: PARTICULARS OF THE HYDRO POWER STATION

1. Name of the developer:
2. Date of commencement of business:
3. Address of the corporate headquarters:
4. Brief description of the company including details of its main lines of business:
5. Location of hydropower station(s) (Specify place, district and state):
6. Date of commercial operation/ expected data of commercial operations:
7. No. of units and installed capacity of each unit (in MW):

No. of units (Existing)	Installed capacity (MW)	COD

8. Quantum of power contracted with other purchasers, if any (in MW):
9. Tariff from existing purchasers under MTOA/LTOA (if applicable) - Fixed charge (INR/kWh); , Variable charge (INR/kWh):
10. Details of surplus (available) capacity (in MW):
11. Details of free power to be provided to the home state:
12. Proposed capacity (in MW):
13. Proposed storage capacity available for the proposed supply (in MT):
14. Levelised Ceiling Tariff offered²for the contract period (INR/kWh):
15. Auxiliary consumption (%):

16. Historic availability(%) and PLF(%) month on month (as available):

² The tariff offered by the firm will be taken to Haryana Electricity Regulatory Commission for approval



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Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

Year	Head	J	F	M	A	M	J	J	A	S	O	N	D
Year 1	Availability (%)												
	PLF(%)												
Year 2	Availability (%)												
	PLF (%)												

17. Historic availability (%) and PLF (%) for 24 hrs. (as available):

Year	Head	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200
Year 1	Availability (%)												
	PLF(%)												
Year 2	Availability (%)												
	PLF (%)												

Year	Head	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000
Year 1	Availability (%)												
	PLF(%)												
Year 2	Availability (%)												
	PLF (%)												

18. Details of proposed transmission corridor along with transmission losses (if any):

Dated the day of _____, 2018

Thanking you,

Yours faithfully,

(Name, Designation and Signature of Person Authorized by the board)



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

IX. ANNEXURE III: COMMISSIONING CERTIFICATE

A. For plants commissioned at the time of Eoi submission:

Certificate from a Government Agency or the Applicant's statutory auditor must be furnished as per format below for Commissioning date of the Project.

<p align="center">Certificate from the Statutory Auditor regarding Commissioning of the Project</p> <p>Based on its books of accounts and other published information Authenticated by it, this is to certify that(Name of the Power Station) was commissioned on(Date of Commissioning of the Project).</p> <p>Name of the audit firm:</p> <p>Seal of the audit firm:</p> <p>(Signature, name and designation of the authorized signatory)</p> <p>Date:</p>

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 Applicant may provide the certificates required under this invitation for Eoi.



Invitation for Expression of Interest (Eoi) for Long Term Procurement of
500 MW Hydro Power by Haryana

B. For plants to be commissioned at the time of Eoi submission:

Self-certification by the person authorized by the board:

**Certificate from the Statutory Auditor regarding Commissioning of the
Project**

Based on its books of accounts or other published information Authenticated
by it, this is to certify that (Name of the Power
Station) is likely to be commissioned on (Expected date of
commissioning of the project).

(Signature, name and designation of the authorized signatory)

Date:



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Annexure IX

HARYANA POWER PURCHASE CENTRE
(A Joint Forum of UHBVN & DHBVN)
Shakti Bhawan, Sector-6, Panchkula
Ph. No. 0172- 2583728 Fax. No. 0172-2586836
E-mail: cehppc@uhbvn.org.in

From

Chief Engineer
HPPC, Panchkula

To

JSW Energy (Kutler) Limited
JSW Centre, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051


Memo No: Ch- 33 /CE/HPPC/SE/C&R-I/LTP-III/EOI

Dated: 17.09.2019

Subject: Intimation regarding short listing of the offer

In reference to the expression of interest floated by this office vide Eoi No. HPPC/LT Hydro Power/500MW/01 dated 03.07.2018 for procurement of Hydro Power, this office is pleased to intimate that your offer submitted vide Memo No. JSWEKL/2018/01 dated 18.08.2018 is hereby shortlisted for forwarding the same to HERC for approval. The other modalities regarding signing of PPA etc shall be carried out only after the approval of HERC in the matter.

It is further intimated that the above intimation shall not be construed as a right to enter into PPA for sale of power to HPPC.


Chief Engineer
HPPC, Panchkula

CC:

1. SPS to ACS (Power) for kind information of ACS (Power), please.
2. SPS to CMD, Discoms for kind information of CMD, Discoms, please



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BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA

Case No. HERC/PRO – 54 of 2019

DATE OF HEARING : 15.09.2020
DATE OF ORDER : 24.09.2020

Amerose X

IN THE MATTER OF

Petition under Section 86 (1)(b) of the Electricity Act, 2003 for sources approval of 400 MW Hydro Power to be procured from generators i.e. M/s Sneha Kinetic (96MW), M/s GMR Bajoli (60MW) and M/s JSW Kutehr (240MW) selected through competitive bidding under Expression of Interest invited by the Haryana Power Purchase Centre (HPPC) on 03.07.2018

Petitioner

Haryana Power Purchase Centre, Panchkula (HPPC)

Present on behalf of the Petitioner, through Microsoft Teams App.

Ms. Sonia Madan, Advocate, HPPC

Quorum

Shri D.S. Dhesi	Chairman
Shri Pravindra Singh Chauhan	Member
Shri Naresh Sardana	Member

ORDER

Brief Background of the case

1. HPPC, through its Chief Engineer, has filed the present petition seeking source(s) approval of 400MW Hydro Power to be procured from generators i.e. M/s Sneha Kinetic (96MW), M/s GMR Bajoli (60MW) and M/s JSW Kutehr (240MW) selected through competitive bidding under Expression of Interest floated by HPPC on 03.07.2018 (EOI No.1/HPPC/LT Hydro Power 500 MW).
2. Submissions of the Petitioner is set out, in brief, hereunder:-
 - 1) That Haryana experiences deficit in power supply during peak season, i.e. June to September every year. Keeping in view the consumption pattern of power supply in the State of Haryana, HPPC has made detailed submissions as under.
 - a) That Haryana has high contracted capacity of 72.23% of the total power supply through thermal power sources. Therefore, any further addition of thermal sources of power will lead to increase in the cost of power supply thereby increasing the financial implication on the electricity consumers of the State. The said increase will also contribute to adverse operational issues such as managing the OD/UD during the lean season. This will lead to obvious increase in the cost of power supply and also the losses to distribution utilities unless the demand is generated round the clock, throughout the year basis. It is pertinent to note that addition in thermal sources of power also require addition of the mandated RPO, which will have to be increased proportionately. Further, it has been observed that the ECR of the thermal projects has an increasing trend on account of coal issues, which makes it impossible to regulate the tariff of the consumers in accordance with the HERC (Terms and Conditions for Determination of Tariff for Distribution & Retail Supply under Multi Year Tariff Framework) Regulations ('MYT Regulations' for short). This in turn frustrates the execution of FSA and thereby financially impacting the Distribution licensees. In view of the foregoing, HPPC submits that procurement of power through thermal power sources is not a feasible and viable option for meeting deficit power supply during peak season.



- b) That it is worthwhile to mention that as per the mandate of Commission, the RPO targets have already been complied by HPPC in all respects. The Renewable Power Sources (Solar and Wind), though have become cheapest sources of power, but are unable to meet the round the clock requirement of the Distribution Companies during the peak season. As the Hybrid Renewable Power is at its inception stage and the cost effectiveness and sustainability of the said power source is yet to be established, it is an inadequate and unfeasible option to meet the deficit in continuous power supply during the peak season. Thus, in view of the foregoing, HPPC observes that procurement of power through renewable energy source is not a feasible and viable option for meeting deficit power supply during peak season.
- c) That it is pertinent to highlight that as per recent Hydro Policy introduced by the Government of India, all the hydro projects which are yet to be established or are yet to execute Power Purchase Agreements, will be governed in accordance with new Hydro Policy. It is also worthwhile to mention that the Hydro Projects are now categorized as "Renewable Projects" and therefore, any addition of the hydro power in the contracted capacity exempts the Distribution Companies from the RE obligations mandated under National Tariff Policy, 2016. In view of the foregoing, it was observed by the HPPC, that for meeting the power deficit during peak season and to ensure continuous and smooth supply in the State of Haryana, the most feasible and viable option will be procurement of power through Hydro Energy Sources.
- 2) In light of the current scenario of procurement of power through different energy sources described above, HPPC sets out, hereunder, proposal for procurement of power through 400MW Hydro Power selected through competitive bidding in pursuance to expression of interest floated by HPPC on 03.07.2018, for the consideration and approval of the Commission.
- 3) That the Hydro Policy, 2008 proposes an ideal mix of Thermal and Hydro power sources in the ratio of 60:40 (Thermal: Hydro) for meeting the peak and non-peak power demand of the State. Moreover, the Distribution Companies (Discoms) have witnessed stressful situations of meeting increasing RE targets as per New Tariff Policy-2016 which has continued to adversely affect the financial position of the Discoms. The New Tariff Policy issued by Government of India on 28.01.2016, provides as under: -

"6.4(1).....

- (i) *Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification of this policy which shall be such that it reaches 8% of total consumption of energy, excluding Hydro Power, by March 2022 or as notified by the Central Government from time to time."*

A perusal of the above evinces that any State having major share of Hydro in its power portfolio will be less burdened with the Renewable Energy Targets. For instance, State of Himachal has significant Hydro Power in its Power portfolio and therefore, experiences negligible RE targets. Haryana, being the State surrounded by Himachal / J&K and Uttarakhand, has the potential of procuring adequate power from Hydro Energy Sources. Therefore, the efforts should be made to enter into long-term Hydro arrangements, which will not only support peak demand of the State but will also match the load pattern of the State throughout the year. Further, as per IEGC amendments made vide order of the Central Electricity Regulatory Commission dated 05.05.2017 (annexed with petition), the backing down of the Thermal Power Plants leads to increase in Energy Charges, which burdens the electricity consumers of the State. This problem can be well addressed by increasing share of Hydro Power Sources to match the State based load and peak demands. It will also help in reducing the backing down issue of the Thermal Projects and consequent penalties levied on account of the same.

- 4) That the procurement of additional power from Hydro Sources will also help create the Thermal Power Units as Reserve Shut Down (RSD) which can be used to schedule power as per demand.



The Thermal Power stations, therefore, need not be put on bar when the demand is low or to meet peak demand. This will also be economical for Discoms.

- 5) That in view of the above submissions, it is evident that procurement of power from Hydro Power Sources is most feasible and beneficial option for the State of Haryana as the State experiences surplus in lean season and shortfall in peak season. Till date, the said deficit is being met through the banking arrangements. However, several difficulties are being faced on account of transmission constraints. At many times, the Inter-State banking arrangements fail to provide requisite support, thereby leading to unreliability in the availability of power. The demand curve of the State exactly matches with the Hydro-Generation and thus, procurement through the Hydro-Generation sources is best suited for the State of Haryana.
- 6) That HPPC currently has the contracted capacity of the 12181 MW, which is sufficient to meet the present demand of the State. However, Unit V-PTPS is about to phased out and there may also be phasing out of old NTPC units due to environmental constraints. In that event, there will be power deficit in the State. Further, the demand supply projection (annexed with petition) for upcoming years evinces that there will be power deficit with effect from 2022-2023, which cannot be met even through reverse banking. It is the matter of the fact that, in present scenario, the peak season demand gap against the available sources is being met through the banking arrangements. However, in future, clear shortfall can be foreseen for the State. Therefore, it is a matter of concern which needs to be addressed by arranging power from other sources so as meet demand for peak period in future years.
- 7) That it is further submitted, that the 400 MW medium term power available under Pilot Scheme-I is only up till November, 2021 and its withdrawal will further create shortfall in power available with HPPC. Furthermore, the Steering Committee for Power Planning (SCPP) in its 54th meeting dated 10.09.2019 had also decided to surrender Tilaya UMPP and Tanda projects, having capacity of 244MW. Thus, considering all this, the procurement of power through Hydro Energy Sources is imperative in the interest of the consumers of the State.
- 8) That even in the past, while approving the Hydro Power sources, the Commission advised that a wide spread publicity, regarding intention of State of Haryana to procure power from Hydro sources, be made so as to invite best competitive Hydro Power generators and to ensure the fair selection of the generators. Considering the said advice of Commission, it was decided by the Steering Committee for Power Planning (SCPP) in its 45th meeting held on 15.05.2018 to float Expression of Interest (EoI) for 500MW of Hydro Power on long term basis. Accordingly, EoI was floated by HPPC on 03.07.2018 (annexed with petition).
- 9) That the salient terms and conditions of EoI issued by HPPC on 03.07.2018 are reproduced hereunder for the ready reference of the Commission.
 - i. The levelized ceiling tariff given shall be ex-bus. The responsibility for obtaining long term open access and the wheeling of the power upto Haryana state's periphery will be of the generator(s). However, the actual charges shall be borne/ reimbursed by HPPC. For generator(s) connected to project state transmission utility (STU), all the charges and losses up to the interconnection point with CTU (central transmission utility) shall be borne by the generator(s) under the quoted tariff and will not be pass through.
 - ii. The levelised tariff shall remain fix for the tenure, no compensation be granted on account of Force majeure i.e. all the hydrology risks have to borne by the generator in the matter, however, the HPPC agreed to pay any increase in statutory taxes and duties as amended time to time in the mater.
 - iii. The project preferably has the pondage defined as per CERC norms, capable of supplying minimum of 3 hours of power capacity quoted, during morning or evening peak hours as per requirement.
 - iv. The hydro plant should have achieved the commercial operations at the time of submission of EoI. However, the hydro plants expected to achieve Commercial Operations



by 31st March, 2023, which date may be extended further with mutual consents without any impact on quoted tariff, can also submit EoI.

- 10) That following offers were received against the Hydro EoI floated by HPPC on 03.07.2018 -
A. Projects having capacity above 25 MW: -

Sr. No.	Firm Name	Project Capacity (in MW)	Offered Capacity (in MW)	COD/ Expected COD	Pondage	CTU/ STU	Final Levelised Quote(in Rs./kwh)
1	Intergrated Kashang HEP (1*65 MW) Himachal Pradesh Power corporation Ltd.	65 MW (1*65 MW) Kashang Hydro Electric Project, Himachal Pradesh	56.55	01.09.2016	Yes	STU	7/-
2	Sainj HEP (2*50 MW) Himachal Pradesh Power Corporation Ltd.	100 MW (2*50 MW) Sainj Hydro Electric Project, Himachal Pradesh	87	04.09.2017	Yes	CTU	8.69/-
3	Sneha Kinetic Power Projects Pvt. Ltd.	96 MW (2*48 MW) Dikchu Hydro Electric Project, Sikkim	96	Unit-I 12.04.17 Unit-II 28.05.17	Yes	CTU	Rs. 4.49/- (CTU)
4	M/s Himachal Sorang Power Pvt. Ltd.	100 MW (2*50 MW) Sorang Hydro Electric Project, Himachal Pradesh	100	30.06.2019	No	CTU	4.41/- (CTU) Firm can develop the poundage for Sorang hydro project, in case of requirement of the same by Haryana State, at an additional cost and consequent tariff.
5	GMR Bajoli Holi Hydro electric Project,	180 MW (3*60) Bajoli Holi Hydroelectric Project, HP	60	Unit-I 01.09.19 Unit-II 16.09.19 Unit-III 30.09.19	Yes	STU	Rs. 4.90/- at CTU (Rs 4.49 at Bus bar & STU Charges capped at Rs 0.41/Kwh, however as per prevailing HPTCL STU Charges is 2 paisa /Unit)
6	L&T, Uttarachal Hydro Power Ltd.,	3*33 MW singoli Bhatwari HEP, Uttaranchal	113.5	Unit-I Oct,19 Unit-II Nov,19 Unit-III Dec,19	No	STU	5.37/- at switchyard bus bar The transmission charges upto CTU point are presently being discussed between PGCIL and PTC UL and it is expected that the matter will be refer to CERC
7	Sikkim Hydro Power Venture Ltd.,	66 MW (2*33 MW) Rangit II Hydro Electric power Project,	56.76	31.03.2023	Yes	STU	4.66/- at CTU



Sr. No.	Firm Name	Project Capacity (in MW)	Offered Capacity (in MW)	COD/ Expected COD	Pondage	CTU/ STU	Final Levelised Quote(in Rs./Kwh)
		Sikkim					
8	JSW Energy (Kutehr) Ltd.	240 MW (3*80 MW) Kutehr Hydro Power Project, Himachal Pradesh	240	March. 2023 subject to signing of PPA by 30.10.18	Yes	STU	4.93/- (Rs 4.50 at Bus bar & STU Charges capped at Rs 0.38/Kwh, however as per prevailing HPTCL STU Charges is 2 paisa /Unit)
9	NTPC Vidyut Vyapar Nigam	900 MW (8*112.5 MW) Upper Karnali Hydroelectric Project, Nepal	200	March. 2023	Yes	CTU at Bareilly UP	Not in a position to provide levelised ceiling tariff due to pending CERC guideline and regulation for cross border trade of electricity.
10	M/s Jindal Power Ltd.,	3097 MW Etalin Hydro Electric Project, Arunachal Pradesh	500-1500	2025-26	Yes	CTU	Rs. 5.17/- At bus bar with long term PPA of 1500 MW for Etalin HEP (3097 MW) in Dibang Valley District of Arunachal Pradesh.

B. Projects having capacity up to 25 MW

Sr. No.	Firm Name	Project Capacity (in MW)	Offered Capacity (in MW)	COD/ Expected COD	Pondage	CTU/ STU	Final Levelised Quote (in Rs./Kwh)
1	M/s Ramesh Hydro Power Pvt. Ltd.	24 MW (3*8 MW) Run-of-River Small Hydro Electric Project, H.P.	24	31.03.2021	No	STU	Rs. 4.15/- at delivery point of CTU interconnection and generator.
2	M/s Panchoor Hydro Power Ltd.	24.6 MW (3*8.2 MW) Wanger-Homte Small Hydro Power Project, H.P.	24.6	30.06.2019	No	STU	Rs. 4.15/- at delivery point of CTU interconnection and generator.
3	M/s Fozal Power Pvt. Ltd.	16 MW (3*4.5 MW + 1*2.5 MW) Fozal Renewable Energy Small Hydro Project, H.P.	16	31.12.2019	No	STU	Rs. 4.15/- at delivery point of CTU interconnection and generator.
4	M/s Roura Non conventional Energy Pvt. Ltd.	24 MW (3*8 MW) Roura Small Hydro Electric Project, Himachal Pradesh	24	31.03.2022	No	STU	Rs. 4.15/- at delivery point of CTU interconnection and generator.
5	Goodwill Energy Enterprises	24 MW (3*8 MW) KUT Hydro Electric Power Project, Himachal Pradesh	24	30.11.2018	No	STU	4.20 at State Periphery (HP) (either without going to project cost or alternatively DPR cost shall be considered as project cost)
6	Kanchanjunga Power	24 MW (3*8 MW)	24	Unit-I 13.10.15 Unit-II	No	STU	Rs. 3.95 @ STU



Sr. No.	Firm Name	Project Capacity (in MW)	Offered Capacity (in MW)	COD/ Expected COD	Pondage	CTU/ STU	Final Levelised Quote (in Rs./Kwh)
	Company Pvt. Ltd.	Baragaon Small Hydro Electric Project, H.P.		12.10.15 Unit-III 30.11.15			
7	Yogindera Powers Ltd.	5 MW (2*2.5 MW) Baner Sangam Small Hydro Electric Project, Himachal Pradesh	5	03.06.2016	No	CTU	4.77/-at CTU
8	DD Hydro Power & Developers Pvt. Ltd.	23 MW (2*11.5 MW) KEYI Small Hydro Power, Arunachal Pradesh	23	Expected COD I- 12.2021 II-02.2022	No	CTU	Rs. 4.62/- at (CTU)
9	Virtual Hydro Pvt. Ltd.	14.5 MW (3*4.85 MW) Pareng Hydro Project, Arunachal Pradesh	14.5	Expected COD Unit-I 02.2021 Unit-II 03.2021 Unit-III 03.2021	No	CTU	Rs. 4.62/- at (CTU)
10	POM Hydro Energy Ltd	14 MW(2*7 MW) Uhi HEP, Himachal Pradesh	14	28.02.2023	No	STU	5.40/- at CTU

- 11) That against the above referred EOI, the offers were received from Government of Himachal Pradesh and other IPPs. Offer was also received from M/s NEEPCO (Govt. of India Subsidiary). The number and diversity of bids received against the EOI reflects that it is the first of its kind in India. All the bidders had quoted the tariff as per prevailing CERC regulations. The uniformity in bids has helped not only to make a comparative evaluation of all bidders but has also helped in understanding the prevailing market trends.
- 12) That SCPP in its 49th meeting held on 13.10.2018 has deliberated on all the bids. The relevant extract of minutes of SCPP meeting dated 28.10.2018 are reproduced hereunder for ready reference of this Hon'ble Commission.

*"Agenda for Procurement of Long Term 500 MW Hydro Power from 1st April 2019 or late date through EOI floated by HPPC was taken up and following decision were taken:-
The Committee deliberated the matter in detail and discussed the project aspects/queries with all participants of EOI. On the basis of the discussions, the Committee decided to give final chance to all the participants of the EOI to submit the revised offer by Tuesday i.e. 16.10.2018 by 17:00Hrs. It was further decided that after the receipt of revised offers from the participants, the evaluation of the bids be also done from the consultants M/s KPMG before putting up to SCPP for final decision."*

- 13) That pursuant to above referred meeting, KPMG submitted report evaluating the bids and the same was put up for final deliberations before SCPP in their 50th meeting held on 05.11.2018. The relevant extract of minutes of SCPP meeting dated 05.11.2018 are reproduced hereunder for ready reference of Commission –

*"Agenda for the procurement of Long Term 500 MW Hydro Power from 1st April 2019 or later date through EOI floated by HPPC was taken up.
The SCPP noted the evaluation report and the merit order prepared by the consultant M/s KPMG on the subject cited agenda. After deliberations Committee directed as under:
1. Clarification be sought from Small Hydro Electric Projects (SHEP) regarding their offer whether they agree for tariff determination under Section 62 of the Electricity Act 2003."*



2. Clarification be sought from M/s GMR and M/s JSW for any possibility to reduce the ceiling tariff of STU charges/option available to directly evacuate power through CTU network."

Copy of the KPMG report is annexed with petition.

- 14) The bids were again deliberated in 51st meeting of SCPP held on 03.12.2018. The relevant extract of minutes of SCPP meeting dated 03.12.2018 are reproduced hereunder for ready reference of Commission –

- A. Accordingly, the meeting was called by HPPC on dated 13.11.2018 and all the small Hydro developers who participated in the EoI were requested to clarify whether they agree to tariff determination under section 62 of the Electricity Act, 2003 subject to ceiling tariff offered as a cap, or the offered quantum is on Flat tariff. The replies of the project developers as per Annexure-I of the agenda are tabulated as under: -

Sr. No	Project Developer	Tariff offered in Rs.	Remarks
1.	POM Hydro Energy Ltd. (H.P.)	4.75/- at CTU	Flat Tariff
2.	M/s Fozal Power Pvt. (H.P.)	4.15/kWh at CTU	Flat Tariff
3.	Panchhor Hydro Power Pvt. Ltd. (H.P.)	4.15/kWh at CTU	Flat Tariff
4.	Ramesh Hydro Power Pvt. Ltd. (H.P.)	4.15/kWh at CTU	Flat Tariff
5.	M/s Roura Non conventional Energy Pvt. Ltd. (H. P.)	4.15/kWh at CTU	Flat Tariff
6.	DD Hydro Power & Developers Pvt. Ltd. (Arunachal Pradesh)	4.60/kWh at CTU	The company agreed for determination of Tariff by HERC
7.	Goodwill Energy Enterprises, (H.P.)	4.20/kWh at CTU	Flat Tariff
8.	Yogindera Powers Ltd (H. P.)	4.77/kWh at CTU	Flat Tariff
9.	Virtual Hydro Pvt. Ltd. (Arunachal Pradesh)	4.60/kWh at CTU	The company agreed for determination of Tariff by HERC
10.	Kanchanjunga Power Company Pvt. Ltd. (H.P.)	3.95/- at Bus Bar (STU)	Flat Tariff

The Committee observed that the majority of the small hydro developer have offered flat tariff and were not agreeable to determination of tariff under section 62 of Electricity Act, 2003, hence they do not meet the prerequisite criteria for evaluation of tariff under Section 62 as per EoI. Therefore, the bid offered by the developers becomes invalid, as they are not fulfilling the EoI criteria for determination of tariff under section 62 of the Electricity Act.

Both M/s Virtual Hydro and M/s DD Hydro have agreed for evaluation of tariff under Section 62 of the Electricity Act, 2003 as per the EoI which is the pre-requisite requirement, hence they would be considered for the evaluation as per the criteria.

- B. Regarding the issue of the reduction in STU charges in respect of M/s JSW Kutehr and M/s GMR Bajoli, the generators have shown their inability to reduce the cap charges quoted in respect of Himachal STU. The committee noted the replies of the Generator as per Annexure-II of the agenda and quoted offer has been considered for evaluation purpose.
- C. The Committee has taken note of the presentation given in 50th SCPP by M/s KPMG in respect of the yield calculated by them for each project and its cost to Discoms on account of Solar offset, Secondary Energy, Poundage and monetising the time of availability/CoD. The committee proceeded further on the basis of the evaluation carried by M/s KPMG.
- D. The Committee considered all valid offers of generators who have agreed for determination of tariff under section 62 of the Electricity Act with the capped offered in the bid. The reliance is made on the preference of poundage as per EoI and also as per Pre-bid minutes of meeting dated 30.07.2018, where in it was clearly specified that the first preference be given to projects having poundage and in case insufficient response is there then the other options may be considered."



- 15) That considering the comparative evaluation of bids, HPPC decided to seek approval of this Commission for scheduling power from M/s NEEPCO. It was also decided that rest of the bids will be considered after ascertaining the demand supply scenario. However, in the meantime, M/s NEEPCO revised its offer which made the project outside the merit order of the EoI. Therefore, it was decided by SCPP to withdraw the said petition.
- 16) That further, SCPP in its 54th meeting held on 10.09.2019(annexed with petition) once again considered the whole agenda and recommended as under: -

"In continuation to the decision taken in 51st SCPP meeting held on 03.12.2018, wherein the prospective eligible bidders were finalised, the SCPP has considered the said agenda for deliberations. In view of the revision made by M/s NEEPCO which makes the offer outside the merit order, it was agreed to withdraw the said petition from HERC.

Further, as per demand supply scenario presented by HPPC, it was noted that there is clear shortage of power in peak season from 2022-23 onwards. SCPP also noted that 400MW medium term power is concluding after November, 2021. As one of the projects, JSW (240MW), is expected to be commissioned in 2022-23, it matches with HPPC's requirement for long term.

Furthermore, it was noted that the decommissioning of Unit-V, PTPS from October, 2019 will create an immediate shortfall of 210MW. It was deliberated and in view of earlier deliberations in the Point No. 4, it was decided to substitute the shortfall with hydro power, being peaking power, instead of thermal. It was also noted that the hydro power being the balancing power not only helps to manage thermal hydro mix but also further reduces the burden of obligated RE power as per regulation.

Further, in view of the above and considering the actual peak demand of 11030 MW in the current summer season in the month of July, 2019 it was agreed that the project M/s Sneha Kinetic (96MW) and M/s GMR Bajaoli (60MW), which is likely to be available in the year 2020, will be good replacement of Unit-V, PTPS.

In view of the above, the SCPP decided that the offer under EoI be accepted up to 400MW from pondage based Hydro power projects which will meet the peak season demand and also assist in meeting the intraday peaks in the lean season i.e. M/s Sneha Kinetic (96MW), M/s GMR Bajoli (60MW) and M/s JSW Kutehr (240MW) as per the merit order and forward the same to HERC for approval."

Thus, the instant Petition has been filed for kind consideration of the Commission.

COST JUSTIFICATION (HPPC)

- 17) That the Pilot Scheme-II floated by Power Finance Corporation (PFC) for thermal projects on reverse bidding has fetched the tariff @Rs.4.41 (annexed with petition). However, the procurement of power through such thermal power sources also imposes Renewable Purchase Obligations on the Discoms. The State of Haryana currently has 11% Renewable Purchase Obligation, which increases the cost of the power and burdens the electricity consumers. The adverse financial implications involved in procurement of power through thermal sources can thus be avoided by opting for Hydro power sources with tariff of the same range, which will not burden the Discoms with increased Renewable Purchase Obligations.
- 18) That it is a matter of fact, that the present fixed charge for any new thermal plant is nearly Rs.2.35/KWh and ECR is nearly Rs.2.25/KWh (based on CERC order dated 29.04.2019 passed in petition no: 74/GT/2017). The tariff of the APCPL, Jhajjar is also nearly Rs.4.40 /KWh, which additionally binds the Discoms with RPO to be met in case power is being scheduled. The bids, which are subject matter of instant petition, match the tariff range offered by other thermal power sources. However, they additionally offer sufficient savings as no additional RP obligations need to be met for the additional capacity of power.
- 19) That the two hydro generators, i.e. GMR & JSW falls in the NR region and thus provides better reliability in terms of availability of power from these sources. Therefore, the instant proposal



for procurement of power from selected hydro sources deserves to be approved in the interest of the State at large.

20) That in view of above, following prayers have been made: -

- a) Grant the source approval for the sources shortlisted under EoI i.e. M/s Sneha Kinetic (96MW), M/s GMR Bajoli (60MW) and M/s JSW Kutehr (240MW).
- b) Pass any other order(s) and/or direction(s), which the Commission may deem fit and proper in the facts and circumstances of the case.

Proceedings in the Case

3. The present petition was examined by the Commission. In order to take a reasoned view in the matter, sought additional information vide letter dated 04.11.2019. The additional information sought and HPPC's reply thereto is presented below:-
 - i. HPPC needs to provide a copy of the Standard Bidding Documents / Guidelines issued by the Central Govt. and indicate any deviations to the same or certify that the same has been followed verbatim as no deviations, if any, has been got approved by the HERC.
 - ii. A copy of the bid evaluation (referred to by HPPC by the consultant i.e. KPMG) may also be provided.
 - iii. DPRs of the projects as per EoI has not been provided.
 - iv. HPPC also need to certify that all the bids were received within the timeline specified for the purpose.
 - v. As Sneha and GMR (Bajoli) are already commissioned projects - needs documentary evidence, details of pondage may also be provided.
 - vi. M/s JSW Kutehr (240 MW) Himachal Pradesh, CoD has been mentioned as March 2023 subject to signing of PPA by 30.10.2018. Since the PPA is still to be signed, status may be provided regarding its validity. Extension of date by mutual consent is too general a clause as this would mean deferring the power availability which may be required in Haryana from this single biggest source of 250 MW.
Tariff, as per Expression of Interest, shall be determined by HERC, subject to levelized ceiling tariff (Rs./kWh) to be indicated by the Applicant. However, at page 163, the applicant has mentioned, "Regulator shall determine levelized ceiling tariff only as per CERC terms & conditions of tariff regulations, 2014 and its subsequent revisions and not as per HERC Tariff Regulations. The contradictions need to be explained for selecting / proposing this source for approval and others also in case the same is applicable.
 - vii. Additionally, on the issue of, Levelized Ceiling Tariff it is mentioned, by the applicant that, the ceiling tariff is offered based on the assumption that the positive differential between yearly tariff approved by the appropriate commission and quoted levelised ceiling tariff shall be kept as deemed regulatory assets and, same shall be adjusted / paid in subsequent years of supply when the differential tariff between yearly tariff approved by appropriate commission and quoted levelised ceiling tariff is negative. Also, the positive differential shall be subject to carrying cost as specified by the appropriate Commission. On this issue, first HPPC needs to clarify who is the "appropriate commission" in case it is HERC, the same needs to be mentioned up front. Secondly, HPPC needs to explain the pool tariff mechanism (this was rejected by the Commission in the case of Lanco Amarkantak Unit -II of 300 MW) in the light of statutory provisions of Section 62 (6) of the Electricity Act, 2003. Thirdly, the payment of carrying cost would entail that the amount held as deemed regulatory assets also needs to earn interest on the same, what if such interest earned falls short of 'carrying cost'. All these issues need to be explained with numerical illustration.
 - viii. Draft PPA made available to the Applicants need to be provided including the period for which the respective selected bidders have offered power to Haryana and also the remaining useful life of the projects in case already commissioned.
 - ix. A perusal of the demand-supply scenario (Annexure P-5-page no. 45) up to FY 2021-22 there is no peaking / base load deficit. Beyond that there are peaking shortages up to FY 2025-26, very marginal overall shortage in FY 2026-27. Hence, HPPC need to explain why shifting of load from peak to off peak under Demand Side Measures (DSM) including comprehensive / generic Time of



Day tariff would not be possible instead of tying up additional power adding to the surplus. Transmission constraints as put forward on the banking of power will also be applicable for the power transfer from the proposed Sikkim Project i.e. the eastern corridor is fairly congested. In case the actual power transfer does not take place, whose liability will it be need to be brought out.

- x. What has been the actual monthly drawl and the average PLF from the 400 MW medium term power availed by HPPC. Further, HPPC may also provide documentary evidence of surrender of Tilaya UMPP and Tanda Projects having capacity of 244 MW.
 - xi. HPPC may like to clarify (as mentioned in the JSW document 40 Paise/kWh) regarding interest subvention during the initial years of construction and operation especially in the case of already commissioned projects i.e. whether the offered levelled ceiling tariff has taken the same into account or not. If no whether the developer is agreeable to pass on the same to the beneficiary.
4. Reply submitted by HPPC is tabulated below for ease of reference:-

#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
1	HPPC needs to provide a copy of the Standard Bidding Documents / Guidelines issued by the Central Govt. and indicate any deviations to the same or certify that the same has been followed verbatim as no deviations, if any, has been got approved by the HERC.	Not Applicable	Not Applicable	Not Applicable	No Standard bid documents have been issued by Ministry of Power, Govt of India for purchase of long term Hydro Power. In order to ensure the competitiveness in the procurement process, an EOI was floated by HPPC through which these projects were shortlisted.
2	A copy of the bid evaluation (referred to by HPPC) by the consultant i.e. KPMG may also be provided.	NA	NA	NA	Report of KPMG has already been submitted with the petition. However, copy of the same is placed in the file.
3	DPRs of the projects as per EoI has not been provided.	The firm supplied the DPR of the project and is placed in the file.	The firm supplied the DPR of the project and is placed in the file.	The firm supplied the DPR of the project and is placed in the file.	DPRs have been attached with this reply as received from the firms and the same is placed in the file.
4	HPPC also need to certify that all the bids were received within the timeline specified for the purpose and reasons for excluding HEP sources of less than 25 MW.	NA	NA	NA	All the bidders submitted their bids within time as per schedule of EOI. SCPP directed in 50th meeting to confirm from Small Hydro bidders whether they agree for tariff determination under section 62 of the Electricity Act, 2003 i.e. tariff is to be determined by the HERC. Copy

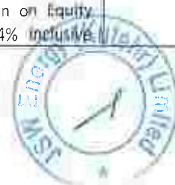


#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
					of the 50 th SCPP MoM is placed in the file. All small hydro generators have categorically submitted that they have offered a flat tariff except generators Virtual Pareng Hydro Private Limited and DD Hydropower & Developers Private Limited. The matter was apprised to SCPP and the Committee decided in 51 st meeting to consider all the valid offers of generators who have agreed for determination of tariff under section 62 of the Electricity Act, 2003 with the capped offered in the bid. Copy of the 51 st SCPP MoM is placed in the file.
5	As Sneha and GMR (Bajoli) are already commissioned projects - needs documentary evidence, details of pondage may also be provided.	<p>a) The project has not been commissioned so far. However, the firm intimated that Project will be commissioned within 53 months from the date of signing of the PPA.</p> <p>b) The Project has storage capacity of 0.65 MCM which is sufficient for 3 hours peak supply in 2 slots of one and half hour each in morning & evening. More details are available in the Detailed Project Report Summary clause 7.22 of executive summary (Page No. E-28)</p> <p>The firm clarified the above at Sr. No. 2 in its reply dated 02.12.2019 and is placed in the file.</p>	<p>a) The project has not been commissioned so far and estimated COD of the Project is 31st May 2020.</p> <p>b) The Project has storage of 0.92 MCM which corresponds to peaking capacity for 3 hours. The firm clarified the above at Sr. No. 2 in its reply dated 05.12.2019.</p>	<p>a) The project has been commissioned on 31.03.2017. (documentary proof is attached as Annexure B of its letter dated 09.12.2019)</p> <p>b) As per DPR of Dikchu hydro project, the plant has live storage of 3 hours as per CERC Regulations.</p> <p>The firm clarified the above at Sr. No. 2 in its reply dated 09.12.2019.</p>	
6	M/s JSW Kutehr (240 MW) Himachal Pradesh,	JSWEKL had mentioned in its Proposal dated	NA	NA	



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#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
	<p>CoD has been mentioned as March, 2023 subject to signing of PPA by 30.10.2018. Since the PPA is still to be signed, status may be provided regarding its validity. Extension of date by mutual consent is too general a clause as this would mean deferring the power availability which may be required in Haryana from this single biggest source of 250 MW.</p> <p>Tariff, as per Expression of Interest, shall be determined by HERC, subject to levelled ceiling tariff (Rs. / kWh) to be indicated by the Applicant. However, at page 163, the applicant has mentioned, "Regulator shall determine levelled ceiling tariff only as per CERC terms & conditions of tariff regulations, 2014 and its subsequent revisions and not as per HERC Tariff Regulations. The contradictions need to be explained for selecting / proposing this source for approval and others also in case the same is applicable.</p>	<p>August 18, 2018 that the Project is expected to be commissioned by March 2023 subject to signing of PPA by 30th October 2018 (within 53 months from the Execution of PPA).</p> <p>The firm further intimated that PPA has not been executed yet, but JSWEKL still holding its stand and undertakes that Project will be commissioned within 53 months from the date of signing of the PPA.</p> <p>The firm submitted that HERC regulations provides for pre-tax Return of Equity of 14%, it means after considering payment of tax of 25%, the project developer will get net Return of Equity of @10% (as Tax component is not reimbursable by way of tariff) and the said proposition is not an economically viable returns for any investors for such a huge investment. It is also important to note that there are other provisions in HERC regulations which makes it economically unviable. Hence, in its bid, JSWEKL had proposed that tariff is to be determined based upon the norms as prescribed under CERC Regulations.</p> <p>We also understand that because of reasons cited above, other bidders have also requested tariff based on CERC Regulations. It is not appropriate that tariff determination of one bidder is done under CERC regulations and other under State</p>	<p>The company agrees for determination of tariff by Hon'ble HERC. However, would request HERC to determine tariff based on prevailing CERC Tariff Regulations.</p> <p>The responses to the EOI was submitted during the month of Aug 2018. The control period of HERC Tariff regulations 2012 was till 31st Mar 2018, as per 1st Amendment dated 17th Nov 2016 of the aforesaid HERC Tariff Regulations.</p> <p>GBHHPL while submitting the revised Levelled Ceiling Tariff vide letter ref: GBHHPL/HPPC/21/2018 dated 27.09.2018, in absence of HERC tariff regulations, had considered applicable CERC Tariff Regulations.</p> <p>The firm also mentioned in their letter (GBHHPL/HPPC/21/2018 dated 27.09.2018) "while offering the above mentioned Ceiling tariff, they have duly considered the provisions of section 48 (1) (a) of Central electricity regulatory commission (terms and Conditions of Tariff) regulation 2014.</p> <p>Firm further stated that GMR Bajoli Holi Hydro Project Private Limited also qualifies as a Composite Scheme, for tariff determination as power generated from the project is proposed to be sold in two different states (Haryana and Delhi). However, they were agreeable for tariff determination by HERC, on the basis of prevailing CERC Tariff Regulations.</p>	<p>The firm submitted that at the time of submission of response to the aforesaid EOI during Aug-2018 floated by HPPC, there was no HERC Tariff regulation for determination of Tariff for large hydro projects in vogue. The control period of earlier Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2012 ended on 3rd Mar, 2018 as per 1st Amendment to the same dated 17th Nov, 2016 of the aforesaid HERC Tariff Regulations.</p> <p>Further, in their submission to the aforesaid EOI, firm specified that their bid to be considered as per CERC Tariff norms only. Hence, in order to determine the levelled tariff for Dikchu hydro project, in vogue CERC (Terms and conditions of Tariff) Regulations, 2014 was considered. Also, the firm intimated that HERC regulations provide for ceiling Return on Equity of 14% inclusive</p>	<p>The reference is invited to HERC MYT regulation 2012, clause 3.16 the control period of the regulation is from 1st April to 31st March 2017. The Commission vide its notification dated 17.11.2016 extended the control period to 31st March 2018. HPPC floated EOI on 03.07.2018 with the presumption that the Commission shall further extend the control period. However, the Commission on 03.10.2018 extended the control period to March 2020. Meanwhile, the firms submitted their proposal in the month of Aug 2018 in which no HERC regulation with respect to tariff determination for hydro project was prevailing. Therefore, firms submitted their bids on CERC regulation and HPPC considered the same. However, it was made sure by HPPC that the firms were agreed for tariff determination under section 62 i.e. tariff is to be determined by the Commission.</p>



#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
		<p>regulations. Therefore, it is submitted that the project tariff should be determined based upon the norms as prescribed under CERC Regulations. We also understand that HPPC has evaluated and accepted the bid considering tariff determination based on CERC Regulations.</p>		<p>of Income-tax expense in comparison to CERC allowed RoE of 16.5% (post-tax). Considering even MAT rate of 22% and not higher corporate tax rate of 29%, net Return on Equity to the developer as per HERC Tariff regulations would be less than 11% which is commercially unviable and would jeopardise investment in hydro generation project which are developed in inaccessible and geologically sensitive areas. Also, allowable O&M expense norm for hydro projects as per HERC Tariff regulations are also quite lesser (about 50%) than corresponding CERC O&M expense norms as well as from actual O&M expense incidence.</p> <p>Further, we presume that for the above stated reasons, many other bidders also submitted Levelized tariff bid considering CERC tariff regulations. Also, HPPC considered the same and accordingly shortlisted our offer for HERC approval. Hence, considering parity to all the bidders as well as above submissions, it is submitted that our FOI quoted levelized plant bus-bar tariff be determined based only on CERC Tariff norms by HERC.</p>	
7	<p>Additionally, on the issue of, Levelised Ceiling Tariff it is mentioned, by the applicant that, "the ceiling tariff</p>	<p>The firm has not mentioned any such assumption related to the differential while offering ceiling tariff in its offer.</p>	<ul style="list-style-type: none"> Appropriate Commission in this regard is HERC. However, the principles of tariff determination shall be based on 	<p>i. We wish to clarify that HERC is the appropriate commission w.r.t. Adjustment of</p>	<p>The appropriate Commission is Haryana Electricity Regulatory Commission</p>



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#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
	<p>is offered based on the assumption that the positive differential between yearly tariff approved by the appropriate commission and quoted levelled ceiling tariff shall be kept as deemed regulatory assets and, same shall be adjusted / paid in subsequent years of supply when the differential tariff between yearly tariff approved by appropriate commission and quoted levelled ceiling tariff is negative. Also, the positive differential shall be subject to carrying cost as specified by the "appropriate commission" in case it is HERC, the same needs to be mentioned up front.</p> <p>Secondly, HPPC needs to explain the pool tariff mechanism (this was rejected by the commission in the case of Lanco Amarkantak Unit-II of 300 MW) in the light of statutory provisions of Section 62 (6) of the Electricity Act, 2003.</p> <p>Thirdly, the payment of carrying cost would entail that the amount held as deemed regulatory assets also needs to earn interest on the same, what if such interest earned falls short of 'carrying cost'. All these issues need to be explained with numerical illustration</p>	<p>NA</p> <p>NA</p>	<p>prevailing CERC tariff regulations.</p> <p>The firm has been requested on the applicability of pool tariff.</p> <p>• Carrying cost to be applied based on weighted average cost of capital (WACC) wherein the Debt: Equity ratio of 70:30 to be considered. Cost of debt shall be applicable average lending cost of GBHHPL and cost of equity shall be Return on Equity as stipulated in prevalent CERC Tariff Regulations.</p> <p>The firm did not explain the query with numerical illustration and hence requested to resubmit the same with proper numerical illustration</p>	<p>Carrying Cost in subsequent years of supply.</p> <p>NA</p> <p>ii. Carrying cost for the Regulated Asset shall be based on the normative cost of capital computed based on the Tariff Regulations (i.e. CERC Tariff Regulations) considered at the time of EoI response submission. Accordingly, the normative cost of capital as per CERC Tariff Regulations to be considered based on Debt: Equity ratio of 70:30.</p> <p>The firm did not explain the query with numerical illustration and hence requested to resubmit the same with proper numerical illustration</p>	<p>Since the project of M/s JSW and M/s Sneha Kinetic offered the whole capacity of the plant to Haryana, therefore there is no applicability of pool tariff in these said projects. However, the project of M/s GMR falls under the composite scheme and has been request on the applicability of pool tariff.</p>
8	Draft PPA made available to the Applicants need to be provided including the	In its letter dated 02.12.2019, M/s JSW has proposed to supply power for a period of 40	In line with the EoI terms, we have proposed a Long term power supply period till the project life cycle i.e., for a period of 35	The deed of Agreement, signed by Sneha Kinetic Power Projects Ltd.	Draft PPA is under process and provision of the period for which (Kite)



#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
	period for which the respective selected bidders have offered power to Haryana and also the remaining useful life of the projects in case already commissioned.	years from the commissioning of the Project. However, the firm vide its email dated 04.01.2020 clarified that it offered power supply for 35 years and further the firm is willing to supply power at mutually agreed terms for a period beyond 35 years for the balance term of Implementation agreement with HP. The Project is having concession from Himachal Pradesh, Government for the period of 40 years.	years from the expected date of COD.	(SKPPL)with Govt. of Sikkim, allocated Dikchu hydro project to SKPPL on BOOT basis for 35 years post COD of the Dikchu hydro project. Dikchu hydro project was commissioned on 31-03-2017. Letter from Energy and Power Department, Govt. of Sikkim regarding commissioning of Dikchu HEP. Accordingly, PPA with HPPC may accordingly be signed.	power has been offered shall be included and further will be shared with the firms. The mutually agreed draft PPA will be submitted in the Commission thereafter.
9	A perusal of the demand-supply scenario (Annexure P-5 page no. 45) up to FY 2021-22 there is no peaking / base load deficit. Beyond that there are peaking shortages up to FY 2025-26, very marginal overall shortage in FY 2026-27. Hence, HPPC need to explain why shifting of load from peak to off peak under Demand Side Measures (DSM) including comprehensive / generic time of Day tariff would not be possible instead of tying up additional power adding to the surplus. Transmission constraints as put forward on the banking of power will also be applicable for the power transfer from the proposed Sikkim Project i.e. the eastern corridor is fairly congested. In case the actual power transfer does not take place, whose liability will it be need to be brought out.	NA Please note that JSWEKL & HPPC both are located in Northern region, hence, no transmission congestion is expected. Further, the power offered by the developer is at generator bus bar and the responsibility of the wheeling of power under open access is of the Discoms. However, it is clarified, in case of non-supply of power due to any transmission constraints, fixed cost liability shall be to the account of HPPC.	NA • The selective route for evacuating power from Bajoli Holi is through a 19 km long 220 KV double circuit transmission line up to 400/220/33 KV Lahal pooling station of STU and beyond Lahal through a 40 KM long 400 KV Double circuit line, which is getting connected to ISTS network at Chamera-II (a CTU pooling station). Power shall be further evacuated beyond Chamera-II to ISTS system to Northern region with existing network. • GBHHPL proposes to take Long term access (LTA) for HPPC. Long term consumers have 1st priority of power flow in case of congestion followed by medium term & short term. • Long term consumers can also revise schedule till 4 time blocks. • In worst of congestion	NA The power from the Dikchu hydro project and other hydro projects in the region is pooled at 400/220/132 KV Rangpoo GIS Sis of PGCIL situated near village Samardong, Sikkim. Thereafter, inter-state power is evacuated through recently commissioned (Feb-Mar, 2019) double circuit 400 KV Rangpoo-Kishanganj ISTS transmission line. The evacuation capacity of double circuit 400 KV Rangpoo-Kishanganj quad moose line is about 2000 MW (under n-1 condition). Also, due to re-conductoring of existing Rangpo-Siliguri transmission line	All the maximum efforts have already been made to shift the load from peak to off peak to possible extent. Further, if any scope be there the same shall be duly considered while catering the demand. Due diligence will be given while preparing the draft PPA.



#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
			if actual power transfer does not take place, we propose that same may be considered under the event of deemed generation. This clause may be further discussed and deliberated in detail while discussing draft PPA.	by PGCIL, the total power evacuation capacity beyond Rangpo pooling Sis shall be increased to more than 4000 MW which is significantly more than required capacity to evacuate the pooled power of existing and planned all hydro projects in the region. Thus, with commissioning of double circuit 400 KV Rangpo-Kishanganj line and re-conductoring of existing Rangpo-Siliguri transmission line, the total transmission capacity of ISTs network beyond Rangpo shall be more than 5000 MW even in case of one circuit outage which is adequate for taking power from various hydro generating stations including Dikchu thus, congestion issues in evacuation of power from the project are not foreseen. Also, issues in evacuation of power due to tripping of transmission line/line maintenance etc. are under the purview of CTU/STU and not within the control of hydro developer and accordingly the same may be considered under Deemed Generation. This issue may be mutually further discussed.	
10	What has been the actual monthly drawl and the average PLF from the 400 MW medium term power availed by HPPC. Further, HPPC may also provide documentary	NA	NA	NA	The actual monthly drawl and average PLF from the 400 MW medium term power availed by HPPC is placed in the file. matter



#	Observations raised by HERC	Response of JSW	Response of GMR	Response of Sneha Kinetic	Reply of HPPC
	evidence of surrender of Tilaya UMPP and Tanda Projects having capacity of 244 MW.				regarding procurement of power from the projects Tilaya UMPP (200 MW) and Tanda (44 MW) was deliberated in 54 th SCPP and the Committee decided to surrender the allocated share of Haryana from the said projects. Copy of the MOM is placed in the file. The letters were sent to the concerned authorities for de-allocation of the share. The copy of the letters is placed in the file.
11	HPPC may like to clarify (as mentioned in the JSW document 40 Paise / kWh) regarding interest subvention during the initial years of construction and operation especially in the case of already commissioned projects i.e. whether the offered levelled ceiling tariff has taken the same into account or not. If no whether the developer is agreeable to pass on the same to the beneficiary.	While estimating the levelized Ceiling tariff in its offer, JSWEKL has not considered any benefit of interest subvention during the initial years of construction & operation. However, in future if any such facility would be made available to the Project by way of Government directives/policies, JSW will be open to share benefit of reduction in tariff due to interest subvention to the beneficiary.	As on date no interest subvention is provided to the Hydro power plants, therefore we have not considered any interest subvention, in our Levelized Ceiling tariff quoted against HPPC bid response. It is further clarified, in case the interest subvention benefit is provided to Hydro Power plants in future, same would be dealt in accordance with the terms and conditions of the PPA in place between HPPC and GBHHPL.	Ceiling levelized tariff offered by the developer in response to the EOI has already considered all the incentives and benefits being availed/applicable to the project. Accordingly, there is no scope for passing on any benefit to the HPPC.	Due diligence will be given while preparing the draft PPA.

The case was first heard on 05.02.2020, wherein the counsel for the petitioner made detailed presentation regarding the background and requirement of Hydro Power as well as regarding the assumptions for computation of demand during the proposed years of operations of these projects. Thereafter, an Interim order dated 11.02.2020 was passed by HERC wherein it was observed that the Commission would like to know in greater detail about the methodology adopted and the various sources of information relied upon for working out the demand. In case, published documentation on the subject is available, the Commission would like to look at the same. Further, it was directed that the claims of the available pondage and transmission capacity of the successful bidders to be verified by HPPC specially with respect to the peak demand experienced in the State.

HPPC, in response to the information desired by Hon'ble Commission in the Interim Order dated 11.02.2020, submitted the information vide Memo no Ch-60/CE/HPPC/SE/C&R-I/LTP-V/EOI-2 dated 20.05.2020 as under:-

The methodology adopted to calculate the demand is as under:-

- The maximum demand felt on daily basis in any time slot is recorded.
- The maximum demand of every day of a month is compiled.



- c. *The Mode of Peak demand is computed on the basis of maximum demand felt on every day during a month.*
- d. *The month wise CAGR (%) is computed on the basis of values derived in point no. (c) above from 2011-12 to 2019-20 keeping the maximum CAGR capped at 6.88% for FY 2020-21 and 5.77% for FY 2021-22 onwards and minimum CAGR capped at 4%.*
- e. *Based on the CAGR computed above, monthly demand forecasting is prepared.*

On the basis of the above, demand and availability scenario up to FY 2028-29 has been prepared. A brief summary with respect to deficit of power in the state for upcoming years is tabulated below :-

FY 2022-23		FY 2023-24		FY 2024-25		FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29	
Jun.	164	May	262	May	309	May	458	May	590	May	777	May	984
Jul	865	Jun	575	Jun	659	Jun	853	Jun	1017	Jun	1253	Jun	1510
Sep	1855	Jul	1397	Jul	1411	Jul	1636	Jul	1832	Jul	2102	Jul	2395
		Aug	209	Aug	329	Aug	509	Aug	659	Aug	880	Aug	1122
		Sep	2021	Sep	2538	Sep	2744	Sep	3008	Sep	3295	Sep	3607
												Oct	277

It has been submitted that the State is power deficit to the tune of 302 MW in July 2020 & 1059 MW in September 2020, 222 MW in July 2021 & 1138 MW in September 2021 and demand of the state varies in the range from hundreds to thousands of MW from FY 2023-24 onwards. However, the demand in FY 2020 as mentioned above is uncertain due to prevailing COVID-19 situation.

With respect to the published documentation, it is submitted that there is no such document on demand of the state published by Haryana. However, a Load Growth Balance Report (LGBR) is published by the CEA annually describing the power scenario in the state, region and country.

According to LGBR of FY 2019-20, the state has peak demand of 12010 MW against the availability of 10082 MW as per the projections made by HPPC for FY 2019-20. The difference between the two is merely because CEA considers the full contracted capacity of projects tied up by the state and taking scheduled maintenance & outages of the plants into consideration where as HPPC considers the capacity available after applying PLF to the contracted capacity. Further, CEA anticipated peak requirement of the state as 10700 MW for FY 2019-20 whereas the actual peak demand recorded in the state was 11030 MW in July 2019. In addition to this, CEA anticipation is based on the peak demand where as HPPC calculates the demand on mode of peak basis which is more realistic compared to the peak demand as the peak persists for a few slots in a day in peak season and as such cannot be construed as demand of the state.

The Commission directed HPPC to verify the claims of the available transmission and pondage capacity of the successful bidders especially with respect to the peak demand experienced in the State.

Thereafter, the case was scheduled for hearing on 25.03.2020, but due to COVID – 19. However, it got further adjourned and was heard on 26.05.2020. In the Interim Order dated 26.05.2020, certain information was desired by the Commission from HPPC as under:-

“3. The Commission, after taking into consideration the additional information on pondage, observes that the available pondage has been worked out by the petitioner based on certain generation data provided by the IPP. Accordingly, the Commission would like to know in detail whether the information provided by the generators regarding pondage has been taken at face value by the petitioner or some analysis/verification has been done by HPPC. HPPC is accordingly directed to verify the water discharge/available data from Sikkim Govt w.e.f CoD of the project.

4. It is further observed that the merit order for selecting the successful bidder has been prepared after taking into consideration the pondage claimed by the generator. Accordingly, the petitioner is directed to re-calculate the merit order of the bidders after taking into account the



lower available pondage. HPPC is also directed to ensure that the lower pondage would still make the source viable for procuring power by HPPC in view of the fact that this power is being procured for meeting peaking load. Therefore, HPPC is directed to re-evaluate the proposal by changing the pondage capacity from 5 hours to ranging from 1 hour 40 minutes to 3 Hour 43 Minutes and thereby determine the viability of the supply in changed scenario.

In view of the suppressed power demand in FY 2020-21, due to the impact of COVID-19, willingness may be sought from M/s Sneha Kinetic for deferment of supply of electricity by another one year i.e. w.e.f FY 2021-22. The requisite information may be provided within two weeks from the date of this order."

In response, HPPC, vide Memo No. CH-80/CE/HPPC/SE/C&R-I/LTP-V/EOI-2 dated 16.07.2020, informed the Commission that vide its letter dated 02.06.2020 and email dated 10.06.2020, 22.06.2020 & 23.06.2020, HPPC requested data pertaining to water discharge/available data of Dikchu river from Govt. of Sikkim in order to assess the pondage capacity of Dikchu HEP of M/s Sneha Kinetic Power Projects Pvt. Ltd. In response, Additional Chief Engineer, Power Department Govt. of Sikkim vide its email dated 25.06.2020 informed that the requisite data is being verified and same will be intimated as and when received by their office. HPPC has submitted that they have not, so far, received the requisite information.

The case was next heard on 04.08.2020, wherein the Commission in its Interim Order dated 05.08.2020, granted four weeks' time to HPPC to submit the requisite information and decided to delink the project of Sneha Kinetic Power Projects Private Ltd from the other proposed sources in light of delay in verification of data. Relevant part of order is reproduced below:-

"4. The Commission acceded to the request of the counsel of petitioner and granted four weeks' time to submit the desired information. **However, it is decided to delink the project of Sneha Kinetic Power Projects Private Ltd. from the other proposed sources.**" (emphasis added).

Accordingly, hereinafter, the issues relating to Sneha Kinetic HEP has not been deliberated by the Commission and shall be considered on availability of complete data / information.

The case was next scheduled to be heard on 19.08.2020, however, vide Interim order dated 20.08.2020, it was conveyed by Commission that the matter could not be taken up on 19.08.2020 due to paucity of time. The case was finally heard by the Commission on 15.09.2020.

5. Commission's Analysis and Order

The matter was heard on 15th September, 2020 as scheduled, through virtual court using Microsoft Teams app. Sonia Madan, Advocate HPPC, appeared for the Petitioner. The Commission, as previously mentioned, vide order dated 04.08.2020, decided to delink the project of M/s Sneha Kinetic Power Projects Private Ltd from the other proposed sources in due to the delay in verification of data and its impact, if any, on the merit order of the bidders. Hence, the Commission has taken on record the submissions of the parties as appearing earlier in the present Order. The matter shall be taken up separately on availability of the requisite data / information and a separate Order shall be passed by the Commission. **Accordingly, the present order is confined to source approval for the M/s GMR Bajoli (60MW) and M/s JSW Kutehr (240MW) HEPs.**

At the onset the Commission has taken note of the submissions of the Petitioner that adding thermal capacity to meet peaking requirement will increase the cost of delivered energy to the end consumers. While contracting RE Power (Solar & Wind) for the purpose is also not a feasible option as the same is not available on RTC basis. Hence, hydro power which has been categorized as 'renewable project' and also offsets the RPO is best suited in the situation obtaining in Haryana. Hydro Power will also improve the Hydro : Thermal mix from the existing levels wherein only about 11% of the available power is from Hydro sources. Further, the petitioner has justified procurement of hydro power from the present sources on the plea that HPPC currently has the contracted capacity of the 12181 MW, which is sufficient to meet the present demand of the State. However, Unit V-BTPS



is about to be phased out and there may also be phasing out of old NTPC units due to environmental constraints. In that event, there will be power deficit in the State. Further, the demand supply projection for the ensuing years evinces that there will be power deficit with effect from 2022-2023, which cannot be met even through reverse banking. Further, 400 MW medium term power available under Pilot Scheme-I is only up till November, 2021 and its withdrawal will further create shortfall in power available. Furthermore, the Steering Committee for Power Planning (SCPP) in its 54th meeting dated 10.09.2019 had also decided to surrender Tilaya UMPP and Tanda projects, having capacity of 244 MW. Thus, considering all this, the procurement of power through Hydro Energy Sources is imperative in the interest of the electricity consumers of the State. The Commission observes that it is evident from the scenario presented by the petitioner including cost justification that there is need to procure power from the proposed hydro sources.

The Commission has also taken on record the submission of the Petitioner that there are no competitive bidding guidelines issued by competent authority for procurement of long-term hydro power and hence the petitioner adopted EOI route. It has also been taken on record that majority of the small HEPs except M/s Virtual Hydro and Ms/ DD Hydro did not qualify the EOI criteria as they offered a flat rate and were not agreeable to tariff determination u/s 62 of the Electricity Act, 2003. Resultantly, all eligible bidders were considered for evaluation by KPMG and selection of qualifying bidders thereof. It has been further noted that JSW Energy (Kutehr) and GMR Bajoli are both located in the Northern Region hence the issue of power from this source not being scheduled due to transmission congestion will not arise.

The Commission has perused the issue of pondage as well as pool tariff mechanism (GMR Bajoli). On the issue of pondage, the Commission observes that in Haryana, as evident from the chart depicting present peak demand dated 16th September, 2020 submitted by HPPC subsequent to the hearing held on 15.09.2020, the State witnesses two peaks i.e. two hours in the morning and two and half hours in the evening. As the HEPs under consideration are yet to be commissioned the question of available pondage and demonstration thereto does not arise thereto. However, at this stage itself the petitioner should upfront make it clear that the intended pondage / maximum generation correspond to the peaking power requirement of the State as per the pre-requisites of the EOI floated for the purpose. Additionally, on the issue of pool – tariff mechanism the Commission observes that as per the legislative intent of Section 62 (6) of the Act the tariff recoverable by the generator shall necessarily be the tariff / charge / price determined by the Commission. Hence, pool tariff mechanism including carrying cost as such may be in violation of the Act and the Regulations framed thereunder. Consequently, pool tariff mechanism and creation of deemed regulatory asset including carrying cost is avoidable and hence un-acceptable.

The Commission tends to agree with the fact, as submitted by the Petitioner herein, that Haryana had peak demand (MW) deficit varying from 149 MW in May to 1333 MW in October in the FY 2017-18, 421 MW in May to October in the FY 2018-19. The said deficit is showing an increasing trend with peak demand deficit varying from 262 MW to 2021 MW during the months of April to October going forward to the FY 2023-24. Hence, power supply is deficit in the months of May to October and surplus in the months of December to April. However, it may not be appropriate, by considering the lean demand months, to conclude that Haryana is having surplus power at all times throughout the year. Hence, there is a need to bring in HEP which has maximum generation during the peak months / periods.

As per the record available in the Commission, HPPC has been making efforts for utilizing the lean period generation by forward banking to meet the demand in peak season. However, it appears that with the increase in consumption the return drawl of banked power does not provide the desired cushion for meeting the demand and the same can only be met by adding new capacity under long term from such generating sources whose generation matches with the State demand during peak season.

Further, it is also an admitted fact that Haryana may at times be having surplus energy as contra distinguishable from surplus power. The aberrations seem to have crept in because over the years not much attention was paid to the fact that peak demand ought not to be met by the base load



stations tied up under long term PPAs. It is also observed that but for the BBMB which is a shared project of historical legacy prior to the creation of Haryana, there too the generation is dictated by the quantum of water required for irrigation purposes, this sources power that can also not be considered as reliable source for meeting peaking power requirement. The Commission re-iterates , as also observed in the past, that as the difference between base load demand and peaking demand widened the issue of 'power surplus' and 'energy surplus' crept in. Going forward, the issue needs to be addressed by long term strategic planning for procurement of power including banking already in vogue. However, as of now, the Commission notes that in peak season as per the LGBR issued by the Central Electricity Authority (CEA), there is no surplus capacity available with Haryana to meet the growing demand. The drawl of banked power is also fraught with some uncertainty as the same is subject to various prevailing conditions like weather conditions and the availability of transmission corridor etc. Thus, there are fair chances that the return banking may be defaulted by the other entity and they may get away /prefer to pay the compensation for any such default as per the banking agreement. It is also evident that the Hydro Generating Stations provide maximum generation (more than 100% taking into account continuous over-loading) during the peak season without additional cost of incentive for excess generation and in lean period, the majority of energy generated may therefor fall under secondary energy rather than design energy, which also helps to manage the demand - supply equilibrium during peaking hours in an efficient manner without scheduling the central thermal power stations for longer duration and paying incentives as the per CERC regulations.

In view of the above, the Commission finds merit in the contention of HPPC that the Hydro Generation Projects/Plants, with, reasonable tariff and especially those with some storage and capability to supply exclusively peaking power in the morning/evening in the winter when inflows are very less, are best suited for contracting additional power to meet the peak deficit. The Commission has taken note of the fact that while evaluating the bids, HPPC has given maximum weightage to the pondage factor in order to gauge the suitability of the Generator for meeting peak demand.

Taking the above discussions into consideration, the Commission approves procurement of power from the following sources in accordance with bids invited by HPPC vide EoI No. 1/HPPC/LT Hydro Power/500MW dated 03.07.2018:-

- A. JSW Energy (Kutehr) Ltd: 240 MW (3*80) Kutehr HEP, Himachal Pradesh, for 35 years and further at mutually agreed terms for a period beyond 35 years for the balance term of Implementation agreement with HP. The Project is having concession from Himachal Pradesh, Government for the period of 40 years. The tariff shall be determined by the Commission u/s 62 of the Act on an application to be filed by the Generator, after signing of PPA, with a ceiling tariff of Rs. 4.50 per kWh at Bus bar and STU Charges capped at Rs. 0.38/ kWh
- B. GMR Bajoli Holi Hydropower Pvt Ltd : 60 MW out of 180 MW (3*60) Bajoli Holi HEP, Himachal Pradesh, for 35 years from the expected date of COD till the project life cycle i.e., for a period of 35 years. The tariff shall be determined by the Commission u/s 62 of the Act on an application to be submitted by the Generator, after signing of PPA, with a ceiling tariff of Rs. 4.49 per kWh and STU Charges capped at Rs. 0.41/ kWh.

The Commission directs HPPC to finalize the PPA's in accordance with the bid documents and submit the same for approval. The application / petition for determination of tariff shall be filed after the project(s) have attained financial closure and all financial / operational data / parameters are firmed up including Scheduled Date Commercial Operation (SCOD).

The Petition is disposed of accordingly.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 24.09.2020.

Date: 24.09.2020
Place: Panchkula

(Naresh Sardana)
Member

(Pravindra Singh Chauhan)
Member

(D.S. Dhesi)
Chairman



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Annexure XI

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

Date of Hearing : 04.08.2021

Date of Order : 09.08.2021

Petition No. RA-10 of 2021

In the matter of

Petition under Regulation 57 of the HERC (Conduct of Business) Regulations, 2019 and all other enabling provisions in this regard, seeking review of the order dated 24.09.2020 passed by this Commission in Case no. HERC/PRO-54 of 2019.

IA 15 of 2021

In the matter of

Application under Regulation 72 of the HERC (Conduct of Business), Regulations and all other enabling provisions in this behalf, seeking condonation of delay of about 253 days in preferring the accompanying Review Petition against the source approval order dated 24.09.2020, passed in Petition No. HERC/PRO-54 OF 2019.

Petitioner

JSW Energy (Kutehr) Ltd.

Respondent

Haryana Power Purchase Centre

Present On behalf of the Petitioner

Mr. Sanjay Sen, Sr. Advocate

Present On behalf of the Respondent

Sh. Randeep Singh, Chief Engineer, HPPC

Quorum

**Shri R.K. Pachnanda
Shri Pravindra Singh Chauhan**

**Chairman
Member**

ORDER

Brief Facts

1. The Commission, on a petition filed by the Haryana Power Purchase Centre (HPPC) under section 86(1)(b) of the Electricity Act, 2003, had passed an order dated 24.09.2020 (Case No. HERC / PRO – 54 of 2019). The said order was passed granting source approval for procuring hydro power from M/s GMR Bajoli (60 MW) and M/s JSW Kutehr (240 MW)



selected through competitive bidding under EOI dated 03.07.2018 invited by the HPPC.

2. M/s JSW Kutehr, one of the approved sources of power, has now filed the instant petition seeking review of the order dated 24.09.2020 passed by the Commission in Case No. HERC/PRO-54 of 2019. As there exists inordinate delay in filing the review petition, the petitioner has also filed an IA, seeking condonation of delay of about 235 days.
3. The petitioner herein, being aggrieved by two conditions in the source approval order ("impugned conditions"), pertaining to tariff determination by this Commission under section 62 of the Act, has sought review of the order dated 24.09.2020 limited to two issues. The petitioner has made the following submissions with specific prayers as stated below:
 - a) **Levelized Ceiling Tariff v. Ceiling Tariff-** EOI and consequently the bid submitted by the petitioner was on the basis of Rs. 4.50/kWh being the ex-bus levelized ceiling tariff over a period of 35 years. This fact is also noticed by the Commission at various places in the source approval order. However, the Commission, in the concluding portion of the source approval order dated 24.09.2020, has stated that tariff determination will be considering Rs. 4.50/kWh as the ceiling tariff. This, in the respectful submission of the petitioner is an error apparent on the face of the record.
 - b) **Exclusion of Transmission Losses-** The petitioner in its bid quoted a levelized ceiling tariff of Rs. 4.93/kWh at the CTU-interconnection point. This included ex-bus levelized ceiling tariff of Rs. 4.50/kWh, levelized STU charges of Rs. 0.38/kWh and STU losses of Rs. 0.05/kWh, as the intent and purpose of the bidding conditions, forming part of the EOI, was clearly that HPPC will bear the charges and losses from the generation bus-bar up to the Haryana State periphery.

This Commission in the impugned order dated 24.09.2020, while noticing the final levelized quoted tariff at CTU interconnection point to be Rs. 4.93/kWh, seems to have inadvertently missed out the STU losses and capped the STU charges at Rs. 0.38/kWh, for tariff determination purposes.

The petitioner has submitted that it is aggrieved, as the source approval order contains directions/conditions which are contrary to the terms and conditions of the EOI and the bid submitted by the petitioner in accordance with the same. HPPC, only because of these directions/conditions, at the stage of PPA negotiation and execution, is attempting to change the bid conditions.

4. **The petitioner has specifically prayed for:**

- a) review of the order dated 24.09.2020, passed in Case No. HERC/PRO-54 of 2019, to the extent sought herein; and
- b) modify the direction at para 5(A) in such a manner that for the purpose of tariff



determination under section 62, Rs. 4.50/kWh shall be the ex-bus levelized ceiling tariff and the STU losses forming a part of the quoted tariff at CTU interconnection point shall be reimbursed to the petitioner, in accordance with the terms and conditions of the bid; and

- c) direct the respondent, HPPC, to sign the PPA with the petitioner, in accordance with the terms and conditions of the bid; and/or
- d) pass any such order(s) that this Hon'ble Commission may deem just, fit and proper in the circumstances of the present case.

5. Submissions of the respondent (HPPC)

The respondent preferred not to file any written submission on the issues raised by the petitioner while seeking review of the Commission's Order dated 24.09.2020.

6. Proceedings in the case

The hearing was convened on 04.08.2021, as scheduled, through video conferencing due to the pandemic.

The Commission, before proceeding to examine the case on merit, has considered it appropriate to first answer the prayer regarding condonation of delay of about 253 days in filing the instant review petition. Given the submissions of the petitioner in the IA filed in the matter including the order of the Hon'ble Supreme Court dated 23.03.2020 and 27.04.2021 in the matter of "cognizance for extension of limitation" (CWP Nos 3/2020) placed on record, the Commission condones the delay as prayed for by the petitioner.

- 7. The Ld. Advocate, appearing on behalf of the petitioner, mostly reiterated the submissions already made in the petition. Hence, the same are not being reproduced here for the sake of brevity and to avoid prolixity. The Chief Engineer / HPPC, present in the virtual hearing, did not make any submissions to the contrary.

8. Commission's Order

The Commission has examined the review sought by the petitioner and observes as under:

As stated in the proceedings of the case, the Commission condones the delay as prayed for by the petitioner. The applicable EOI, in the present case, was issued by HPPC on 3/07/20018. The relevant terms, as also reproduced in the impugned order, reads as under:

*"i. The levelized ceiling tariff given shall be ex-bus. The responsibility for obtaining long term open access and the wheeling of the power upto Haryana state's periphery will be of the generator(s). **However, the actual charges shall be borne / reimbursed by HPPC ...**"* (emphasis supplied).

- 9. Admittedly, as nothing to the contrary was argued or placed on record by the respondent i.e. HPPC, the levelized ceiling tariff offered by the petitioner for 35 years was Rs. 4.93 / kWh



inclusive of Rs. 4.50 / kWh levelized ceiling tariff ex-generator's bus, Rs. 0.38 / kWh levelized STU charges and STU losses of Rs. 0.05 / kWh. Hence, the review petition is allowed. As already directed, in the impugned order, HPPC shall finalize the PPA's in accordance with the bid documents and submit the same for approval of the Commission.

10. In terms of the above order, review petition preferred by JSW Energy (Kutehr) Ltd. i.e. HERC/RA-10 of 2021 and IA 15 of 2021 is disposed of.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 9th August, 2021.

Date: 09.08.2021
Place: Panchkula

(Pravindra Singh)
Member

(R.K. Pachnanda)
Chairman



POWER PURCHASE AGREEMENT

between

JSW Energy (Kutehr) Limited

And

Haryana Power Purchase Centre (HPPC)

for

Purchase of power on behalf of Uttar Haryana Bijli Vitran Nigam (UHBVN) and
Dakshin Haryana Bijli Vitran Nigam (DHBVN)

from

Kutehr Hydro Electric Project, Himachal Pradesh (240 MW)


CHIEF ENGINEER
HPPC, PANCHKULA



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HPPC, PANCHKULA



Non Judicial



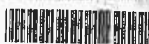
Indian-Non Judicial Stamp
Haryana Government



Date : 04/03/2022

Certificate No. POD2022C183

GRN No. 87922611



Stamp Duty Paid : ₹ 500
(Rs. Only)

Penalty : ₹ 0

(Rs. Zero Only)

Seller / First Party Detail

Name: Jsw energy kutehr Limited

H.No/Floor: Na

Sector/Ward: Na

LandMark: Na

City/Village: Machetar

District: Chamba

State: Himachal pradesh

Phone: 86*****42



AMAY SINGH
STAMP VENDOR
Distt. Court, P.K.L.
Mob.: 9877467435

Buyer / Second Party Detail

Name: Haryana power purchase Centre

H.No/Floor: Na

Sector/Ward: 6

LandMark: Second floor shakti bhawan

City/Village: Panchkula

District: Panchkula

State: Haryana

Phone: 86*****42

Purpose: POWER PURCHASE AGREEMENT

The authenticity of this document can be verified by scanning this QRCode Through smart phone or on the website <https://egrashry.nic.in>

THIS POWER PURCHASE AGREEMENT ("PPA") is made on this 05 day of March Two Thousand Twenty-Two between:

JSW Energy (Kutehr) Limited, a private limited Company incorporated under the Companies Act, 1956, having its registered office at Village: -Machetar PO: Chanhota Tehsil- Bharmour Chamba, Dist: Chamba, Himachal Pradesh, Pin Code: - 176309 (hereinafter referred to as "JSWEKL" or "Company", which expression shall, unless repugnant to the context or meaning thereof shall be deemed to include executors, administrators, its successors and permitted assigns) and

"Haryana Power Purchase Centre", a statutory body constituted by Government of Haryana vide notification dated 11.04.2008 as single buyer model for long term and short term power planning and procurement on behalf of distribution licensees of Haryana(i.e. UHBVN and DHBVN), having its Head Office at Shakti Bhawan, Panchkula, Haryana – 134109 (hereinafter referred to as the "Purchaser", which

CHIEF ENGINEER
HPPC, PANCHKULA



expression shall unless repugnant to the context or meaning thereof shall be deemed to include its executors, administrators, successors and permitted assigns);

Each of the parties of first and second part individually be referred to as the "Party", and collectively referred to as "Parties"

WHEREAS:

- A. Company is engaged in the business of generation of power and is developing, owns and operates a 240 MW Kutehr Hydro Electric Project comprising of three Units of even capacity situated at Village Kutehr & Kharamukh in Chamba District, Himachal Pradesh (hereinafter referred to as the "**Project**").
- B. The Purchaser is the nodal agency for long term and short term power procurement and planning as single buyer model for the two distribution licensees of Haryana, UHBVN and DHBVN, as authorised by Government of Haryana vide notification dated 11.04.2008.
- C. Company has offered to sell power/electricity to the Purchaser and the Purchaser has agreed to purchase the entire capacity and corresponding electricity at delivery point after deducting the auxiliary consumption, transformation losses and the free power to be supplied from the Project in State of Himachal Pradesh in terms of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 signed by the Company with Govt. of Himachal Pradesh for a period of Forty (40) years from the COD of the Project.,
- D. Company and the Purchaser hereby enter into this Power Purchase Agreement (the "PPA") to record and set out the terms and conditions for purchase of power by the Purchaser from the Company.

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:


CHIEF ENGINEER
HPPC, PANCHKULA

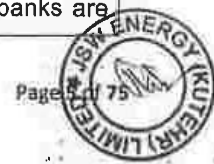


Definitions

Terms used in this Agreement, unless defined below or repugnant to the context, shall have the same meaning as are assigned to them by the Electricity Act, 2003 and the Rules or Regulations framed there under as amended from time to time:

"Affected Party"	has the meaning as specified in Clause 10.1.1;
"Affiliate"	has the meaning as specified in Clause 15.6.2;
"Annual Generation Plan"	has the meaning as specified in Clause 7.3;
"Arbitration"	means the resolution of a dispute between the Parties in accordance with Clause 13.3;
"Arbitrator"	has the meaning specified in Clause 13.3.2;
"Auxiliary Consumption"	The quantum of energy consumed by auxiliary equipment of the generating station inclusive of transformation losses within the generating station, expressed as a percentage of the sum of gross energy generated at the generator terminals of all the units of the generating station. Provided that the same shall not exceed the auxiliary consumption limit specified by clause 34.3 of Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 or as amended from time to time;
"Bill Dispute Notice"	means the Notice issued by the Party to the other Party on receipt of a Purchaser Monthly Bill or a PPA supplementary Bill, as set out in Clause 9.6.2;
"Business Day"	means with respect to the Purchaser and Company, a day other than a Sunday or a gazetted holiday or strikes, on which banks are

CHIEF ENGINEER
HPPC, PANCHKULA

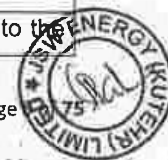


	open for business in the State of Haryana;
"Central Transmission Utility" or "CTU"	means the Government Company notified by the Central Government under sub-section (1) of section 38 of Electricity Act, 2003, presently the Central Transmission Utility of India Ltd (CTUIL) or its successor;
"CERC"	means the Central Electricity Regulatory Commission, as defined in the Electricity Act, 2003;
"CERC Tariff Regulation"	means the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations prevailing at the time of COD of the project;
"CERC Interstate Transmission Regulations"	means the Regulations for long term and medium term open-access to interstate transmission system notified by CERC vide notification dated 10.08.2009 as amended from time to time;
"Change in Law"	has the meaning specified in Clause 11.1;
"Commercial Operation Date of Agreement"	means, the date w.e.f. which the Agreement shall be considered operative and shall be the date immediately after the date when the Company has declared availability it starts scheduling power to the Purchaser and purchaser State getting scheduled power at the Purchaser's State Periphery;
"Commercial Operation Date" or "COD" of project	means the date on which the last unit of the project is commissioned.
"Commission" or "HERC"	means the Haryana Electricity Regulatory Commission;
"Company Event of Default"	has the meaning specified in Clause 14.1;
"Company Preliminary	means the notice issued by the Company to the

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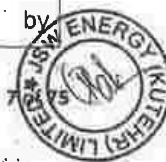
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Termination Notice"	Purchaser stating Company's intention to terminate this Agreement as a result of a Purchaser Event of Default;
"Company Termination Notice"	means the notice issued by Company to the Purchaser for termination of this Agreement as a result of a Purchaser Event of Default;
"Confidential Information"	has the meaning specified in Clause 15.7.1;
"Conditions Precedent"	means all the conditions as specified in Clause 3.1 that are to be fulfilled or waived by the relevant Party;
"Consultation Period"	means the period commencing from the date of issue of a Company Preliminary Termination Notice or a Purchaser Preliminary Termination Notice for consultation between the Parties to mitigate the consequence of the relevant event having regard to all the circumstances and to prevent termination of this Agreement;
"Contracted Capacity"	means the Rated Capacity of the Project i.e. 240 MW;
"Control Centre"	shall be the RLDC/SLDC, as the case may be;
"Daily Despatch Schedule"	means the daily schedule for the following day containing the details of Declared Capacity and the Despatched Power for the relevant day for each Settlement Period of a day as agreed between the Purchaser and the Company and notified by the Control Centre;
"Daily Drawl Schedule"	means the daily schedule for the following day, given by the SLDC/RLDC, for each Settlement Period;
"Daily Generation Capability Schedule"	means the daily schedule containing the Declared Capacity, MWh capability and other data for each Settlement Period for the following day, pursuant to Clause 7.5.1 notified by

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	Company to the SLDC/RLDC, as the case may be;
"Declared Capacity"	means the Power Output at Delivery Point, during any Settlement Period, as declared by Company in its Daily Generation Capability Schedule or revised Daily Generation Capability Schedule keeping in view of available inflows regardless of constraints in the Grid which shall be certified by respective SLDC / RLDC as the case may be;
"Delivery Point"	means the generation switchyard of Kutehr HEP.
"Disputes"	has the meaning specified in Clause 13.2.1;
"Due Date"	Due date means the forty-fifth (45th) day after a Purchaser Monthly Bill or PPA Supplementary Bill is received by the Purchaser through e-mail at billhppc@uhbyn.org.in or through physical form duly acknowledged by the purchaser (or if such day is not a business day, then immediately succeeding business day) by which date such bill is payable by Purchaser. For the purpose of determination of due date, the day 1 shall be the 'X'+1 day, where 'X' is the date of receipt of bill by the Purchaser except for payment of bills relating to open access charges where the payment shall be made as per provisions in their respective agreement(s) with State or PGCIL/CTUIL;
"Electricity Laws"	means the Electricity Act, 2003 and the rules and regulations made there under from time to time along with amendments and replacements thereof in whole or in part and all other Laws pertaining to electricity;

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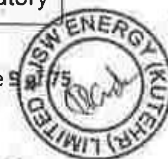


"Escrow Account"	has the meaning as specified in Clause 9.5.9(i);
"Escrow Agent"	has the meaning as specified in Clause 9.5.9(i);
"Expiry Date"	means the date on which the project completes 35 years from COD.
"Extended Force Majeure"	shall have the meaning assigned to it in Clause 14.3;
"Force Majeure"	has the meaning as specified in Clause 10.2;
"Free Power"	means the quantum of power (in KW or multiples thereof) to be supplied free of cost by the Company at the Delivery Point of the Himachal Pradesh State Government as per Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 signed by the Company with Govt. of Himachal Pradesh.
"Governmental Instrumentality"	means any agency constitutionally or legislatively created to perform functions of the Government of India or State Government (which shall include any judicial, regulatory, executive or other governmental body including any agency, department, board, instrumentality, Commission, office or authority) (except that for the purpose of this Agreement. Company and the Purchaser shall be deemed always to be acting in their commercial capacity and will not be considered to be a Governmental Instrumentality);
"Grid"	means the transmission network of STU / CTU, after the Delivery Point, through which the Energy Output is to be evacuated from the Project and up to the point of drawl into the Purchaser's system.
"HERC Tariff Regulations"	means the Haryana Electricity Regulatory

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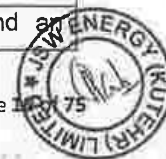


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	Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations prevailing at the time of COD of the Project;
"Indian Electricity Grid Code" or "IEGC"	means the Grid Code specified by the Central Electricity Regulatory Commission under Section 79 of the Electricity Act, 2003;
"Law"	means, in relation to this Agreement, all laws and Electricity Laws in force and includes any statute, decree, ordinance, regulation, notice, circular, code, rule or direction, or any interpretation of any of them by Governmental Instrumentality in India and/or in relevant states and also includes all applicable rules, regulations, orders, directions, notifications by a Governmental Instrumentality pursuant to or under any of them;
"Monitoring Notice"	has the meaning specified in Clause 7.6;
"Monitored Capacity Failure"	means the failure by Company to make available the Declared Capacity, pursuant to a Monitoring Notice;
"Month"	means a calendar month;
"Party" and "Parties"	has the meaning specified in the recital to this Agreement;
"Payment Rebate"	means the rebate admissible to the Purchaser for amounts paid on account of monthly energy bills within the due date/timely payment of a Purchaser Monthly Bill or a PPA Supplementary Bill raised for adjustments required by the REA/SEA, in accordance with Chapter 9;
"Payment Security"	means a Purchaser Letter of Credit and an

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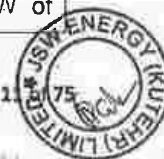


Mechanism"	escrow facility to be provided by the Purchaser as payment security to Company, in accordance with Clause 9.5;
"Payment Surcharge "	means the surcharge payable by either Party for delay in payment of a Purchaser Monthly Bill or a PPA Supplementary Bill, as the case may be, beyond the due Date as provided in Clause 9.3.
"Power Purchase Agreement" or "PPA" or "Agreement"	means this document including its Annexure, if any, containing the terms and conditions for purchase of power by the Purchaser from Company;
"PPA Supplementary Bill"	means a bill, other than a Purchaser Monthly Bill, raised by either Party in accordance with Clause 9.8.1;
"Power Wheeling Agreement"	means the Agreement entered/to be entered by the Generator with STU/CTU to facilitate the power evacuation from the delivery point to the Purchaser's state periphery. The same when implemented shall become part of this Agreement, which is annexed as Annexure-C to this Agreement;
"Project State"	means the state of Himachal Pradesh in which project is situated;
"Purchaser Billable Energy"	means energy corresponding to Purchaser Billable Power at Delivery Point;
"Purchaser Billable Power"	means in relation to a Settlement Period, the Power Output at the Delivery Point supplied to the Purchaser in portion of the Purchaser Contracted Power to the Rated Capacity;
"Purchaser Contracted Energy"	means energy corresponding to the Purchaser Contracted Power;
"Purchaser	means in relation to the Project, 240 MW of

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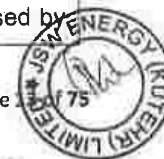
Contracted Power"	gross electrical power output at the Project bus bar corresponding to the Rated Capacity further adjusted for Auxiliary Consumption and Free Power Share of the Project State;
"Purchaser Event of Default "	has the meaning specified in Clause 14.2;
"Purchaser Letter of Credit"	means the revolving, irrevocable letter of credit provided by the Purchaser to Company, as specified in Clause 9.5.1;
"Purchaser Monthly Bill"	means the bill raised by Company for tariff payments in respect of each completed month. Provided further that such bill shall be deemed to have been received upon receipt of the same by the Purchaser at e-mail id billhppc@uhbvn.org.in or through physical form duly acknowledged by the purchaser.
"Purchaser Preliminary Termination Notice"	means the notice issued by the Purchaser to Company, stating the Purchaser's intention to terminate this Agreement as a result of a Company Event of Default;
"Purchaser Termination Notice"	means the notice issued by the Purchaser to Company for termination of this Agreement as a result of a Company Event of Default as per Clause 14.1;
"Rated Capacity"	means the rated capacity of the project as claimed by the Company i.e. 240 MW;
"Required Commercial Operation Date" or "Required COD" or "RCOD"	Means in relation to the project, the following number of months from date of signing of PPA. i. Unit 1 – 47 months ii. Unit 2 – 50 months iii. Unit 3 & COD of the project – 53 months
"Real Time Gross Settlement"	shall mean real time gross settlement arrangements made available by banks currently

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	or any other such arrangements that may become available in future as per Clause 9.3.4;
"Regional Energy Accounts" or "REA" or "State Energy Accounts" or "SEA"	means the accounts of power and energy delivered by the Company and drawn by the Purchaser as issued by the appropriate agency for each Month, including the revisions and amendments thereof;
"RLDC"	means the relevant Regional Load Despatch Centre, as defined in the Electricity Laws, in the region in which the Project is located;
Saleable Design Energy	The saleable design energy means the energy to be exported to the Purchaser after the deduction of the Auxiliary Consumption and Free power at Generator Bus Bar as per Project design;
Scheduled Synchronisation Date	Means in respect of a unit, the date which falls 15 days before the Required COD of such unit;
Settlement Period	Means the time block for daily generation, drawal and despatch schedules as may be defined in IEGC (presently a fifteen (15) minute block)
"SLDC"	means the State Load Despatch Centre, as defined in the Electricity Act 2003/IEGC, as the case may be in relation to the Purchaser;
"Tariff" or "Tariff Payment"	means the tariff payable in accordance with the PPA;
"Tariff Adjustment"	means increase or decrease in the payment of the Purchaser Monthly Bill on account of Change in Law or any applicable changes, other than on account of (i) Payment Rebate, or (ii) Payment Surcharge;
"Tax"	means any Indian tax, duty or levy of any nature howsoever called charged, levied or imposed by

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	a Governmental Instrumentality (whether central, state or local) in relation to the Project.
"Term of Agreement" or "Term"	has the meaning specified in Clause 2.1;
"Unscheduled Interchange (UI) / Deviation Settlement Mechanism (DSM)"	means Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 or as amended from time to time;
"Week"	means a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;
"Wheeling charges"	In accordance with clause 9.2.4 of this agreement.

Interpretation

Save where the contrary is indicated; any reference in this Agreement to:

- 1.1.1. a "Recital ", a "Section ", an "Annexure" and a "Paragraph" shall be construed as a reference to a Recital, a Section, an Annexure and a Paragraph respectively of this Agreement.
- 1.1.2. a "day" means a calendar day.
- 1.1.3. a "person" shall be construed as a reference to any person, firm, Company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the above and a person shall be construed as including a reference to its successors, permitted transferees and permitted assigns in accordance with their respective interests.
- 1.1.4. the "winding-up", "dissolution", "insolvency", or "reorganization" of a Company or corporation or any other entity shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such Company or corporation or such other entity is incorporated or any jurisdiction in which such Company or corporation

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carries on business including the seeking of liquidation. Winding-up, reorganization, dissolution, arrangement, protection or relief of debtors.

1.1.5. Words importing the singular shall include the plural and vice versa.

1.1.6. This Agreement or any other Agreement or document or other instruments shall be construed as a reference to this or, to such other Agreement or document or instrument as it may have been, or may from time to time be, amended, modified, varied, novated, substituted, replaced, supplemented or assigned from time to time.

1.1.7. A Law/Regulation shall be construed as a reference to such Law/Regulation including its amendments or re-enactments from time to time.

1.1.8. A time of day shall, save as otherwise provided in any Agreement or documents be construed as a reference to Indian Standard Time.

1.1.9. "Encumbrance" shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including without limitation, title transfer and retention arrangements) having a similar effect.

Different parts of this Agreement are to be taken as mutually explanatory and supplementary to each other and if there is any inconsistency between or among the parts of this Agreement, they shall be interpreted in a harmonious manner so as to give effect to each part.

The table of contents and any headings or sub-headings in this Agreement have been inserted for ease of reference only and shall not affect the interpretation of this Agreement.

All interest payable under this Agreement shall accrue from day to day and be calculated on the basis of a year of three hundred and sixty-five (365) days.

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.

The words "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases.


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2. TERM OF AGREEMENT

2.1 Effective Date and Term of Agreement

2.1.1. This Agreement shall be considered operative on the day of execution of this agreement between the Company and the Purchaser. The Agreement shall remain operative from such Commercial Operation Date of the Agreement to till the Expiry Date ("Term of Agreement").

Upon the occurrence of Expiry Date, this Agreement shall automatically terminate without any notice unless mutually, extended by the Parties on mutually agreed terms and conditions and such an extension shall be affected at least One Hundred Eighty (180) days prior to the Expiry Date subject to clause 2.1.2.

2.1.2. In terms of HERC source approval order dated 24.09.2020, the parties may execute a supplementary PPA at a mutually agreed term for a period beyond 35 years for the balance term of Implementation Agreement with Himachal Pradesh.

In case any further supplementary Implementation Agreement got executed between Company and Govt of HP, the Company shall inform to Purchaser so as to decide mutually and the purchaser will have first right of refusal if the company had been offered to sell power to party other than Govt of HP or any other agency nominated by Govt of HP.

2.1.3. Notwithstanding the above, it is agreed between the Parties that the obligation of Company to sell Purchaser Contracted Power and Purchaser Contracted Energy from the Project to the Purchaser and the obligation of the Purchaser to purchase such Purchaser Contracted Power and Purchaser Contracted Energy from Company shall not become effective until the Conditions Precedent as specified in Clause 3 are either satisfied or waived in accordance with this Agreement.

2.2 Early Termination

This Agreement can be terminated before the Expiry Date:


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- 2.2.1 if either the Purchaser or Company exercises a right to terminate, pursuant to Clause 14 or Clause 3; or
- 2.2.2 in such other circumstances as the Purchaser and Company may mutually agree in writing.
- 2.2.3 The company exercised its right to terminate pursuant to clause 5.3.


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3 CONDITIONS PRECEDENT

3.1. General

The Conditions Precedent and obligations of the Parties with regard to present agreement are as specified below and the Parties shall use reasonable endeavours to provide the required documents and take all actions to satisfy the Conditions Precedent within Six (6) months from the date of execution of this Agreement or timelines as specified under clause 3.1.1 (ii) & (iii) or such extended period as may be mutually agreed by the Parties.

3.1.1. Conditions Precedent that may be waived by the Purchaser

The following are the Conditions Precedent for the effectiveness of the Purchaser's obligations under this Agreement, which may be unilaterally waived by the Purchaser by notifying Company in writing:

- i. The Purchaser shall have received copies of resolutions adopted by the Company's Board of Directors authorizing the execution, delivery and performance by Company of this Agreement, which resolutions shall be certified by the Company's Company Secretary;
- ii. The Company shall have to file the petition before the Commission for determination of tariff as per HERC Tariff Regulation, six months prior to the Scheduled date of Commissioning (SCOD).
- iii. As and when the initial performance / capacity tests carried out successfully, the company shall submit copies of all documents within six (6) months related with initial performance / capacity tests conducted for testing and Commissioning of project duly certified by independent engineer under the supervision of whom tests were carried out.

3.1.2. Conditions Precedent that may be waived by mutual consent

The following are the Conditions Precedent, which may be waived by mutual written consent of both the Parties:

- i. The Conditions Precedent under the PPA shall have been duly satisfied or waived in accordance with the PPA pursuant to which the PPA shall have become effective;


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- ii. The Party which is responsible for satisfying a particular Condition Precedent under this Clause 3.1.2 may request waiver of such Condition Precedent by notifying the other Party in writing of its intention to seek such waiver. If the other Party provides its consent in writing that it no longer requires the satisfaction of such Condition Precedent, the performance of such Condition Precedent shall be waived.

3.2. Duty to inform

Each Party, which is responsible for satisfying a particular Condition Precedent under clause 3.1.2 shall keep the other Party informed in writing of the progress of the Condition Precedent specified in Clause 3.1 above.

3.3. Right to terminate

If the Conditions Precedent listed in Clause 3.1 are not duly satisfied or waived by the Company or the Purchaser, as the case may be, within twelve (12) months of the date of execution of this Agreement, or timelines as specified under clause 3.1.1 (ii) & (iii) or such extended time as may be mutually agreed between the Parties in writing, either Party may terminate this Agreement by giving a written notice of termination to the other Party not earlier than twelve (12) months from the date of execution of this Agreement; and this Agreement shall stand terminated after twelve (12) months from the date of such notice unless the Conditions Precedent have been satisfied by such date.

Neither Party shall have any liability whatsoever to the other Party as a result of the termination of this Agreement pursuant to this section.


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4. PRINCIPAL OBLIGATIONS OF THE PARTIES

4.1. Company's Obligations

Company agrees and undertakes:

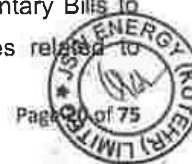
- i. to deliver the Purchaser Contracted Power and Purchaser Contracted Energy, in accordance with the terms of this PPA at the Purchaser's State Periphery;
- ii. to obtain on behalf of the Purchaser the long-term open access for adequate transmission capacity from the CTU/STU to enable wheeling of Purchaser Contracted Power and Purchaser Contracted Energy from the Delivery Point to the Purchaser's state periphery after adjusting the normative auxiliary consumption and free power to the State in accordance with this PPA.
- iii. to pay on behalf of the Purchaser the Wheeling energy/charges, RLDC charges and any other charges payable to STU/CTU for wheeling/transmission of Purchaser Contracted Power and Purchaser Contracted Energy from the Delivery Point to the Purchaser's state periphery, after adjusting the auxiliary consumption, transformation losses and free power to the State in accordance with this PPA.
- iv. to file the petition for determination of tariff before the Commission as per HERC Tariff Regulation.
- v. to make available any information and/or documents that may be reasonably required by Purchaser pursuant to this Agreement.
- vi. to ensure the pondage/peaking capacity of plant to supply 3 hours of peak supply in 2 slots i.e., morning & evening peaks-one and half hour each.

4.2. Purchaser's Obligations

The Purchaser agrees and undertakes:

- i. to make available any information and/or documents that may be reasonably required by Company pursuant to this Agreement;
- ii. to off-take energy from CTU drawl point at Purchaser periphery corresponding to Purchaser Contracted Power and Purchaser Contracted Energy delivered at delivery point as per clause 4.1 (i) & (ii);
- iii. to pay the amounts due against Monthly Bills and Supplementary Bills to Company by the respective due dates. Further, all charges related to

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sharing of interstate transmission & losses payable to CTU, wheeling charges payable to STU, RLDC/SLDC charges etc. for wheeling & transmission of power from the delivery point to the Purchaser's State periphery shall be payable to Company as per relevant regulations after receipt of invoice for the same from the Company. Rebate and surcharge for the invoices relating to the transmission, wheeling, SLDC/RLDC charges etc. shall be governed as per the relevant HERC regulations to be calculated either from the date of receipt of such invoices by the Purchaser through e-mail at billhopc@uhbvn.org.in or through physical form duly acknowledged by the purchaser;

- iv. to bear/incur wheeling/transmission losses from Delivery Point to the CTU Point subject to clause 9.2.5.
- v. to ensure compliance with Laws and acts in accordance with Prudent Utility Practices, relevant orders, notifications and regulations of HERC, CERC, RLDC, RPC and IEGC (including reactive power management), as applicable, so as to meet all its obligations under this Agreement;
- vi. to co-operate with Company to facilitate the Periodic Performance / Capacity Tests of the Units and the Project;
- vii. to complete all arrangements, as required for timely and proper evacuation and transmission of Purchaser Contracted Power and Purchaser Contracted Energy; and
- viii. to duly make available and maintain the Payment Security Mechanism pursuant to Clause 9.5 of this Agreement.

4.3. Right to Electrical Output

- 4.3.1. The company undertakes to sell to Purchaser the entire Purchaser Billable Power and Purchaser Billable Energy from the Project and Purchaser undertakes to purchase and pay the Tariff for all Purchaser Billable Power and Purchaser Billable Energy supplied to Purchaser at the Delivery Point.
- 4.3.2. The Company shall not grant/allow or sell to any third party to obtain any entitlement to the Contracted Capacity and Contracted Energy, except upon the occurrence and during the subsistence of a Purchaser Event of Default under Article 14.2 or an Extended Force Majeure (where the Company is not the Affected Party)

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4.3.3. The Company shall not during the Term of Agreement use any of the electricity generated by the Project, except for the purpose of meeting the Project's Auxiliary Consumption and obligation under Implementation Agreement.

4.3.4. Notwithstanding Article 4.3.3, the Company may expand the capacity of the Project and enter into arrangements for the sale of power generated as a result of expanded capacity to any third party, provided that:

- i. The obligations of the Company to deliver the Purchaser Contracted Power and Purchaser Contracted Energy under this Agreement shall remain unaffected;
- ii. Purchaser shall have the first right of refusal over the additional power generated by such expansion on terms and conditions as may be mutually agreed between Purchaser and the Company; and

In the event that certain facility of the Project are utilised by the expanded unit, suitable Tariff Adjustments as decided by HERC and agreed between Company and Purchaser.

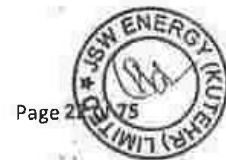
4.4. Purchaser's Observation Visits

The Purchaser shall have the right to request Company to arrange for authorized representatives of the Purchaser to observe the operation of the Project upon reasonable prior written notice to Company. All such authorized representatives conducting such observation visits on behalf of the Purchaser shall comply with reasonable safety and other applicable procedures notified to them by the Company. All costs in relation to any such visit shall be borne by the Purchaser.

4.5. Payment of Taxes

Each Party shall duly pay all Taxes applicable to it and comply with all rules and regulations as regards such Taxes and not do or omit to do or cause or suffer to be done anything which could reasonably be expected to adversely affect or prejudice the interest and rights of the other Party in any manner whatsoever. The Parties agree to indemnify each other in this regard. However, the Purchaser shall reimburse any tax/ cess / levy which is directly attributable to power sale.


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5. CONSTRUCTION

5.1. General

The company shall design, construct, complete and Commission the Project in accordance with the PPA.

5.2. Construction Reports

Company shall provide the Purchaser with construction reports on the status of construction of the Project following commencement of construction and continuing until the Commercial Operation Date of the Project.

5.3. Abandonment due to unforeseen circumstances

The Parties agree that during the construction of the Project, the Project's design may be subject to changes arising due to unforeseen and unpredictable conditions limited to geological, hydrological and hydro geological structures, ground water and geophysical configuration of the areas below the surface of the Ground and such changes may also involve additional work. If the company determines in its sole discretion, and the same is certified by the Expert, that the construction of the Project must be terminated permanently due to above-mentioned conditions, the Company shall be entitled to abandon the Project, provided that such abandonment occurs not later than eighteen (18) months after the date of financial Closure. The Parties agree that if the Project is revived and commissioned within eighteen (18) months of abandonment and the Company gives a notice to purchaser of such a revival as provided for in the PPA, and offers the Purchaser billable Power and Purchaser Billable Energy to the Purchaser at the same terms and conditions, as contained in this agreement, then the Purchaser shall accept such offer within 10 days of such offer.


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6. SYNCHRONISATION, TESTING AND COMMISSIONING

6.1. Synchronization

The Company, in accordance with the provisions of the PPA shall require to synchronize its Units, on a date, which date shall not be earlier than the Scheduled Synchronization Date, unless purchaser consents to an earlier synchronization date in writing. However, if related transmission system is available, the Company shall be free to carry out early synchronisation. The Company shall send a notice to the Purchaser relating to the proposed date of synchronization.

Notice period before RCOD	Early synchronisation window before RCOD
1 years	Estimated early synchronization date ± 3 months
6 months	Estimated early synchronization date ± 1 month
3 months	Exact date for early synchronization

6.2. Performance Tests

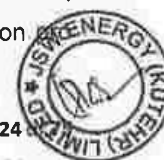
The Company has stated to have carried out the initial Performance/Capacity test. The relevant documents to substantiate the same are enclosed as Annexure-E to this Agreement. However, the Company has agreed to re-demonstrate the Rated Capacity of the Project through a Capacity Test to be conducted in accordance with the relevant CERC/CEA Regulations in the presence of an independent Engineer and authorized representative of Purchaser, if requested. The cost of such Capacity Test shall be borne by the Company.

The Purchaser shall arrange to make available necessary electrical load, for the Company to successfully complete the Capacity Test.

6.3. Tested Capacity Less than Rated Capacity

In the event that the Tested Capacity of the Project is found less than the Rated Capacity pursuant to Capacity Test conducted as per clause 6.2 above, the Capital Cost as determined under clause 9.1.4 shall be reduced on pro-rata basis and the tariff payable shall be determined accordingly.

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6.4. Notice of Test Results

Company shall provide to the Purchaser a copy of the test report of Capacity Test conducted.

6.5. Commercial Operation Date of Unit/Project

6.5.1. In the event that the actual COD of the Unit/Project occurs prior to the Required COD of the Unit/Project, then such day of actual COD shall be taken as COD of the Unit/Project.

6.5.2. In the event that the actual COD of the Unit/Project occurs after the Required COD of the unit/Project, such day on which the Unit/Project is actually Commissioned shall be taken as COD of the Unit/Project.

6.6. Delayed Commissioning/early Commissioning

6.6.1. Commissioning delay/early Commissioning by the Company.

6.6.1.1. In case of delay in Commissioning, beyond the RCOD, the interest during construction for the period of delay or any increase in Capital Cost of the Project that would have occurred due to such delay shall not be allowed to be capitalised for determination of Tariff, except in case delay is due to any Force majeure arising out of any 'act of God' as set out in Article 10.2 (i) or geological surprises, the interest during construction or any increases in Capital cost of the Project that would have occurred for such delay, shall be allowed to be capitalized after setting off amount received from insurance coverage.

6.6.1.2. Early Commissioning of Project shall be permitted. The Purchaser shall purchase power upto Contracted Capacity in case of early commissioning of project before RCOD at agreed PPA tariff applicable for first year with the prior intimation to purchaser.

6.6.2. Commissioning Delay on account of Delay in availability of Long-Term Open Access.

Both the Parties shall use their good offices, with the concerned agencies, so that the long term open access is available coinciding with the COD. However, the Purchaser shall not be liable for any payment to company as a result of delay in COD, if such delay is due to delay in availability of long term open access to the transmission system from the delivery Point to the point(s) of drawl on the CTU system by the

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Purchaser(s). Further, if any liability arises due to delay in COD of the Project because of reasons solely attributable to the Company, then same shall be borne by the Company.

6.7. Evacuation of Output until COD of Units

6.7.1. At all times during start-up preliminary testing or other operations of a Unit for achieving the COD of such Unit, and during the Initial Performance Tests, the Purchaser shall absorb such energy subject to technical feasibility.

6.7.2. The Purchaser shall pay to company, for the Infirm Power generated by a Unit and to the extent sold to the Purchaser at a tariff i.e. 50% of APPC as determined by HERC. Further, any power delivered by the Company to Haryana prior to COD of the project will be paid at a tariff i.e. 50% of APPC as determined by HERC. Payment against each monthly invoice should be made as per the due date as mentioned in PPA. The Capital Cost shall however be reduced by an amount equal to the total amount of bill(s) paid by purchaser for infirm energy and energy delivered by the company before the COD of the project.


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7. OPERATION AND MAINTENANCE

7.1. Operation and Maintenance Responsibilities

7.1.1. Company's Responsibilities

Company shall operate and maintain the Project in accordance with the relevant orders, notifications and regulations of the Commission/IEGC/IPC, Electricity Act 2003, terms & conditions of all consents and Prudent Utility Practices.

7.1.2. Purchaser's Responsibilities

The Purchaser shall take all actions necessary to draw the Purchaser Contract Power and Purchaser Contract Energy from the Delivery Point including but not limited to utilising the open access on the transmission system of the Central Transmission Utility, in accordance with the Indian Electricity Grid Code (including Reactive Power management), the Law and Prudent Utility Practices and absorb such output in accordance with the Agreement. The Purchaser shall also supply all information and do all actions in a timely manner as may be necessary for Company to meet its obligations under this Agreement.

7.2. Operating Procedures

Company shall provide to the Purchaser, not later than Sixty (60) days after signing of this Agreement with Operating Procedures dealing with all operation interfaces between Company and the Purchaser.

7.3. Annual Generation and Annual Scheduled Outage Plan.

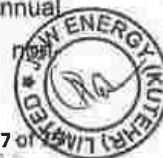
7.3.1. Not later than the twentieth (20th) day of September of each year, the Purchaser shall notify Company of the anticipated level of high demand and low demand periods for the following Operation Year and the restricted periods, not exceeding four months in which Scheduled Outage may be avoided.

7.3.2. Within seven (7) days of the Company receiving information from the Purchaser pursuant to Clause 7.3.1 above, Company shall notify the Purchaser, its proposal for the Scheduled Outages and the Annual Generation Plan in the following Operation Year along with such


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outage period not exceeding four months, during which scheduled outage may cause spillage of water.

7.3.3. Within seven (7) days of receiving the Company's proposal pursuant to Clause 7.3.2 above the Purchaser shall notify Company in writing whether the proposal for Scheduled Outages for the following Operation Year is acceptable and, if not then the periods that would be acceptable, which shall be:

- i. as close as reasonably practical to the proposed period and shall comply with Technical Limits and Prudent Utility Practices and shall be of equal duration as the requested period;
- ii. consistent with the time limits required or recommended by the manufacture or supplier of the equipment;
- iii. other than the non-outage period notified in accordance with Clause 7.3.1 above, and
- iv. Such that single Scheduled Outage for a Unit shall not be split into two or more periods.

Company shall, within a further seven (7) days, inform its acceptance or its comments taking into account the Purchaser's comments, if any.

7.3.4. If Company objects to a proposed Scheduled Outage, the Purchaser and Company shall meet and resolve the difference within seven (7) days of the date of communication of objection to the Purchaser, failing which matter shall be referred to the HERC for resolution.

7.3.5. Company shall provide Control Centre, the Scheduled Outages for the following Operation Year, pursuant to Clause 7.3.4, within the period specified in the IEGC.

7.3.6. Company shall provide a copy of Annual Generation Plan and Scheduled Outages to the Purchaser.

7.3.7. In an emergency, the RLDC may require Company, if possible, to reschedule a confirmed Scheduled Outage.

7.4. The Annual Generation Plan shall include:

- i. the availability of equipment taking into account:
 - a. the Scheduled Outages;
 - b. the expected Maintenance Outages; and

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- c. any other relevant factors;
- ii. the expected generation based on latest information on the water flow and to avoid spillage of water (so far as possible).

The Annual Generation and Scheduled Outage Plan shall be finalized in accordance with the provisions of the Indian Electricity Grid Code.

7.5. Operation

Control Centre will issue Despatch Instructions, as agreed between the Purchaser and the Company, directing Company to vary the Power Output and Reactive Power from the Project subject to the availability of water, reactive power capability of the Units, Prudent Utility Practices and the technical limits of the Project and Indian Electricity Grid Code.

7.6. Control Centre

7.6.1. The Control Centre shall be the load control centre, to which generation notices including the Daily Generation Capability Schedule and Revised Generation Capability Schedule will be issued by Company and which in turn shall notify the SLDC and the Purchaser.

7.6.2. Scheduling and despatch of power shall be in accordance with the provisions of this Agreement in a manner so as to ensure their conformity with the IEGC and any other regulations notified by any competent authority, constituted or established under the Electricity Act. 2003.

7.7. Monitoring Notice

Whenever the Purchaser has reason to believe that the Project is not capable of being performed consistently with the declarations contained in the Daily Generation Capability Schedule or the revised generation schedule, it may require Purchaser to issue a notice specifying that the Purchaser wishes to monitor the Project's Declared Capacity ("Monitoring Notice").

7.8. Maintenance and Forced Outages

7.8.1. Whenever Company informs the Purchaser of the requirement for maintenance outage, Company shall discuss the matter with the Purchaser and notify the time for commencement of the requested Maintenance Outage (which shall be more than three (3) hours prior to the latest time

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indicated by the Company). Company would use its reasonable endeavours consistent with Prudent Utility Practices to take the relevant Unit out of service at the scheduled time.

- 7.8.2.** In case of a Forced outage, Company shall inform the Purchaser as soon as possible telephonically & e-mail and shall further forward to the Purchaser a copy of the justification for such Forced Outage.

7.9. Maintenance of Operating Records

- 7.9.1.** Each Party shall maintain complete and accurate records and all other data required for proper administration of this Agreement.

Company shall maintain an accurate and up-to-date operating log of the Project with records of:

- i. Declared Capacity and Despatched Power for each Settlement Period;
- ii. Power Output and Energy Output for each Settlement Period;
- iii. Purchaser Billable Energy and Purchaser Billable Power for each Settlement Period;
- iv. Maximum Available Capacity for each Settlement Period;
- v. Deemed Generation and Deemed Power along with the amount of water spilled during the relevant Settlement Period;
- vi. Head and discharge of water;
- vii. Changes in operating status, Scheduled Outages and Maintenance Outages;
- viii. Details and times of Grid failure and operation of Grid outside the Technical Limits;
- ix. Results of Periodic Capacity Tests; and
- x. Any emergency conditions and unexpected occurrences discovered during inspections.

7.9.2. Company's Responsibilities

Purchaser shall have the right upon reasonable prior written notice to the Company, to examine the records documents and data of the Company relating to operation, maintenance, and despatch of the Project at any


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time during normal business hours and at any time during the continuation of any dispute in respect of any matter to which such records relate. All such records shall be maintained for a minimum of sixty (60) months after the creation of such records, documents or data. Provided that the Company shall not dispose-off or destroy any such records after such sixty (60) month period without thirty (30) days' prior written notice to the Purchaser.

7.10. Periodic Capacity Test

- 7.10.1.** The Purchaser may, at any time during the Operation Period, but not more than once in two years, require the Company through a written notice, to conduct a Periodic Capacity Test to demonstrate the Rated Capacity of the Project. For the purpose of despatching and billing, if the Tested Capacity of the Project pursuant to Clause 7.10.1 is more than the Rated Capacity of the Project, then the Rated Capacity of the Project shall be taken as defined herein and if the Tested Capacity of the Project is less than the Project's Rated Capacity, the Tested Capacity shall be taken as the Rated Capacity until the occurrence of the next such test.
- 7.10.2.** If the Tested Capacity of the Project pursuant to Clause 7.10.1 is less than the previous Rated Capacity of the Project, Company shall be entitled to repeat such test ("Repeat Test") upon issue of a notice to the Purchaser, provided that Company shall not be entitled to perform more than two (2) Repeat Tests.
- 7.10.3.** All such Purchaser Billable Energy and Purchaser Billable Power generated by the Project during the Periodic Capacity Tests of the relevant Unit shall be paid by the purchaser at the applicable tariff.

7.11. Deemed Generation

If the Control Centre issues a Despatch Instruction to Company such that the Despatched Power is less than the Declared Capacity, and if the same would have resulted in corresponding spillage of water, the quantum by which the Despatched Power is less than the Declared Capacity, shall be the Deemed Generation and shall be treated as per the provisions of this Agreement. Such Deemed Generation shall be limited to the extent that the total energy output inclusive of such deemed generation shall not exceed Saleable Design Energy in any given year. In


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accordance with provisions of this Agreement, the provisions of Deemed Generation shall not apply to the extent of applicability of Clause 9.9 and during occurrence of any Force Majeure event as mentioned in Chapter 10 of this Agreement affecting the Project or Tie Line (if any) or both.

7.12. Third party sale

If Purchaser does not avail/schedule any part or all of the Declared Capacity (limited to the Contracted Capacity) provided by the Company post signing of this agreement, Company may sell all or part of such un-availed capacity to a third party. In case the tariff realized from such third party sale; net of all the charges incurred for such third party sale of electricity & trading margin, is in excess of Energy Charge (in two part tariff), the net sale realization both in case of (single part tariff & two part tariff) in excess of energy charges, other charges incurred for sale of electricity & trading margin from the sale of Power to a third party in case Purchaser doesn't avail/schedule any part or all of the declared capacity shall be equally shared by the Company and Purchaser. If sharing of gain as mentioned in the PPA due to third party sale is not supported by any regulation. Purchaser shall continue to pay the capacity charge for such period. In case of single part tariff, If tariff realized, net of all the charges incurred for such third party sale of electricity & Trading Margin, is in excess of 50% of single part tariff as energy charge, the net sale realization in excess of energy charge shall be equally shared by the Company and Purchaser. However, the Purchaser shall pay the 50% of single part tariff as capacity charge for such period.


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8. METERING AND ENERGY ACCOUNTING

8.1. Installation of meters

Meters shall be installed by Company at its own cost in accordance with the requirements of IEGC/ RLDC. Company shall make available to the Purchaser such meter records as required for the purpose of this Agreement.

8.2. The Company shall maintain, in respect of the Project

- 8.2.1 all Daily Generation Capability Schedules and revised Daily Generation Capability Schedules and corresponding Daily Despatch Schedules and Revised Despatch Schedules;
- 8.2.2 all meter records (including meter testing records);
- 8.2.3 records of the Daily Generation Capability Schedules on monthly and annual basis;
- 8.2.4 Records of Scheduled Outages, Maintenance Outage and Forced Outages; and
- 8.2.5 Any other records in relation to the Energy Output and the Power Output. Such records may be inspected by the Purchaser during normal business hours upon reasonable written notice of the same at any time even during the continuation of any breach under this Agreement.

8.3. Energy Accounting - Regional Energy Account/State Energy Account

The appropriate agency shall issue Regional Energy Accounts (REA)/State Energy Accounts (SEA) based on the data provided by the SLDC and such REA/SEA shall be subject to subsequent corrections by such appropriate agency. The REA/SEA as finalized shall be binding on the Parties. The values of the Purchaser Billable Energy, Deemed Generation and Monitored Capacity Failure used for determination of Tariff Payment in the previous Purchaser Monthly Bills and PPA Supplementary Bills shall be adjusted in accordance with the finalized REA/SEA. Accordingly, Company shall raise a PPA Supplementary Bill or provide a credit note for adjustment of Tariff Payment or any other amounts due.

8.4. Load despatch centre charges

All RLDC/SLDC charges beyond the Delivery Point to the Purchaser's state periphery shall be borne by the Purchaser.


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9. BILLING AND PAYMENT

9.1 General

9.1.1 The Purchaser shall pay to Company, the payments comprising:

- i. Tariff Payment as mentioned under clause 9.1.2 and,
- ii. Wheeling Charges /transmission charges (subject to provision of Clause 9.2.4) paid by Company to STU/CTU, RLDC/SLDC charges or other applicable charges that may be payable by the Company for use of transmission system from delivery point to drawl point of the Purchaser (i.e., CTU substation at Purchaser state periphery) for each month of every tariff Year, determined in accordance with chapter 9. The actual payment shall be made against the Purchaser Monthly Bills issued by the Company for each Month.

All payments by the Purchaser shall be in Indian Rupees.

9.1.2 Tariff:

- i. The Purchaser shall pay to the Company for the energy supplied at a tariff as determined by the Commission as per the provisions of HERC Tariff Regulations such that the levelized ceiling tariff ex-generator bus for the entire Term of this Agreement shall not exceed Rs. 4.50/KWh as approved by the HERC in its order dated 24.09.2020 in Petition no. HERC/PRO-54 of 2019 and order dated 09.08.2021 in Review Petition no. RA-10 of 2021. However, statutory levies/taxes subsequently imposed by the Government shall be reimbursed to the company by the purchaser.

9.1.3 Provisional Tariff:

- i. Until, the initial tariff is determined by the Commission, the Company shall supply power to the Purchaser at the Average Power Purchase Cost (APPC) per kWh (ex-bus) as determined by the HERC in the ARR/ Tariff Order for Discoms pertaining to the relevant year.
- ii. After the initial tariff for the project is determined by the Commission, Purchaser/Company will pay the differential rate (i.e. Tariff determined/approved by the Commission over and above the Average


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Power Purchase Cost) for the power already supplied along with applicable interest.

The interest shall be paid by purchaser/company as applicable under law at the rate to be determined by the HERC.

iii. **Tariff of Secondary Energy:**

The tariff as mentioned in Clause 9.1.2 shall be applicable only for the energy supplied upto the saleable design energy of the project. The tariff for energy scheduled in excess of saleable design energy shall be capped at Rs. 0.90/KWh or at the rate determined by HERC for secondary energy whichever is lower.

9.1.4 Capital Cost for determination of tariff:

The Company has agreed that the Capital Cost for the purpose of tariff determination shall be restricted to completed cost excluding cost overrun, being cost overrun shall be to the account of Company.

The Company agrees that any increase in IDC, pre-operative expenses or other such expenses included in the capital cost, incurred by the Company due to delay in COD for the reasons solely attributable to the Company shall not be considered by the Commission while determining the capital cost on COD for tariff determination.

The company agrees that the cost of free power to the project State over and above that allowed as per Govt. of India notification shall be borne by the generator duly considering the deferment of free power for the initial 12 years as per the Supplementary Implementation Agreement dated 26.11.2018.

9.1.5 Future Contingency:

The Company has agreed that any expenditure after Commissioning of the project to be incurred by the Company in any future contingency due to any Force majeure arising out of any 'act of God' as set out in Article 10.2 (i), shall be borne by the Company and shall not be passed on to the Purchaser in the tariff.

9.2 Purchaser Bills-

9.2.1 During the Term of Agreement, the Purchaser shall make the payment through Purchaser Monthly Bill raised by the Company.


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The Purchaser shall provide the Payment Security Mechanism required by Company and as notified by Company from time to time pursuant to Clause 9.5.

9.2.2 The Company shall issue the Monthly Bill to the Purchaser on the basis of provisional Monthly energy data certified by Company for the energy delivered at Delivery Point. Each Purchaser Monthly Bill shall include:

- i. the computation of Tariff Payment for the relevant Month in accordance with the PPA;
- ii. the computation of Tariff Adjustment in accordance with the PPA;
- iii. Computation of tariff rebate payment, tariff surcharge payment in accordance with the PPA.
- iv. Due date for the relevant Monthly Bill;
- v. Copies of actual SEA/REA statements applicable for the previous month from second month onwards;

9.2.3 After receipt of final REA/SEA for the previous month from the issuing authority, a PPA Supplementary Bill shall be raised by Company incorporating adjustment to be made with reference to the REA/SEA. No Adjustment with regards to rebate availed by the Purchaser on provisional bill or otherwise if any, shall be made.

9.2.4 The wheeling/transmission charges shall be payable by the Purchaser from the Delivery Point to the Sub Station of CTU at Himachal Pradesh State Periphery at which power shall be injected, if applicable, shall be subject to a maximum of Rs. 0.38/KWh (levelized). Any increase in wheeling/transmission charges beyond levelized STU charges of Rs. 0.38/KWh during the Term of this Agreement shall be borne by the Company.

9.2.5 The STU losses payable by the Purchaser from the Delivery Point to the Sub Station of CTU, if applicable, shall be subject to a maximum of Rs. 0.05/KWh (levelized). Any increase in STU losses beyond levelized STU losses of Rs. 0.05/KWh during the Term of this Agreement shall be borne by the Company.

9.2.6 If by any reason arising out of actions of the Company, power evacuation does not take place upto purchaser's State periphery, the liability rest with the Company.

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9.3 Payment of Purchaser Bills

9.3.1 Both Parties expressly agree that the essence of Clauses 9.3, 9.5 and 9.8 is timely payment by the Purchaser for any amounts due under this Agreement.

9.3.2 The payment of Purchaser monthly bill shall be made by the Purchaser to the Company by the due date after a Purchaser monthly bill is received by the Purchaser through e-mail at billhppc@uhbvn.org.in or through physical form duly acknowledged by the purchaser (or if such day is not a business day, then immediately the succeeding business day) by which date such bill is payable by Purchaser. For the purpose of determination of due date, the day 1 shall be the 'X'+1 day, where 'X' is the date of receipt of bill by the Purchaser.

9.3.3 All payments required to be made under this Agreement shall be made without any deduction except for:

- i. rebates provided and admissible under this Agreement; and
- ii. Deductions required by the Law, if any.

Provided that payments by the Purchaser shall be without prejudice to other rights of the Purchaser under this Agreement.

9.3.4 For payment of Purchaser Monthly Bill, PPA supplementary bill except change in law bills on or before due date, the following Rebate shall be available to the Purchaser in following manner: -

- a) A rebate of 2% shall be available to the Purchaser, if Purchaser shall pay the Purchaser Monthly Bill, PPA supplementary bill except change in law bills either directly or through a letter of credit within seven (7) days of receiving it through e-mail at billhppc@uhbvn.org.in or through physical form duly acknowledged by the purchaser. If such 7th day is not a business day, the rebate of 2% shall be available on the immediately succeeding business day. For this purpose, the day 1 shall be the 'X'+1 day, where 'X' is the date of receipt of bill by Purchaser.
- b) If the Purchaser pays amounts against a Monthly Bill after seven (7) days of its receipt but not later than the due date, the Purchaser shall be entitled to a Payment Rebate at the rate of 1%. In case due date is not a business day, then immediately the succeeding business day by which date such bill is payable by Purchaser, a rebate of 1% shall

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allowed. For the purpose of determination of due date, the day 1 shall be the 'X'+1 day, where 'X' is the date of receipt of bill by the Purchaser.

- c) Rebate and surcharge for the invoices relating to the transmission, wheeling, SLDC/RLDC charges etc. shall be governed as per the relevant HERC regulations as amended from time to time to be calculated from the date of receipt of such invoices by the Purchaser through e-mail at billhppc@uhbvn.org.in or through physical form duly acknowledged by the purchaser.
- d) The applicable payment rebate shall be deducted from the amount of the Purchaser Monthly Bill or PPA Supplementary Bill by the Purchaser, and payment to the Company shall be made accordingly.

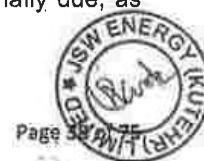
9.3.5 If the Purchaser delays in payment of a Purchaser Monthly Bill beyond the due date, a Payment Surcharge shall be payable by the Purchaser to Company at a rate determined under the HERC Tariff Regulations or as amended from time to time on the outstanding amount of payment calculated for each day of delay subject to claim of the same by the Company.

9.4 Quarterly and Annual Reconciliations

9.4.1 The Purchaser & Company acknowledge that all payments made against monthly bills, supplementary bills etc. under this agreement are subject to quarterly & annual reconciliation to take into the Energy Accounts, tariff adjustment payments or any other reasonable circumstances provided under this agreement.

9.4.2 The Purchaser & Company further agrees that as soon as all such data in respect of a quarter of a contract year or full contract year as the case may be has finally verified, the Purchaser & Company shall jointly signed such reconciliation statement. After signing of a reconciliation statement, the company shall make appropriate adjustments in the following monthly bill, with surcharge, as applicable. Payment Surcharge shall be payable in such a case from the date on which such payment had been made to the invoicing party or the date on which any payment was originally due, as may be applicable.


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JITENDRA KUMAR



- 9.4.3 Any excess amount claimed by Company & paid by Purchaser or excess amount claimed by the Purchaser and paid by the Company under this agreement shall be refunded to the Purchaser/Company as the case may be at same interest rate as applicable for Payment Surcharge determined under HERC Tariff Regulations or as amended from time to time on a day-to-day basis from the date on which such payment was actually paid to Company/HPPC till the date of receipt of such amount by the HPPC/Company. The interest shall be claimed by either party through the Supplementary bill.
- 9.4.4 The company undertakes that benefit on account of interest subvention made available to the Project by way of Government directives/ policies shall be passed on to HPPC. Further, the company is obligated to intimate the purchaser as and when such instance occurs.

9.5 Payment Security Mechanism

- 9.5.1 In respect of the Purchaser's payment obligations under this Agreement, the Purchaser shall provide Company with the following Payment Security Mechanism as notified by Company pursuant to Clause 9.5.2 and the Purchaser will throughout the Term of Agreement, maintain such Payment Security Mechanisms from time to time pursuant to Clause 9.5.2:
Purchaser Letter of Credit (as set out in Clause 9.5 through 9.5.10);

The Purchaser Letter of Credit and the escrow facility shall be opened and maintained together till the Expiry Date. If the Purchaser fails to pay a Purchaser Monthly Bill or PPA Supplementary Bill 30 days beyond the due date, Company shall have to the right to call upon the Purchaser Letter of Credit, in accordance with Clause 9.5.6.

- 9.5.2 Pursuant to Clause 9.5.1 above, the Purchaser shall provide a Payment Security Mechanism to Company in the form of revolving and irrevocable Purchaser Letter of Credit as specified below:

The Purchaser shall through a bank, open a weekly/monthly, revolving and irrevocable Purchaser Letter of Credit each by both DISCOMs valid for 12 months in favour of Company as per the banking arrangement of the purchasers, to be made operative from commencement of power supply to the Purchaser under this Agreement. The value of Purchaser Letter of

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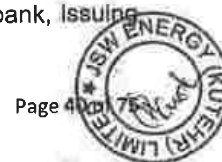
Credit will be computed separately for each quarter of year period on the basis of the average energy billed in the corresponding quarter of previous year. The value of the Purchaser Letter of Credit shall also cover the transmission open access charges payable by the Purchaser to Company. Such value of Purchaser Letter of Credit for 12 months period shall be equal to the average monthly billing during corresponding period of previous year.

9.5.3 The Purchaser Letter of Credit shall be drawn on a bank in favour of Company opened and maintained by the Purchaser, which may be drawn upon by Company in accordance with Clause 9.5.2 through 9.5.7. The initial Purchaser Letter of Credit shall be provided 30 days prior to the commencement of power supply to the Purchaser under this Agreement. One month prior to the expiry of the Purchaser Letter of Credit specified at Clause 9.5.3, the Purchaser shall instruct the bank for the continuation of such revolving and irrevocable Purchaser Letter of Credit for a further term of 12 months and a copy of such instruction shall be given to Company subject to Company's right to opt for the Payment Security Mechanism pursuant to Clause 9.5.2, such Purchaser Letter of Credit shall be maintained throughout the Term of Agreement. The Purchaser shall instruct the bank to notify Company if the Purchaser is not able to renew or recoup the Letter of Credit, and a copy of such instruction shall be given to Company.

9.5.4 The Purchaser shall cause the bank issuing the Purchaser Letter of Credit to confirm the bank's acceptance of such Purchaser Letter of Credit to Company in writing 30 days prior to the commencement of power supply to the Purchaser under this Agreement and similarly for each renewal/establishment of the Purchaser Letter of Credit during the remainder of the Term of Agreement.

9.5.5 If the Purchaser fails to pay Purchaser Monthly Bill or PPA Supplementary Bill beyond 30 days after the due date, Company may draw upon the Purchaser Letter of Credit for an amount equal to such Purchaser Monthly Bill or PPA Supplementary Bill plus Payment Surcharge, in accordance with Clause 9.3.5 above, by presenting to the nationalized bank, issuing the Purchaser Letter of Credit, the following documents:


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- i. a copy of the Purchaser Monthly Bill or PPA Supplementary Bill which has remained unpaid by the Purchaser;
- ii. a certificate from Company to the effect that the Purchaser Monthly or PPA Supplementary Bill or specified part thereof, has remained unpaid beyond the due date; and
- iii. Calculations of Payment Surcharge mentioned above in Clause 9.3.5.

9.5.6 In the event that the Purchaser fails to pay a Purchaser Monthly Bill beyond 30 days from the due date, Company shall have the right but not the obligation to divert the Power Output and Energy Output to any third party(ies) (including HT 'consumers in the Purchasers state) to the extent technically feasible, on the best terms available during such period. The Purchaser agrees that they shall have no objection to and shall consent to such diversion (including, and without limitations, in the process of obtaining all necessary regulatory approvals), if so necessitated, until such time as the Purchaser is able to fully pay the Purchaser Monthly Bills then due and outstanding to Company and restore/replenish the Purchaser Letter of Credit to the full amount required by this Agreement.

9.5.7 In the event that the amount available in the Purchaser Letter of Credit remains un-restored for a period of thirty (30) days from its last draw down, such event shall be treated as a Purchaser Event of Default and provisions of Clause 14.5 and Clause 14.6.2 shall apply.

9.5.8 All costs, fees and other payments required in connection with or arising out of any arrangement of Payment Security Mechanism including but not limited to costs relating to establishment, maintenance, and negotiation and drawl of Purchaser Letter of Credit shall be borne by the Purchaser.

9.5.9

- i. Pursuant to Clause 9.5.1 above, in addition to the Purchaser Letter of Credit provided by the Purchaser in accordance with Clause 9.5.3 through 9.5.10 above, the Purchaser shall also provide Company with an Escrow facility by each distribution licensee from the bank through which the receivables equivalent to LC amount shall be routed, into an account maintained by the Purchaser (such bank being the "Escrow Agent" and such account being the "Escrow Account"). The Parties agree that Company, Purchaser and the Escrow Agent shall execute


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Purchaser to cause the Escrow Agent to execute) an escrow Agreement in accordance with the terms and conditions provided in Annexure B (which provides for a detailed procedure for establishment and operation of the Escrow Account).

- ii. If the Purchaser fails to pay a Purchaser Monthly Bill or a PPA Supplementary Bill on or prior to the relevant due date, Company may request the Escrow Agent for payment from the Escrow Account, of an amount that is equal to such Purchaser Monthly Bill or PPA Supplementary Bill plus Payment Surcharge, in accordance with Clause 9.3.5 above, by presenting to the Escrow Bank, the following documents:
 - a) a copy of the Purchaser Monthly Bill or PPA Supplementary Bill which has remained unpaid by the Purchaser;
 - b) a certificate from Company to the effect that the Purchaser Monthly Bill or PPA Supplementary Bill or specified part thereof, has remained unpaid beyond the due date and
 - c) Calculations of Payment Surcharge mentioned above in Clause 9.3.5.
- iii. All costs, fees and other payments required in connection with or arising out of any arrangement of escrow Agreement or the Escrow Account shall be borne by the Purchaser.

9.5.10 In the event Company is unable to fully receive amounts due to it (for reasons not directly attributable to Company) either by direct payment by the Purchaser or through the Purchaser Letter of Credit or from the Escrow Account, the provisions of Clause 14.2 shall apply and such event shall be treated as a Purchaser Event of Default.

9.6 Disputed Bill

- 9.6.1 If the Purchaser does not dispute a Purchaser Monthly Bill or if a Party does not dispute a PPA Supplementary Bill raised by the other Party within thirty (30) days of receiving it, such bill shall be deemed to be conclusive. Provided that in case any evidence from an outside source relating to any discrepancy in such bill comes to notice at a later date, the affected Party may dispute such bill within a period of thirty (30) days of disclosure of such evidence (a reasonable disclosure of such evidence shall be made to the other party).


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9.6.2 If the Purchaser disputes the amount payable under a Purchaser Monthly Bill or if a Party disputes a PPA Supplementary Bill as the case may be, that Party shall, within thirty (30) days of receiving such bill, issue a notice (the "Bill Dispute Notice") to the other Party setting out:

- i. the details of the disputed amount;
- ii. its estimate of what the correct amount should be; and
- iii. all written material in support of its claim.

9.6.3 Notwithstanding the Bill Dispute Notice issued pursuant to Clause 9.6.2, all amounts under the Purchaser Monthly Bill or Purchaser Supplementary Bill shall be paid by the Party, which has received such bill, by the due date, and the existence of a dispute relating to a bill shall not relieve either Party of its obligations under this Agreement, provided that such payments, shall be without prejudice to the other rights of such Party under this Agreement.

9.6.4 If the other Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Clause 9.6.2, the first Party, which issued the bill, shall revise such bill within fifteen (15) days of receiving such notice and the payment shall be made in accordance with Clause 9.3.

9.6.5 If the other Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Clause 9.6.2, such other Party shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice providing:

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

Upon receipt of such notice of disagreement to the Bill Dispute Notice, officials at the level of the head of the commercial function of each Party shall meet and make best endeavours to amicably resolve the dispute within seven (7) days of receiving such notice of disagreement to the Bill Dispute Notice, failing which one director of the board of directors/member of the board of each Party shall meet and make best endeavours to amicably resolve the dispute within a further seven (7) days period.

9.6.6 If the Parties do not amicably resolve the dispute within fourteen (14) days of receipt of notice of disagreement to the Bill Dispute Notice pursuant to

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Clause 9.6.4 the matter shall be dealt with in accordance with the procedure set out in Clause 13.

- 9.6.7 If a dispute regarding a Purchaser Monthly Bill or a PPA Supplementary Bill is settled pursuant to Clause 9.6.4 or 9.6.5, the other Party shall refund the amount incorrectly charged by it from the disputing Party within five (5) days of the dispute either being resolved pursuant to Clause 9.6.4 or 9.6.5 along with interest. Such interest shall accrue on a day-to-day basis for the period between the date of payment of the disputed bill and receipt of refund by the disputing Party at a rate equal to Payment Surcharge determined under HERC Tariff Regulations or as amended from time to time, calculated for each day of delay from the original due date.

9.7 Change in Law, Claim and Payment

- 9.7.1 Subject to Change in Law provisions in this Agreement, if a bill is required to be raised to claim associated payments, the procedure for claim and payment shall be as specified in Clause 11.

Payment on account of a Change in Law claim shall be made through Tariff Adjustment and, if required, until such Tariff Adjustment is calculated, by:

- i. issue of a PPA Supplementary Bill by the Party which claims the Change in Law; and
- ii. payment by the other Party against such PPA Supplementary Bill.

- 9.7.2 The Tariff Adjustment for Change in Law affecting the Tariff shall be determined in accordance with clause 11.2 of this Agreement.

9.8 Payment of PPA Supplementary Bill

- 9.8.1 Either Party may raise a bill on the other Party ("PPA Supplementary Bill") for payment on account of any of the following:

- i. adjustments required by the REA, excluding appropriate adjustment for any resulting excess Payment Rebate deducted on a previously higher billed amount,
- ii. Tariff Adjustments, pursuant to provisions of the PPA,
- iii. Change in Law and
- iv. Tax on Income.

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v. any other amounts due from the other Party in accordance with this Agreement and such bill shall be paid by the other Party.

Company may also raise a PPA Supplementary Bill for amounts payable, if any, by the Purchaser pursuant to Clause 9.3.5 that are not raised through a Purchaser Monthly Bill.

9.8.2 The payment of PPA supplementary bills pursuant to clause 9.8.1, bill payment shall be made by the Purchaser to the Company or vice versa by the due date after a PPA supplementary bill is received by the either party through e-mail (or if such day is not a business day, the immediately the succeeding business day) by which date such bill is payable by Purchaser or Company. For the purpose of determination of due date, the day 1 shall be the 'X'+1 day, where 'X' is the date of receipt of bill by the Purchaser/Company. The applicable rebate on the PPA supplementary bill shall in accordance with Clause 9.3.5 of the PPA.

9.9 Breakdown of the Grid and Payment

In accordance with the PPA, in the event that Despatched Power is not evacuated due to breakdown of the Grid beyond the Delivery Point. Purchaser shall not be required to make Tariff Payments to the Company for the period of such breakdown, if such period of breakdown lasts for not more than 384 hours on a cumulative basis in any Tariff Year except for June to September when the cumulative number of hours should not exceed 144 hours and payment in such an eventuality shall be paid only for the period of break down beyond 384 hrs and 144 hrs. Provided that no such payment shall be made if such an eventually arise on account of force majeure events mentioned in Chapter 10 of the PPA.

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10. FORCE MAJEURE

10.1 Definitions

In this Clause 10, the following terms shall have the following meanings:

10.1.1 "Affected Party" means Company or the Purchaser whose performance has been adversely affected by an event of Force Majeure.

10.2 Force Majeure means any event or circumstance or combination of events and circumstances including those stated below that wholly or partly prevents or unavoidably delays an Affected Party in the performance of its obligations under this Agreement, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly, of the Affected Party and could not have been avoided if the Affected Party had taken reasonable care or complied with Prudent Utility Practices :

- i. any act of God, including lightning, drought, fire, explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, thunderstorm or exceptionally heavy rains, or
- ii. any explosion, accident, breakage of facilities, plant or equipment, structural collapse or a chemical contamination caused by a person not being the Affected Party (or an Affiliate, contractor or any other person acting under the direction or control of such Affected Party) and not being due to inherent defects in the Project or the Transmission Facilities, or
- iii. any epidemic, plague or quarantine, or
- iv. meteorite crash, air crash, objects falling from aircraft, or other flying devices or vehicles, pressure waves caused by aircraft or aerial devices travelling at supersonic speed, shipwreck, train wrecks, or
- v. any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo (including, causing unavailability or shortage of fuel or materials), revolution, riot, insurrection, civil commotion, religious strife, communal violence, act of terrorism, extremist action or politically motivated sabotage or abduction, or
- vi. Radioactive contamination or ionizing radiation. or


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- vii. Strikes, sabotage, go-slows or similar industrial disputes at the Project or at the plant manufacturer works, or the Grid excluding such events which are site specific and/or attributable to Company, or
- viii. Expropriation, requisition, confiscation, nationalization, export or import restrictions, requirements, action or omissions to act on the part of any Government Instrumentality or any person controlled by a Government Instrumentality, provided such adverse action or inaction did not result from the non-compliance of any applicable Law by the Affected Party; or
- ix. archaeological findings or adverse geological conditions that were not reasonably foreseeable; or
- x. any act of Government Instrumentality

10.3 Non-Force Majeure Events

None of the following conditions shall constitute an event of Force Majeure, unless the existence of such condition is the result of an event of Force Majeure:

- i. late delivery of plant, machinery, equipment, material spare parts, or
- ii. a delay in the performance of any contractor,
- iii. Economic hardship or financial inability.
- iv. The Company has agreed that any expenditure to be incurred by the generator in any future contingency due to geological surprises, earth quake, flood, landslides etc. shall be in the generator account and shall not be passed on to the Purchaser.

10.4 Notification of Force Majeure Event

10.4.1 The Affected Party shall give notice to the other Party of any event of Force Majeure as soon as reasonably practicable, but not later than seven (7) days after the date on which such Affected Party knew or should reasonably have known of the commencement of the event of Force Majeure. If an event of Force Majeure results in a breakdown of communications rendering it not reasonably possible to give notice within the applicable time limit specified herein, then the Party claiming Force Majeure shall give such notice as soon as reasonably possible after reinstatement of communications, but not later than one (1) day after such reinstatement. Such notice shall include full particulars of the event of Force Majeure, its effects on the Party claiming relief and the remedial

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measures proposed, and the Affected Party shall give the other Party regular reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the situation.

10.4.2 The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of Force Majeure; and (ii) the cessation of the effects of such event of Force Majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.

The quantification/adjudication of event of Force Majeure shall be done by Commission.

10.5 Duty to perform and duty to mitigate

To the extent not prevented by a Force Majeure event pursuant to Clause 10.2, the Affected Party shall continue to perform its obligations pursuant to this Agreement. The Affected Party shall use its reasonable efforts to mitigate the effect of any event of Force Majeure as soon as practicable.

If the Purchaser is the Affected Party and is unable to ensure off take of Purchaser Billable Power and Purchaser Billable Energy, the Company shall be entitled to sell such Purchaser Billable Power and Purchaser Billable Energy to a third party until such time that the Purchaser has issued a prior notice in the manner set out below, confirming the cessation of the event of Force Majeure.

Duration of Force Majeure	Period of notice
Upto 2 days	Nil
3 to 10 days	2 days
11 to 30 days	5 days
More than 30 days	10 days

No liability shall accrue on either Party during such notice period. On (or prior to if agreed to by the Parties) the expiry of the above notice period, the Parties shall recommence their obligations pursuant to this Agreement.


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10.6 Failure or delay caused by Force Majeure

Neither Party shall be liable for any failure or delay in complying with its obligations pursuant to this Agreement to the extent that such failure or delay has been caused by or contributed to by one or more events of Force Majeure or their effects or by any combination thereof, subject to Clauses 14.1, 14.2 or 14.3, as applicable. The period allowed for the performance by the Affected Party of its obligations hereunder shall be extended by one (1) day for each day of continuation of an event or events of Force Majeure.

Provided that such extension may be for such additional duration as may be required to compensate for any delay or failure resulting from the time spent on demobilization and remobilization of personnel and restoration of the Unit or Project or the restoration of the Grid after cessation of an event or events of Force Majeure, to the pre-delay condition, assuming diligent compliance by such Party.

10.7 Extended Force Majeure

The continuance of an event of Force Majeure for a period of 12 consecutive months shall constitute Extended Force Majeure. In the event of Extended Force Majeure, either Party may terminate the Agreement pursuant to Clause 14.3.

10.8 Prior obligations not affected

Upon the occurrence of an event of Force Majeure, neither Party shall be relieved of its liabilities, under this Agreement that may have accrued till the date of commencement of Force Majeure event.

10.9 Consequences of Payment during Force Majeure Event

Except for any Force Majeure arising out of 'act of God' as set out in Clause 10.2(i) of the PPA affecting the Project or tie line (if any) or both, Company shall be entitled to only extension in the time period for performing/ rendering the required services without any financial liabilities on this account to the Purchaser. This would further be subject to the provision of clause 9.1.5.

10.10 Impact of any Force Majeure condition, of any kind, or any other risk impacting the cost of generation, directly or indirectly as well as delay in Commissioning of the project due to any unforeseen reasons covered under force majeure will not affect the levelized ceiling tariff. Extra cost incurred on

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this account upto levelized ceiling tariff shall be borne by the Purchaser to the extent approved by the Commission.


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11 CHANGE IN LAW

11.1 A Change in Law pursuant to this Clause means occurrence of the following events:

- a) enactment, bringing into effect or promulgation of any new Indian law; or
- b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or
- c) change in interpretation or application of any Indian law by a competent court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or
- d) change by any competent statutory authority in any condition or covenant of any consent or clearances or approval or licence available or obtained for the project; or
- e) coming into force or change in any bilateral or multilateral agreement or treaty between the Government of India and any other Sovereign Government having implication for the generating station or the transmission system regulated under these regulations.

11.2 Tariff Adjustment for Change in Law.

11.2.1 The Parties acknowledge and agree that if a Change in Law results in the Company costs or revenue directly attributable to the Project being decreased or increased, the Tariff Payment payable by Purchaser to the Company shall be adjusted accordingly after the approval of the Commission subject to the provisions of Clause 9.1.2.

11.2.2 In the event of Change in Law, Company being obligated to issue such notice not later than six (6) months after the date of notification of such Change in Law.

11.2.2.1 Purchaser shall notify in writing its consent to or disagreement with such notice to Company within a period of fifteen (15) days of receipt of such notice from Company. If the Purchaser does not respond within such fifteen (15) day period then the Purchaser shall have deemed to have agreed with such request for Change in Law Tariff adjustment.

11.2.2.2 The Purchaser may also issue a notice to Company for claiming a Change in Law under this Clause after it becomes aware of such

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Change in Law event, but not later than six (6) months after the date of notification of such Change in Law. In the event the Change in Law notice is issued by the Purchaser to Company, Company shall notify in writing its consent to or disagreement with such notice to the Purchaser within a period of forty-five (45) days of receipt of such notice after duly consulting and receiving a written consent or disagreement from Company and in accordance with the same.

11.2.2.3 A Change in Law notice issued by any Party must, inter alia, contain:

- i. precise details of the applicable Change in Law;
- ii. the estimated impact of such applicable Change in Law;
- iii. the estimated Tariff Adjustment; and
- iv. all documents and calculations in support of Change in law claim.

11.3 PPA Supplementary Bills relating to Change in Law

In the event of increase in Tariff Payments resulting from a Change in Law, after the approval from the Commission if required Company may raise a Supplementary Bill on the Purchaser through a PPA Supplementary Bill and the Purchaser shall pay in accordance with Clause 9.8. In the event of decrease in Tariff Payments resulting from a Change in Law, the Purchaser will be entitled to claim such decrease in tariff Payment through a PPA Supplementary Bill and Company shall pay to the Purchaser by the due date. Company shall make payment of such PPA Supplementary Bill to the Purchaser's designated bank account and notify the Purchaser of such payment in accordance with Clause 9.8.2.

The payment of PPA supplementary bill relating to change in law shall be paid by the Purchaser/Company on due date.

11.3.1 Company shall provide the Purchaser with a copy of the certificate, stating that the adjustment in the Tariff Payment is directly as a result of the Change in Law and supporting documents to substantiate the same.

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11.4 Dispute relating to Change in Law Notice

In the event of any difference or dispute arising out of a Change in Law claim, such difference or dispute shall be resolved between Company and the Purchaser in accordance with Clause 13.


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12 LIABILITY AND INDEMNIFICATION

12.1 Indemnity

12.1.1 The Purchaser shall Indemnify, defend and hold Company harmless against:

- a) any and all third party claims, actions, suits or proceedings for any loss or damage and expense of whatever kind and nature arising out of the construction, operation and maintenance of the drawl point and the Grid or arising out of a breach by the Purchaser of its obligations under this Agreement except to the extent that any such claim has arisen due to a negligent act or omission, breach of contract or breach of statutory duty on the part of Company or its contractors, servants or agents or its employees; and
- b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest suffered or incurred by Company by reason of a breach by the Purchaser of any of its obligations under this Agreement. Provided that this Clause shall not apply to such breaches by the Purchaser, for which specific remedies have been provided for under this Agreement except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of Company or its contractors, servants or agents or its employees, the above losses together, shall constitute "Indemnifiable Losses".

12.1.2 Company shall indemnify, defend and hold the Purchaser harmless against:

- a) any and all third party claims, actions, suits or proceedings for any loss or damage to property of such third party, or death or injury to such third party, arising out of a breach by Company of its obligations under this Agreement except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the Purchaser, its contractors, servants or agents; and
- b) any and all losses, damages, costs and expenses including legal cost, fines, penalties and interest suffered or incurred by the Purchaser by


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reason of a breach by Company of any of its obligations under this Agreement. Provided that this Clause shall not apply to such breaches by Company, for which specific remedies have been provided for under this Agreement, except to the extent that any such claim, action, suit or proceeding has arisen due to a negligent act or omission, breach of this Agreement or breach of statutory duty on the part of the Purchaser, its contractors, servants or agents, the above losses together shall constitute "Indemnifiable Losses".

12.2 Limitation of liability

A Party ("Indemnifying Party") shall not be liable to indemnify the other Party ("Indemnified Party") under this Clause for any indemnity claims made in a Tariff Year until the aggregate of all indemnity claims of the Indemnified Party in a given Tariff Year exceeds Rupees ten (10) lakhs.

Provided that the liability of the Indemnifying Party to indemnify, the Indemnified Party in relation to the aggregate of all such indemnity claims in a given Tariff Year shall not exceed five percent (5%) of the average annual Tariff Payment upto the Tariff Year in which such claim is made.

12.3 Procedure for claiming Indemnity

12.3.1 Third party claims

- a) Where the Indemnified Party is entitled to indemnification from the Indemnifying Party pursuant to Clause 12.1.1(a) or 12.1.2(a), the Indemnified Party shall promptly notify the Indemnifying Party of such claim, proceeding, action or suit referred to in Clause 12.1.1(a) or 12.1.2(a) in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the Indemnified Party becomes aware of such claim, proceeding, action or suit. The Indemnifying Party shall be liable to settle the indemnification claim within 30 days of receipt of the above notice.

Provided however that, if:

- i. the Parties choose to contest, defend or litigate such claim, action, suit or proceedings in accordance with paragraph (b) below; and
- ii. the claim amount is not required to be paid/deposited to such third party pending the resolution of the dispute.


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Hence Indemnifying Party shall become liable to pay the claim amount to the Indemnified Party or to the third party, as the case may be, promptly following the resolution of the dispute, if such dispute is not settled in favour of the Indemnified Party.

- b) The Indemnified Party may contest, defend and litigate a claim, action, suit or proceeding for which it is entitled to be indemnified under Clause 12.1.1(a) or 12.1.2(a)

12.4 Limitation on Liability

Except as expressly provided in Clause 14.6.1 and Clause 14.6.2 and/or elsewhere in this Agreement, neither the Purchaser nor Company or their respective officers, directors, agents, employees or Affiliates (or their officers, directors, agents or employees), shall be liable or responsible to the other Party or its Affiliates, officers, directors, agents, employees, successors or assigns (or their respective insurers) for incidental, indirect or consequential damages or losses connected with or resulting from performance or non-performance of this Agreement, or anything done in connection herewith whether or not such damages or losses are subject to indemnity obligations under Clauses 12.1.1 and 12.1.2


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13 GOVERNING LAW AND DISPUTE RESOLUTION

13.1 Governing Law

This Agreement shall be governed by the Laws of India. The Commission shall have exclusive jurisdiction in all matters arising out of or in connection with this Agreement. All the matters shall be adjudicated by the Commission. Appeal against the decision of Commission shall be made as per the provisions of the Electricity Act' 2003, as amended from time to time.

13.2 Amicable Settlement

13.2.1 Either Party is entitled to raise any matter, dispute or difference of whatever nature arising, out of or in connection with this Agreement including its execution or validity (collectively "Dispute") by giving a written notice to the other Party, which shall contain:

- i. a description of the dispute;
- ii. the grounds for such dispute; and
- iii. all written material in support of its claim.

13.2.2 The other Party shall, within thirty (30) days of issue of the notice issued under Clause 13.2.1, furnish:

- i. the reasons for its disagreement;
- ii. its counter-claim regarding the dispute; and
- iii. all written material in support of its defence and counter claim.

13.2.3 Within thirty (30) days of issue of the counter-claim of the other Party pursuant to Clause 13.2.2, both the Parties shall meet and settle such dispute amicably within thirty (30) days of such meeting, failing which the dispute shall be referred to Arbitration in accordance with Clause 13.3.

13.3 Arbitration

13.3.1 Subject to Clause 13.1 & 13.3.2, all disputes between the Parties arising out of or in connection with this Agreement shall be settled through Arbitration as provided hereunder.

13.3.2 In the event of failure to reach an amicable settlement pursuant to Clause 13.2.3,

- a) Where any Dispute does not form the subject matter of Clause 13.1 then such Dispute shall be submitted to arbitration in accordance with

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the Arbitration and Conciliation Act, 1996 as amended from time to time at the request of either Party upon written notice to that effect to the other Party and be finally determined by Arbitration. The rights and obligations of the parties shall remain effective during the Arbitration proceedings;

- b) any dispute referred to Arbitration by Commission shall be considered by three arbitrators (the "Arbitrators"), two of whom shall be nominated, one by Company and one by the Purchaser. If within 30 days of receipt of a Party's notification of appointment of an arbitrator, the other Party has not notified the first Party of the arbitrator it has appointed, the first Party may apply for the appointment of the second arbitrator in accordance with the Arbitration Act. The third arbitrator will be nominated by the two existing arbitrators, or failing such nomination within 30 days of appointment of the second arbitrator, shall be appointed in accordance with the Arbitration Act and Conciliation Act 1996 as amended from time to time;

- c) the Arbitration shall take place in Panchkula and

The language to be used in the Arbitration shall be the English language exclusively.

13.4 Finality and Enforcement of Award

The award of the Arbitrator shall be final and binding on both the Parties and shall be effective from:

- i. the date such award is made or
- ii. the date, if any, specified as the effective date for such award by the Arbitrator.

13.5 Parties to Perform Obligations

Notwithstanding the existence of any dispute and difference referred to Arbitration, the Parties hereto shall continue to perform their respective obligations under this Agreement. This, however, shall not apply in the event of either Party terminating this Agreement in accordance with Clause

14.

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13.6 Costs of Arbitration

The Parties shall share equally all the costs and fees payable to the Arbitrators unless decided otherwise pursuant to the award of such an Arbitration.

13.7 Disputes under the PPA

Company shall provide the Purchaser with a copy of all notices relating to any disputes raised by the Purchaser under the PPA.


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14 EVENTS OF DEFAULT AND TERMINATION

14.1 Company Event of Default

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by the Purchaser of its obligations under this Agreement, shall constitute a Company Event of Default and the Purchaser may terminate this Agreement pursuant to this Clause and the consequences of such termination shall be pursuant to Clause 14.6.1:

- i. the dissolution of Company, pursuant to Law, except for the purpose of a merger, consolidation, reorganization where the entity resulting from such merger, consolidation or reorganization expressly assumes all obligations of Company under this Agreement and is not prevented from performing them, or
- ii. Company becoming voluntarily or involuntarily the subject of proceedings under any bankruptcy or insolvency law or other law or procedure for the relief of financially distressed debtors, or takes or suffers any action for its liquidation, or has a receiver or liquidator appointed for all of its assets, pursuant to law, or
- iii. the transfer of rights & obligations of Company, pursuant to this Agreement, except where such transfer:
 - a) does not affect the ability of the transferee to perform its obligations under this Agreement; and
 - b) such transferee expressly assumes obligations of Company under this Agreement, and
 - c) the resulting entity, or transferee has the financial standing to perform the payment obligations under this Agreement and credit worthiness which is similar to Company.
- iv. Company is in material breach of this Agreement, or
- v. Company repudiates this Agreement.
- vi. Company assigns the agreement in violation of clause of 15.6 of the agreement.

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14.2 Purchaser Event of Default

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by Company of its obligations under this Agreement, shall constitute a Purchaser Event of Default and Company may terminate this Agreement pursuant to this Section and the consequences of such termination shall be pursuant to Clause 14.6.2:

- i. the Purchaser fails to pay any portion of a Purchaser Monthly Bill or PPA Supplementary Bill for a period of thirty (30) days after the relevant due date, or fails to ensure the issue, maintenance, replenishment, renewal or restoration of the Purchaser Letter of Credit to the required amount pursuant to Clause 9 for a period of seven (7) days;
- ii. the Purchaser fails to ensure the continued and timely effectiveness of the Payment Security Mechanism pursuant to Clause 9.5 of this Agreement throughout the Term of Agreement, or
- iii. the transfer of the rights, obligations, substantial assets-or undertakings of the Purchaser under this Agreement, pursuant to Law, except where:
 - a) such transfer does not affect the ability of the transferee to perform its obligations under this Agreement; and
 - b) such transferee expressly assumes the obligations of the Purchaser under this Agreement; and
 - c) the resulting entity, or transferee has the financial standing to perform the payment obligations under this Agreement and credit worthiness which is similar to Purchaser, or
- iv. the Purchaser assigns its assets or rights in violation of Clause 15 of this Agreement, or
- v. the dissolution of the Purchaser, pursuant to Law, except for the purpose of merger, consolidation or reorganization, where the entity resulting from such merger, consolidation or reorganization has the financial standing to perform its obligations under this Agreement and creditworthiness analogous to the Purchaser and such entity expressly assumes the obligations of the Purchaser under this Agreement and

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where such dissolution does not affect the payment security mechanism under this Agreement, or

- vi. the Purchaser becoming voluntarily or involuntarily the subject of proceedings under any bankruptcy or insolvency law or other law or procedure for the relief of financially distressed debtors, or takes or suffers any action for its liquidation, or has a receiver or liquidator appointed for all of its assets, pursuant to law, or
- vii. the Purchaser is in material breach of this Agreement, or
- viii. the Purchaser repudiates this Agreement, or
- ix. Non-off-take of the Purchaser Billable Power and the Purchaser Billable Energy for a period of three (3) consecutive Months during the Operation Period.

14.3 Extended Force Majeure

The occurrence of an event of Force Majeure and its continuance for a period of 12 months shall constitute "Extended Force Majeure" and either Party shall have the right to terminate this Agreement in such instance by delivering a seven (7) day written notice of termination to the other Party; and this Agreement shall stand terminated at the end of such seven (7) day period provided that the Force Majeure condition is still operative at such time. Neither Party shall have any liability to the other Party as a result of termination of this Agreement pursuant to this Clause.

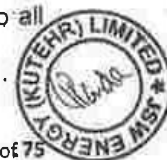
14.4 Termination Procedure for Company Event of Default

14.4.1 Upon the occurrence and continuation of a Company Event of Default, the Purchaser has the right to deliver to Company a Purchaser Preliminary Termination Notice, which shall specify in reasonable detail the circumstances giving rise to the issue of such Preliminary Termination Notice.

14.4.2 Following the issue of a Purchaser Preliminary Termination Notice pursuant to Clause 14.4.1, the Parties shall consult with each other for a period of sixty (60) days or such longer period the Parties may agree ("Consultation Period"), to determine the steps to be taken to:

- i. mitigate the consequence of the relevant event having regard to all the circumstances; and
- ii. Prevent termination of this Agreement.


HPPC, PANCHKULA



14.4.3 During the Consultation Period, the Party in default shall save as otherwise provided in this Agreement, continue to perform its obligations under this Agreement.

Within a period of five (5) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed or the Company Event of Default leading to the Consultation Period have been remedied, the Purchaser may terminate this Agreement by delivering a Purchaser Termination Notice whereupon this Agreement shall terminate on the date of such notice.

14.5 Termination Procedure for Purchaser Event of Default

14.5.1 Upon the occurrence and continuation of any Purchaser Event of Default, Company shall have the right to deliver to the Purchaser a Company Preliminary Termination Notice, which shall specify in reasonable detail the circumstances giving rise to the issue of such Preliminary Termination Notice.

14.5.2 Following the issue of a Company Preliminary Termination Notice pursuant to Clause 14.5.1, the Parties shall consult with each other for a period of sixty (60) days or such longer period as the Parties may agree to determine the steps to be taken to:

- i. mitigate the consequence of the relevant event having regard to all the circumstances; and
- ii. prevent termination of this Agreement.

14.5.3 Following the delivery of a Preliminary Termination Notice by Company pursuant to Clause 14.5.1 and for as long as the Purchaser Event of Default continues. Company shall have the right, but not the obligation, to enter into Agreements, to sell during the Consultation Period, any such portion of the Power Output and Energy Output from the Project not evacuated by the Purchaser (during the period when Purchaser Event of Default continues and a further reasonable period within which Company may terminate its sale arrangements with any such third parties) to any third party to the extent permitted by Law on the best terms reasonably available over the period of sale (having regard to the Tariff) and subject to technical feasibility.

14.5.4 During the Consultation Period, the Party in default shall, save as otherwise provided in this Agreement, continue to perform its obligations under this Agreement.


CHIEF ENGINEER
HPPC, PANCHKULA



14.5.5 Within a period of five (5) days following the expiry of the Consultation Period specified in Clause 14.5.2 and unless the Parties shall have otherwise agreed or the Purchaser Event of Default leading to the Consultation Period shall have been remedied, Company may terminate this Agreement by delivering a Company Termination Notice, whereupon this Agreement shall terminate on the date of such notice.

14.6 Consequences of Termination

14.6.1 Consequence of Termination for Company Event of Default

14.6.1.1 Where this Agreement is terminated by the Purchaser pursuant to Clause 14.4 for a Company Event of Default, Company shall be liable to pay to the Purchaser as termination compensation, an amount equal to one year of PPA tariff.

14.6.1.2 Such amount as per Clause 14.6.1.1 shall be paid within thirty (30) days of the date of termination of this Agreement.

14.6.2 Consequence of Termination for Purchaser Event of Default

14.6.2.1 Where this Agreement is terminated by Company pursuant to Clause 14.5 for, a Purchaser Event of Default, the Purchaser shall pay as termination compensation to Company an amount equal to one year of PPA tariff. However, in case any compensation pursuant to CERC Interstate Transmission Regulations for relinquishment of transmission access from the Delivery Point is payable by Company, then such compensation amount needs to be reimbursed by the Purchaser.

14.6.2.2 Such amount as per Clause 14.6.2.1 shall be paid within thirty (30) days of the date of termination of this Agreement.

14.6.2.3 Consequence to Termination due to Extended Force Majeure by either Party pursuant to Clause 14.3 neither Party shall have any further liability from the date of such termination.


CHIEF ENGINEER
APPC, PANCHKULA



15 MISCELLANEOUS PROVISIONS

15.1 Amendment

This Agreement may only be amended or supplemented by a written Agreement between the Parties and such amendments to this Agreement (to be updated from time to time).

15.2 Third Party Beneficiaries

This Agreement is solely for the benefit of the Parties and their respective successors and permitted assigns and shall not be construed as creating any duty, standard of care or any liability towards any third person.

15.3 No Waiver

A waiver by a Party shall be in writing and executed by an authorized representative of that Party. Neither the failure by one Party to insist on any occasion upon the performance of the terms, conditions, and provisions of this Agreement nor time or other indulgence granted by one Party to the other shall act as a waiver of such breach or acceptance of any variation or the relinquishment of any such right or any other right under this Agreement which shall remain in full force and effect.

15.4 Language

The language of this Agreement and all written communication between the Parties relating to this Agreement shall be in English, unless otherwise agreed

15.5 Entirety

This Agreement constitutes the entire Agreement between the Parties as to its subject matter and supersedes any prior understanding or Agreement reached between the Parties, including any memorandum of understanding between the Purchaser and Company in connection with the Project.

15.6 Assignment

15.6.1 This Agreement shall not be assigned by either Party other than by mutual Agreement between the Parties in writing.

15.6.2 Notwithstanding Clause 15.6.1, Company may assign its right and transfer its obligations under this Agreement to Its lenders or/and Affiliate by notifying, in writing, the Purchaser.

Provided that, in case of an assignment to Affiliates:


JCF ENGINEER
BANGALORE, PANCHKULA



- i. an entity shall qualify as an "Affiliate" of Company if it, directly or indirectly, controls, is controlled by or is under common control with Company; the term "control" means ownership of more than fifty percent (50%) of the equity share capital or voting rights of Company or the power to appoint a majority of the board of directors of a Company;
- ii. such Affiliate has the ability to perform all obligations of Company under this Agreement and such affiliate has the financial standing to perform its obligations under this Agreement and creditworthiness similar to that of Company and such assignment does not affect the ability of such Affiliate to perform all obligations of Company under this Agreement; and
- iii. Such Affiliate expressly assumes such obligations of Company under this Agreement.

15.6.3 Notwithstanding Clause 15.6.1, the Purchaser may assign its rights and transfer its obligations under this Agreement to any entity that is formed as a result of a merger, consolidation or reorganization of the Purchaser and provided that such resulting entity expressly assumes all obligations of the Purchaser under this Agreement and is in a position to perform them.

15.6.4 If the Purchaser or any part of the business of the Purchaser is corporatized/privatized (or spun-off in any other manner whatsoever to another entity), then the Purchaser shall during such process (and in any event prior to completion of any such unbundling process but after formation of corporate entities with requisite powers to enter into contracts), enter into legally binding contractual obligations with such entity(s) to cause continued performance of Purchaser's obligations under this Agreement (which may be performed (or required to be performed) by such new entity), so as to ensure continued performance of Purchaser's obligation under this Agreement, at all times, without any additional costs or obligations on Company.


CHIEF ENGINEER
IIPPC, PANCHKULA



15.7 Confidentiality

15.7.1 Each Party shall remain maintain in strict confidence and protect the confidentiality of all documents and other information relating to this Agreement, whether technical or commercial, written or oral, supplied to it by or on behalf of the other Party (the "Confidential Information") and shall not disclose any such Confidential Information to any third party without the prior written consent of the other Party.

Provided that each Party shall be entitled to use such Confidential Information for all lawful purposes relating to the Project and fulfilment of its obligations under this Agreement.

15.7.2 Notwithstanding Clause 15.7.1, each Party may disclose Confidential Information to the extent that such Confidential Information:

- i. was lawfully in the public domain prior to its delivery to such Party or after such delivery if it becomes part of the public domain without breach of any confidentiality obligations or Law by the receiving Party under this Agreement, or
- ii. was obtained from a third party with no known duty to maintain its confidentiality, or
- iii. is required to be disclosed by applicable Law or judicial or administrative or arbitral process or by any Governmental Instrumentality, provided that for any such disclosure, the disclosing Party shall give the other Party prompt written notice, where possible, and use reasonable efforts to ensure that such disclosure is accorded confidential treatment and also to enable such other Party to seek a protective order or other appropriate remedy at such other Party's sole costs, or
- iv. is provided to professional advisors, agents, auditors or representatives of a Party as is reasonable under the circumstances, provided, that the Party receiving such Confidential Information shall require such persons to undertake in writing to keep such Confidential Information confidential and shall use its best efforts to ensure compliance with such undertaking.


CHIEF ENGINEER
HPPG, PANCHKULA



15.8 Affirmation

The Purchaser and Company shall affirm that:

- i. neither it nor its respective directors, employees, or agents has paid or undertaken to pay or shall in the future pay any unlawful Commission, bribe, pay-off or kick-back; and
- ii. it has not in any other manner paid any sums, whether in Indian currency or foreign currency and whether in India or abroad to the other Party, to procure this Agreement, and the Purchaser and Company hereby undertake not to engage in any similar acts during the term of this Agreement.

15.9 Severability

The provisions of this Agreement are severable, and if any portion of this Agreement is deemed legally invalid or unenforceable, the remainder of this Agreement shall survive and remain in full force and effect: provided that, if a provision is held to be invalid or unenforceable, the Parties shall negotiate in good faith to have a alternative provision to carry out, in effect, the Parties' original intention to the extent permitted by applicable Laws.

15.10 No Partnership

None of the provisions of this Agreement shall constitute a partnership or agency or any such similar relationship between the Purchaser and Company.

15.11 Further Assurances

Each Party agrees that it shall do all such acts (including executing documents) as may be reasonably required to give effect to its obligations under this Agreement.

15.12 Survival

Notwithstanding anything to the contrary herein, the provisions under Clause 12 (liability and Indemnification), Clause 13 (Governing Law and Dispute Resolution), Clause 14 (Events of Default and Termination), and Clause 15 (Miscellaneous) shall continue and survive after expiry or termination of this Agreement subject to applicability of law of limitations.

15.13 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which collectively shall be deemed one and the same instrument.


CHIEF ENGINEER
PPC, PANCHKULA



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15.14 Notices

- 15.14.1 All notices to be given under this Agreement shall be in writing and in the English Language.
- 15.14.2 All notices must be delivered personally, by registered or certified mail, or electronic mail to the addresses below:

For the Purchaser:

Address: Haryana Power Purchase Centre, Shakti Bhawan, Sector, Panchkula - 134 109

Attention: Chief Engineer / HPPC

Electronic mail: cehppc@uhbvn.org.in

Telephone No.: (0172) 2583728

For Company:

Address: JSW Energy (Kutehr) Ltd.
Jsw Centre, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra- 400051

Attention: Abhay Yagnik- Head Business Development

Telephone No.: 9821207443

Electronic mail: abhay.yagnik@jsw.in

- 15.14.3 All notices shall be effective:
- if sent by electronic mail when sent (on receipt of confirmation of the correct number or address);
 - if sent by registered or certified mail within five (5) days, of dispatch; and
 - if delivered personally, on receipt by intended recipient.

Provided that all notices given by electronic mail shall be confirmed by registered or certified mail.

K
THE ENGINEER
HPPC, PANCHKULA



15.14.4 Each Party shall forthwith notify the other Party of any change in its address to which notices under this Agreement are to be delivered, mailed or electronically mailed.

15.15 Schedules

Schedules and other attachments hereto shall be treated as part of this Agreement.

IN WITNESS WHERE OF the Parties have executed these presents through their authorized representatives at Panchkula.


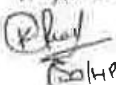
For and on behalf of the

For and on behalf of the


PURCHASER
CHIEF ENGINEER
HPPC, PANCHKULA



Witness:

1.  (ROHIT KUMAR)
AE/HPPC
2.  (Kamal Bui)
AE/HPPC


Jyotirmayash Pande
JSW (Kutehr) Energy Ltd

Witness:

1.  (TANUJ SHARMA)
DEPUTY MANAGER
JSW HYDRO ENERGY LTD.
- 2.



ANNEXURE – A**DESIGN ENERGY OUTPUT OF THE PROJECT**

In accordance with the provisions in this PPA, the Design output for the Project is as reproduced below:


CHIEF ENGINEER
RPPC, PANCHKULA



ANNEXURE – B
ESCROW AGREEMENT


CHIEF ENGINEER
HPPC, PANCHKULA



ANNEXURE – C**POWER WHEELING AGREEMENT**

To be submitted upon signing of a wheeling Agreement with Government of
Himachal Pradesh.


CHIEF ENGINEER
HPPC, PANCHKULA



ANNEXURE – D**COD INTIMATION LETTER**

To be submitted by the Company


CHIEF ENGINEER
HPPC, BANCHKULU



ANNEXURE – E

RESULTS OF INITIAL PERFORMANCE TEST

To be submitted by the Company.


CHIEF ENGINEER
HPPC, PANCHKULA





Energy (Kutehr) Limited

Regd Off: Village – Machetar
PO – Chanhota, Tehsil- Bharmour, District
Chamba, Himachal Pradesh, Pin- 176309
CIN No:U40101HP2013PLC000345
Tel & Fax: 91-1899- 220847
Website: www.jsw.in

TO WHOMSOEVER IT MAY CONCERN

AUTHORISATION

I, **Ms. Monica Chopra, Director of JSW Energy (Kutehr) Limited**, a Company having registered office at Village – Machetar, PO – Chanhota, Tehsil- Bharmour, District Chamba, Himachal Pradesh, Pin- 176309 hereby authorize Mr. Jyoti Prakash Panda and Mr. Abhay Yagnik, Authorised Persons to sign and execute on behalf of the Company, a Power Purchase Agreement (PPA) with Haryana Power Purchase Centre (HPPC) for purchase of Hydro Power from 240 MW Kutehr Hydro Electric Project being developed by JSW Energy (Kutehr) Limited and to sign all documents, perform actions and deeds in connection with the said PPA.

For JSW Energy (Kutehr) Limited

Monica Chopra
Director
DIN: 05341124



O.P. Jindal Group







Certificate No. POW2022E92

GRN No. 90638591



Stamp Duty Paid : ₹ 101

Penalty : ₹ 0

(Rs. Only)

(Rs. Zero Only)

Seller / First Party Detail

Name: J S W energy kutehr limited

H.No/Floor : Na

Sector/Ward : Na

LandMark : Na

City/Village : Machetar

District : Chamba

State : Himachal Pradesh

Phone: 86*****42

Annexure XIII

Buyer / Second Party Detail

Name : Haryana Power Purchase centre

H.No/Floor : Na

Sector/Ward : 6

LandMark : Second floor shakti bhawan

City/Village : Panchkula

District : Panchkula

State : Haryana

Phone : 86*****42



Purpose : SUPPLEMENTARY POWER PURCHASE AGREEMENT


The authenticity of this document can be verified by scanning this QR Code Through smart phone or on the website <https://egrashry.nic.in>**SUPPLEMENTARY POWER PURCHASE AGREEMENT**

This Supplementary Power Purchase Agreement to the Power Purchase Agreement ("First Amendment") is agreed and signed on 24th May 2022 ("Effective Date") between:

JSW Energy (Kutehr) Limited, a private limited company incorporated under the Companies Act, 1956, having registered office at Village: Machetar, PO: Chanhota, Tehsil: Bharmour Chamba, Himachal Pradesh, Pincode: 176309 (herein after referred to as "**JSWEKL**" or "**Company**", which expression shall, unless repugnant to the context or meaning thereof shall be deemed to include executors administrators, its successors and permitted assigns);

AND

Haryana Power Purchase Centre, a statutory body constituted by the government of Haryana vide notification dated 11.04.2008 as single buyer model for long term and short term power planning and procurement on behalf of distribution licensees of Haryana (i.e. UHBVN and DHBVN), having its head office at Shakti Bhawan, Panchkula, Haryana-134109 (hereinafter referred to as the "**Purchaser**", which expression shall, unless repugnant to the context or meaning thereof shall be deemed to include executors administrators, its successors and permitted assigns)


Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula



The Purchaser and the Company shall be hereinafter individually referred to as the "Party" and collectively as the "Parties".

Recitals


WHEREAS, the Parties have executed a Power Purchase Agreement dated 5th March 2022 for sale of power/ electricity by the Company to the Purchaser (hereinafter referred to as the "PPA").

WHEREAS, the Parties, pursuant to the directions issued by the Haryana Electricity Regulatory Commission vide memo bearing no. 5623 dated 29.03.2022, hereby amend certain terms and conditions of the PPA.

NOW, THEREFORE, the Parties agree as follows:

1. Amendment to the PPA

- 1.1. The defined terms "Escrow Account" and "Escrow Agent" shall stand deleted.
- 1.2. The defined term "HERC Tariff Regulations" shall stand redefined as under:
"Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 including its subsequent amendment/ re- enactment."
- 1.3. The defined term "Payment Security Mechanism" shall stand redefined as under:
"means a Purchaser Letter of Credit to be provided by the Purchaser as payment security to the Company, in accordance with Clause 9.5;"
- 1.4. Clause 3.1.1 (ii) shall stand deleted and be read as "NOT USED".
- 1.5. Clause 9.1.3 (ii) shall be amended and replaced as under:
"After the initial tariff for the project is determined by the Commission, Purchaser/ Company will pay the differential rate (i.e. Tariff determined/ approved by


 Chief Engineer
 Haryana Power Purchase Centre
 (A Joint Forum Of UHBVN & DHBVN)
 Panchkula



Commission over and above the Power Purchase Cost) for the power already supplied along with applicable interest.

The interest shall be paid by the Purchaser/ Company at a simple interest rate, worked out in accordance with the HERC MYT Regulations in vogue, for working capital borrowings."

1.6. Clause 9.1.4 (para 2) shall be amended and replaced as under:

"The Company agrees that any increase in IDC, pre- operative expenses or any other such expenses included in the capital cost vis-à-vis financial closure report of the lenders engineer, included in the capital cost incurred by the Company due to delay in COD for reasons solely attributable to the Company shall not be claimed by the Company as part of the capital cost in the tariff petition to be filed before the Commission."

1.7. Clause 9.5.1 (para 2) shall be amended and replaced as follows:


"The Purchaser Letter of Credit shall be opened and maintained till the Expiry Date. If the Purchaser fails to pay a Purchaser Monthly Bill or PPA Supplementary Bill 30 days beyond the due date, Company shall have to the right to call upon the Purchaser Letter of Credit, in accordance with Clause 9.5.6."

1.8. Clause 9.5.9 shall stand deleted and be read as "NOT USED".

1.9. Clause 9.5.10 shall be amended and replaced as follows:

"In the event Company is unable to fully receive amounts due to it (for reasons not directly attributable to Company) either by direct payment by the Purchaser or through the Purchaser Letter of Credit, the provisions of Clause 14.2 shall apply and such event shall be treated as a Purchaser Event of Default."


1.10. Annexure-B (Escrow Agreement) shall stand deleted and be read as "NOT USED".


Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula



2. Miscellaneous

- 2.1. This First Amendment sets out the mutual understanding between the Parties as stated above and the Parties agree that this First Amendment is legally binding on the Parties.
- 2.2. On and from the date hereof, any reference to the PPA shall include a reference to the PPA as amended vide this First Amendment, and the PPA and this First Amendment shall be read and construed as one document.
- 2.3. This First Amendment is entered into to supplement and modify the PPA. Except as specifically and expressly amended by this First Amendment Agreement, all other provisions of the PPA shall remain unchanged and in full force and effect and shall continue to remain applicable and binding on the Parties. In the event of any contradiction or inconsistency between the PPA and this First Amendment, the provisions of and understanding set out in this First Amendment shall prevail, to the extent of any inconsistency or contradiction.
- 2.4. Unless defined or amended hereunder, defined terms used herein shall have the meaning ascribed to them in the PPA.
- 2.5. No variation of this First Amendment shall be valid unless it is made by an instrument in writing and signed by duly authorized representatives of each of the Parties. The expression "variation" shall include any variation, amendment, supplement, deletion or replacement however effected.
- 2.6. This First Amendment shall be executed in one or more counterparts, each of which shall be deemed and original and all of which collectively shall be deemed one and the same instrument.
- 2.7. The provision of Clause 13 (Governing Law and Dispute Resolution) and 15 (Miscellaneous Provisions) of the PPA shall *mutatis mutandis* to this First Amendment.



Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula



IN WITNESS WHERE OF the Parties have executed these presents through their authorized representatives at Panchkula.

For and on behalf of the **Haryana**
Power Purchase Centre

For and on behalf of **JSW Energy**
(Kutehr) Limited


Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula






Witness:

1. 
Superintendent Engineer
HPPC, Panchkula

2. 
Assistant Engineer
H.P.P.C., Panchkula

Witness:

1. 
TANUJ SHARMA
DEPUTY MANAGER
JSW HYDRO ENERGY LTD

2.





278
Energy (Kutehr) Limited
Regd Off: Village - Machetar
PO - Chanhota, Tehsil- Bharmour, District
Chamba, Himachal Pradesh, Pin- 176309
CIN No: U40101HP2013PLC000340
Tel & Fax: 01-1660- 220547
Website: www.jsw.in

TO WHOMSOEVER IT MAY CONCERN

AUTHORISATION

I, Ms. Monica Chopra, Director of JSW Energy (Kutehr) Limited, a Company having registered office at Village - Machetar, PO - Chanhota, Tehsil- Bharmour, District Chamba, Himachal Pradesh, Pin- 176309 hereby authorize Mr. Jyoti Prakash Panda and Mr. Abhay Yagnik, Authorised Persons to sign and execute on behalf of the Company, a Power Purchase Agreement (PPA) with Haryana Power Purchase Centre (HPPC) for purchase of Hydro Power from 240 MW Kutehr Hydro Electric Project being developed by JSW Energy (Kutehr) Limited and to sign all documents, perform actions and deeds in connection with the said PPA.

For JSW Energy (Kutehr) Limited

Monica Chopra
Director
DIN: 05341124




O.P. Jindal Group

Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula






Chief Engineer
Haryana Power Purchase Centre
(A Joint Forum Of UHBVN & DHBVN)
Panchkula



280

Annexure XIV


JSW Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

JSWEKL/Kutehr HEP/DOE/16 /24 - 25/ 6621
18th June, 2024

The Director (Energy),
Directorate of Energy, GOHP,
MC Parking Building, 2nd Floor,
Near Tuttikandi Crossing
Shimla-171005
Himachal Pradesh

Sub: Kutehr HEP (240 MW)–Application for extension of Scheduled Commercial Operation Date (SCOD) of the project.

Ref: Your letter No. HPDOE/CE(Energy)/Kutehr (OTA)/2021-1883 dated 30.06.2021

Dear Sir,

It is being brought to your kind notice that, zero date for the start of the construction works of the Kutehr HEP was redefined as 29.10.2019 as per Second Supplementary Implementation Agreement dated 27.01.2021. Further, vide the subject referred letter the Scheduled Commercial Operation Date (SCOD) was fixed as 29.10.2024.

All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the project is under advanced stage of construction and the overall physical progress of 79.40% has been achieved up to 31.05.2024. The progress of 79.40 % in the challenging environment/condition at site and hindrances as described in the subsequent paras is achieved by infusion of resources, equipment's much more as compared to the standards in the hydro sector. The hindrances and delays due to the respective events are being submitted to your good office on monthly basis along with the progress status of the project.

It is to mention here that due to happening of various issues / events during construction which were not in control of the developer, because of which considerable time was lost and the details of which is as furnished below:

1. COVID-19 Pandemic: **Due to lockdown / Curfew** imposed by Government of India and Government of Himachal Pradesh because of COVID-19 Pandemic, all works were stopped from **23.03.2020**. During this time mobilization activities were in progress by the contractors and due to the lockdown, all activities were stopped. Some activities were restarted i.e., Approach Road to surge shaft bottom, adit to HRT works etc. w.e.f. **15.06.2020**. with available resources.
Total Hindrance: - 84 Days (23.03.2020 to 15.06.2020)
Affected Location: - Whole Project Site.
2. Collapse of Bridges: The whole supply chain and vehicle movement was at halt due to the collapse / damages of bridges. In the year 2021-22, **Dunda** bridge near

Page 1 of 3



Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in





Kharamukh got damaged and in the year 2023-24, two bridges i.e., one at Choli and another at Luna were collapsed because of which project works were delayed.

Dunda Bridge: - 22.05.21 to 01.06.21, Total Hindrance: - 11 Days

Affected Location: - Whole Project Site.

Luna Bridge: 03.02.23 to 22.02.23, Total Hindrance: - 21 Days

Affected Location: - Whole Project Site.

Choli Bridge: 02.02.23 to 15.03.23, Total Hindrance: - 42 Days

Affected Location: - Lot-1 works including Hydro Mechanical Works

3. **Landslide: - A massive landslide occurred at Kharamukh to Holi Road (1.80 Km from Kharamukh) and approach road to Adit-6 and to bottom of Surge Shaft (from RD 200 to 400) in the early hours on 17.04.2024. Due to this landslide about 150 meters of Kharamukh - Holi Road and 200 meters of approach road to bottom of Surge Shaft has been damaged and several tons of debris has closed the road.**

Hindrance: - Since 17.04.24 to till date & restoration work still going on.

Affected Location: - Whole Project Site.

4. **Natural Calamities (Rain & Snowfall): Regular landslides and blockade on NH 154 A and project roads due to heavy rainfall and snowfall due which project timelines were significantly affected as the vehicle movement and supply chain was totally hampered. As NH 154 A is the only road connectivity to the project site and during the heavy rainfall and snowfall, the road connectivity is disrupted due to landslides, sinking of road and frequent blockages.**

Since the start of the construction of Kutehr HEP, the road connectivity to the project site was disrupted several times in the year 2021, 2022, 2023 & 2024 and the supply chain got affected leading to delay in works due to non- availability of construction material, equipment, fuel etc.

Total Hindrance: - 24 Days (Different dates)

Affected Location: - Whole Project Site.

5. **High Flood: During every monsoon season barrage works are disrupted due to heavy rainfall and increased discharge in the river. In the year 2021 barrage works was disrupted for 14 days whereas the 19 days were lost due to flash floods (3 times) in the year 2022. In addition to above in the year 2023 the ongoing works of barrage was stopped for 3 months i.e., July, August & September due to high floods occurred on 08.07.2023. The intensity of the floods was so intense that the construction equipment's and material was washed away due to this flood and the whole barrage area was covered by debris.**

During the monsoon season in 2023, due to heavy rainfall, NH 154A and project road especially approach road to Barrage near Adit to Desanding Chambers, approach road to Adit -6 and bottom of Surge Shaft and approach road to Power House were severely damaged thereby affecting the progress of Project works.





Affected location & Hindrance: -:

Whole Project Site. (24 days)- 08.07.23 to 31.07.23

Barrage Site (124 Days)- 14 days in 2021, 19 days in 2022 & (91 days) 08.07.23 to 06.10.23

Adit-6 and Surge Shaft works (72 days)- 08.07.23 to 17.09.23

6. Cloud Bursts: 2 No's of Cloud bursts at Sanah Nala in the month of July 2023 at Adit-3 washed away the construction equipment's of contractor and damaged approach road to Adit-3 due to which Head Race Tunnel works were delayed at Adit-3.

Total Hindrance: - 29 Days

Affected Location: - HRT Face 5 & 6

7. **Local & Socio-political / Law and Order issue:** The project works suffered from the start of the project due to local & Socio-political /Law and Order issues by 121 days.

Total Hindrance: - 121 Days

Affected Location: - Different -Different locations in Project Site.

8. **Project Equipment's Shifting:** - Shifting of project heavy equipment's such as transformers, turbine parts, hydro mechanical parts are delayed by 81 days due to damaged condition of NH 154A.

Hindrance: - 81 days, Project Works delayed.

The details of time lost due to above issues /events is enclosed herewith as Annexure -1 and correspondences exchanged in this regard enclosed as Annexure - 2 for your kind reference and consideration, please.

In light of above force majeure conditions and reasons beyond the control of the developer, it is requested to kindly consider extension of Scheduled Commercial Operation Date (SCOD) of Kutehr HEP by 710 days.

We will be glad to provide any further information / clarification in this regard.

Thanking you,

Yours faithfully,

For JSW Energy (Kutehr) Ltd.

[MY Eswarappa]

Authorized Signatory

Encl: As above.



JSW Energy (Kutehr) Limited
Kutehr Hydro Electric Project (240 MW)
Details of Time Lost due to various events / issues

Sr. No.	Nature of Issue	Delayed period due to issues / events	Remarks	Time Period	
				From	Upto
1	Due to lockdown / Curfew imposed by Government of India and Government of Himachal Pradesh because of COVID -19 pandemic, all works were stopped from 23.03.2020, and restarted some activities with the resources available at site w.e.f. 15.06.2020	84	Whole project work delayed	23.03.2020	15.06.2020
2	Stoppage of works due to order issued by Labour Department vide letter no. LO/CZ/PO/JSW- Kutehr/2021(1) dated 23.01.2021	14	Whole project work delayed	23.01.2021	06.02.2021
3	Natural Disasters (Rain, Snow Fall & Landslides)	24	Whole project work delayed		
4	Due to Local and Socio-Political issues	121	Different- different project location work delayed		
5	Due to collapse of Dunda Bridge	11	Whole project work delayed	22.05.2021	01.06.2021
6	Due to collapse of Luma Bridge	21	Whole project work delayed	03.02.2023	22.02.2023
7	Due to collapse of Choli Bridge	42	Lot-1 works (Barrage, Sedimentation Chambers, 7500 M HRT) of the project including Hyvdro Mechanical delayed	02.02.2023	15.03.2023
8	Natural disaster (heavy rainfall, high flood ,NH 154A damaged (08.07.2023 to 31.07.2023)	24	Whole project work delayed	08.07.2023	31.07.2023
9	Cloud bursts at Sanah Nala	29	HRT Face-5&6 works delayed -Due to cloud burst	25.07.2023	23.08.2023
10	Natural disaster (heavy rainfall, high flood at Barrage site in 2021, 2022, & 2023)	124	Barrage works delayed	08.07.2023	06.10.2023
11	Natural disaster (Landslides at Kharamukh Holi road (17.04.2024 to 18.06.2024)(Restoration work is still going on)	63	Whole project work delayed	17.04.2024	18.06.2024
12	Natural disaster - Landslide due to heavy rainfall damaged the approach road to Adit -6 and bottom of Surge Shaft	72	HRT Face-11 & 12, Surge Shaft, Pressure Shaft works delayed -Approach road damaged due to heavy rainfall	08.07.2023	17.09.2023
13	Project equipments shifting delay due to damaged condition of NH 154A	81	Power House Complex works delayed.		
	Total number of days	710			

aditya



JSW Energy (Kutehr) Limited
Kutehr Hydro Electric Project (240 MW)

Details of Correspondences regarding Time Lost due to Various Issues / Events

Sl. No.	Nature of Issue / Event/ Subject	JSWEKL Letter no. & Date	Addressed to	Copy Circulated to	Reference
1	Stoppage of works by Local Persons and Law & Order issue	JSWEKL/Kutehr HEP/HR & Admin/2021/4694 dated 06.09.2021 17.10.2020	The Deputy Commissioner, District Chamba, Himachal Pradesh	1. Principal Secretary to Hon'ble Chief Minister, Government of Himachal Pradesh, 2. Director General of Police, Himachal Pradesh, Shimla, 3. Chief Engineer (Energy), Directorate of Energy, GOHP, 4. Superintendent of Police, District Chamba	Appendix - 1
2	Physical possession of Private Land measuring 17*18.00 Bighas acquired through Acquisition	JSWEKL/Kutehr HEP/HR & Admin/2021/4694 dated 06.09.2021	The Sub Divisional Magistrate, Bharmour, District Chamba, Himachal Pradesh	1. The Additional Magistrate, Bharmour, Himachal Pradesh, 2. The SDO, Bharmour	Appendix - 2
3	Collapse of Lura and Choli Bridges and their restoration	JSWEKL/Kutehr HEP/DOE/IA/22-23/6196 dated 30.03.2023	The Director, Directorate of Energy, GOHP		Appendix - 3
4	Damages to Road from Chamba to Holi due to heavy rains	JSWEKL/Kutehr HEP/DOE/IA/23-24/6331 dated 29.07.2023	The Director, Directorate of Energy, GOHP		Appendix - 4
5	Damages to Approach Road to Adit-3 due to cloud burst in Sanah Nala 25.07.2023 & 27.07.2023	JSWEKL/Kutehr HEP/DOE/IA/23-24/6332 dated 31.07.2023	The Director, Directorate of Energy, GOHP		Appendix - 5
6	Regarding forcibly stoppage of work of Power House Site by Mr. Ram Thakur and others	JSWEKL/Kutehr HEP/HR & Admin/2024/6489 dated 24.01.2024	The Deputy Commissioner, District Chamba, Himachal Pradesh	1. The Director, Directorate of Energy, GOHP, 2. Superintendent of Police, District Chamba, 3. The Addl. Deputy Commissioner, Bharmour, District Chamba, 4. The Sub Divisional Magistrate, Bharmour, District Chamba, Himachal Pradesh, 5. The Dy. Superintendent of Police, Tehsil & District Chamba, 6. The SHO, Bharmour	Appendix - 6
7	Damages to Road from Chamba to Holi due to heavy rains	JSWEKL/Kutehr HEP/DOE/IA/23-24/6529 dated 07.03.2024	The Director, Directorate of Energy, GOHP	1. The Deputy Commissioner, District Chamba, Himachal Pradesh, 2. The Addl. Deputy Commissioner, Bharmour, District Chamba, 3. Executive Engineer, NH Division, Chamba, 4. Executive Engineer, HPPWD, Bharmour	Appendix - 7
8	Damages to Road from Kharamukh to Holi and approach to Adit 6 and bottom of surge shaft due to landslide & rainfall	JSWEKL/Kutehr HEP/DOE/IA/24-25/6578 dated 22.04.2024	The Director, Directorate of Energy, GOHP		Appendix - 8
9	Regarding forcibly stoppage of work of Power House Site	JSWEKL/Kutehr HEP/HR & Admin/2024/6589 dated 06.05.2024	The Director, Directorate of Energy, GOHP	1. The Deputy Commissioner, District Chamba, Himachal Pradesh, 2. Superintendent of Police, District Chamba, 3. The Addl. Deputy Commissioner, Bharmour, District Chamba, 4. The Sub Divisional Magistrate, Bharmour, District Chamba, Himachal Pradesh	Appendix - 9
10	Damages to Road from Chamba to Holi due to heavy rains	JSWEKL/Kutehr HEP/DOE/IA/23-24/6590 dated 06.05.2024	The Director, Directorate of Energy, GOHP	1. The Deputy Commissioner, District Chamba, Himachal Pradesh, 2. The Addl. Deputy Commissioner, Bharmour, District Chamba, 3. Executive Engineer, NH Division, Chamba, 4. Executive Engineer, HPPWD, Bharmour	Appendix - 10
11	Damages to Road from Kharamukh to Holi and approach to Adit 6 and bottom of surge shaft due to landslide & rainfall	JSWEKL/Kutehr HEP/DOE/IA/24-25/6603 dated 23.05.2024	The Director, Directorate of Energy, GOHP		Appendix - 11

AKB



Appendix - 1



JSWEKL / Kutehr HEP / Admin / 16 / 20 -21 / 4302
October 17, 2020

JSW Energy (Kutehr) Limited

Kutehr HEP (240 MW),
Village : Machhetar, PO - Chanhouta,
Tehsil - Bharmour, District - Chamba,
Himachal Pradesh. Pin - 176309
CIN : U40101HP2013PLC000345

To,

The Deputy Commissioner,
District Chamba
Himachal Pradesh

Sub: Implementation of Kutehr Hydro Electric Project (240 MW) – Stoppage of works by Local Persons and Law and Order issue.

Ref: Implementation Agreement with GOHP dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018.

Dear Sir,

This has reference to the above mentioned subject.

Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Limited to carry out detailed investigation and implementation of Kutehr Hydro Electric Project in District Chamba (HP).

It was further followed up with the signing of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 between Govt. of Himachal Pradesh and JSW Energy Limited.

You will kindly appreciate that due to unfavorable financial and business conditions leading to high project cost and high tariff of Hydro Electric Projects in the country, no new green field development of any Hydro Project could be started during last few years.

Appreciating the various aspects impacting Hydro Power Development, Government of HP came out with a progressive policy intervention during May 2018 which would support reducing the cost of Project as well as maintain the stable cash flow during construction and operation of the Hydro Project.

The above policy intervention of the State Govt. was further topped up by policy intervention by Govt. of India during March 2019 which came out with various measures to promote hydropower in the country.

Taking advantage of the above supporting policy interventions by the Himachal State Government and Central Government, the construction of Kutehr Hydro Electric Project was started and **formally inaugurated by Hon'ble Chief Minister of Himachal Shri Jai Ram Thakur Ji on 29.10.2019.**

All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the Project is under active construction 24X7.



JINDAL Part of O. P. Jindal Group

Page 1 of 2

Regd. Office of JSW Energy Ltd.:
JSW Centre, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
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Website : www.jsw.in





Construction of the Main Works of project were started on 29.10.2019. Due to Lockdown / Curfew imposed by Government of India and Government of Himachal Pradesh because of COVID – 19 pandemic, all works were stopped from 23.03.2020 and restarted w.e.f. 01/15.06.2020.

Of late, it has been observed that local persons / miscreants are trespassing and forcibly stopping the works at certain working fronts or sometimes even the entire project on some pretext or the other. Just to cite a few recent examples, MAT (Powerhouse) work was forcibly stopped by few people who were in inebriated conditions in the night on 14th Oct'20. Further, local persons have stopped the works at Adit - 4 since 14.10.20 and not allowing to start. Above all, they are threatening the staff working at this location thereby creating fear in the minds of personnel. The project is suffering hugely i.e. to the tune of about Rs 10 (Ten) / lacs per day only due to stoppage of work at this front.

These are only recent / ongoing cases of trespassing / forcible stoppage by locals / miscreants. Otherwise such incidences have been happening on regular intervals which we have been registering complaints with the local authorities

It is pertinent to mention here that the project has till now, **provided employment to about 529 persons out of which 476 (89.98%) persons are from Himachal Pradesh.** More employment opportunities will be generated in future as remaining working fronts are opened in due course.

In view of conditions brought out above, it is requested to take immediate suitable administrative action to help us to start the works at Adit-4 and stop such unlawful activities on permanent basis in future which stops construction activities of the project in parts or full.

Thanking you,

Yours faithfully,

For JSW Energy (Kutehr) Limited

[Sanjeev Mahajan]

Associate Vice-President

Copy to:

1. Principal Secretary to Hon'ble Chief Minister, Government of Himachal Pradesh.... For kind information please.
2. Director General of Police, Himachal Pradesh, Shimla for kind information and suitable directions please.
3. Chief Engineer (Energy), Directorate of Energy, GOHP, Shimla ... for information please.
4. Superintendent of Police, District Chamba... for kind information & suitable action please.



Appendix - 2



JSWEKL/KUTEHR/HR&ADMIN/2021/4694
06 September 2021



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bharmour, District - Chamba
Himachal Pradesh Pin - 176300
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

The Sub Divisional Magistrate
Bharmour, Tehsil Bharmour,
District Chamba (HP)

Sub: **Implementation of Kutehr HE Project (240 MW) – Physical possession of private land measuring 17-18-00 Bigha's acquired through Compulsory Acquisition – reg.**
Ref: Our letter No. JSWEKL/Kutehr HEP/Land/Admin/2021-4683 dated 31.08.2021.

Dear Sir,

This is in reference to the above mentioned cited subject.

It is to inform that today a meeting has been organized with villagers of Suhaga, after all discussions and negotiations held with Stakeholders of Suhaga villagers, we try to start the work at acquired land for approach road to Adit-6, but some of the villagers creating hindrance and did not allow us to start the work for execution of the said road to Adit-6.

Further, we wish to bring to your kind notice that tomorrow i.e. 07.09.2021, we want to again start the work on same location but in anticipation to any illegal stoppage of work by villagers of Suhaga, your kind intervention is requested please.

In view of the above, you are requested to kindly provide police support so that we could start the work without any hindrance.

Thanking you,

Yours faithfully,
For JSW Energy (Kutehr) Limited


(Sanjeev Kumar Mahajan)
Authorised Signatory

Copy to : The Additional District Magistrate, Bharmour, District Chamba (HP)
The SHO, Bharmour, District Chamba (HP)



Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited

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Appendix-3



JSWEKL/KUTEHR HEP/DOE/IA/22-23/ 6196
March 30, 2023

**JSW Energy (Kutehr) Limited**

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

To,

The Director,
Directorate of Energy,
Govt. of Himachal Pradesh,
Shanti Bhawan, Phase-III,
Sector -6, New Shimla (HP) – 171009

Sub: Implementation of Kutehr Hydro Electric Project (240 MW) – Collapse of Luna and Choli Bridges and their restoration thereof.

Ref: Implementation Agreement dated 04.03.2011, Supplementary Implementation Agreement dated 26.11.2018 and Second Supplementary Implementation Agreement dated 27.01.2021.

Dear Sir,

This has reference to the above-mentioned subject.
Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Limited to carry out detailed investigation and implementation of Kutehr Hydro Electric Project in District Chamba (HP). It was followed up with the signing of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 between Govt. of Himachal Pradesh and JSW Energy Limited. A Second Supplementary Agreement was signed between GOHP and JSW Energy (Kutehr) Limited vide which Zero Date for start of construction activities was redefined as 29.10.2019. All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the Project is in advance stage of construction.

It is to inform here that due to collapse of bridges, 61m long Choli Bridge on 02.02.2023 and 32m long Luna Bridge on 03.02.2023 on Chamba-Holi Road the supply chain was cut-off and the construction activities of the project were badly effected due to lack of construction materials till 15.03.2023 which in turn hampered the progress of the project.

It is pertinent to mention here that with great effort of local administration / authority these damaged bridges were restored and put for public usage (Luna Bridge) on 22.02.2023 and 15.03.2023 (Choli Bridge) respectively.



Part of O. P. Jindal Group

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Website : www.jsw.in



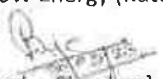


JSWEKL being a responsible company has contributed in the past for infrastructure and road strengthening in the area also contributed in restoration of these bridges. JSWEKL funded Rs. 2.00 Crores for reconstruction of Choli bridge and Rs. 6.24 Crores for strengthening and improvement of Kharamukh to Holi Road.

Details of days lost till 15.03.2023 due to various issues /reasons is being enclosed herewith as Annexure -1 for your kind information please.

Thanking you and assuring you of our best cooperation.

Yours faithfully,
For JSW Energy (Kutehr) Limited


[Birendra Choubey]
Associate Vice-President

Encl: As above.



JINDAL Part of O. P. Jindal Group



JSW ENERGY (KUTEHR) LIMITED
KUTEHR HYDROELECTRIC PROJECT (240 MW)
Details of ~~days~~ lost due to various Issues till 15.03.2023

Sl. No.	Nature of Issues	Delayed period due to such issues / concern (Days)	Remarks
1	Due to lockdown / Curfew imposed by Government of India and Government of Himachal Pradesh because of COVID -19 pandemic, all works were stopped from 23.03.2020. and restated some activities with the resources available at site w.e.f. 15.06.2020	84	
2	Stoppage of works due to order issued by Labour Department vide letter no.LO/CZ/PO/JSW-Kutehr/2021(1) dated 23.01.2021	14	(Works started after the Interim Order vide letter no. LO / DZ / PO / JSW - Kutehr / 2021 (2) - 64 dated 06.02.2021)
3	Due to delay in felling of trees by Forest Department. works of Approach Road to Adit-6 and Surge Shaft got delayed.		
4	Natural Calamities / Disasters (Rain, Snow Fall & Landslides)	22	
5	Due to Local and Socio-Political issues	117	
6	Collapse of Choli Bridge (02.02.2023 to 15.03.2023)	42	Lot- 1 works of Project got effected
7	Collapse of Luna Bridge (03.02.2023 to 22.02.2023)	21	Whole Project works got affected
	TOTAL	300	

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Appendix-4



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanihota,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

JSWEKL/KUTEHR HEP/DOE/IA/23-24/ 6331
July 29, 2023

The Director,
Directorate of Energy,
Govt. of Himachal Pradesh,
Shanti Bhawan, Phase-III, Sector -6, New Shimla (HP) – 171009

Sub: Implementation of Kutehr Hydro Electric Project (240 MW) – Damages to Road from Chamba to Holi due to heavy rains

Ref: Implementation Agreement dated 04.03.2011

Dear Sir,

This has reference to the above-mentioned subject.

Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Limited to carry out detailed investigation and implementation of Kutehr Hydro Electric Project in District Chamba (HP).

It was followed up with the signing of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 between Govt. of Himachal Pradesh and JSW Energy Limited. A Second Supplementary Agreement was signed between GOHP and JSW Energy (Kutehr) Limited vide which Zero Date for start of construction activities was redefined as **29.10.2019**.

All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the Project is in advance stage of construction.

It is to inform here that due to heavy rains from 08.07.2023 to 10.07.2023 there are number of blockades due slides and at numerous places the road is badly damaged due high inflow in River Ravi whose details (Preliminary) are as furnished below:

1. Chamba to Holi Road – Road closed / damaged at number of locations. Yesterday road made operational upto Bgga Dam (Chamera -II HEP). Beyond Bagga towards Kharamukh i.e 500m upstream about 200m road settled / washed away and at Lothal also about 200m road damaged. From Dharwala to Luna there are number of blockades / slides. At Durgheti there is a huge blockade of Road due to land slide. There are two major slides / blockades near the Junction of Kutehr Power House road and Kharamukh – Holi Road. There are blockades near Pilli, Machhetter and Dhalli.
2. Project Roads – Approach Road to Adit -1 and Barrage badly damaged and approach road to Surge Shaft bottom has been damaged at several places.



Jindal Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited

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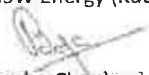
The detailed report regarding the damages to road and the time lost due to the same, the effect due to lack of construction materials on the construction activities shall be submitted to your good office once the roads are restored.

The entire project activities are completely on halt due to disruption in supply chain on account of collapse/sinking and landslide of NH154A Chamba-Bharmour highway at several locations

Some photographs of slides / blockades enclosed herewith for reference please.

Thanking you and assuring you of our best cooperation.

Yours faithfully,
For JSW Energy (Kutehr) Limited


[Birendra Choubey]
Associate Vice-President

Encl: As above.



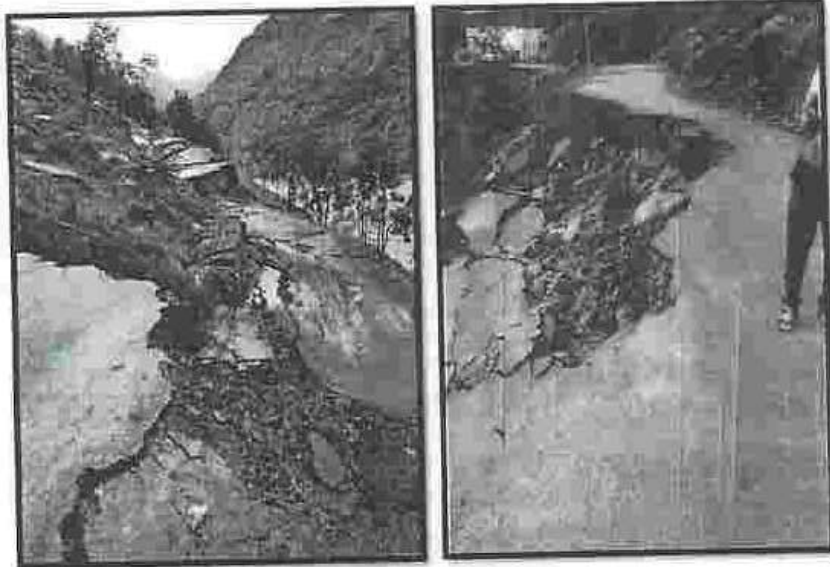
JINDAL Part of O. P. Jindal Group



Photographs of NH15A & approach road at Kutehr HEP damaged due to heavy rainfall and high flood in Ravi River



200 Rm Road washed away at NHPC Chamera II Dam (Bagga)



Road Damaged near Lothal and Dharwala

Bye



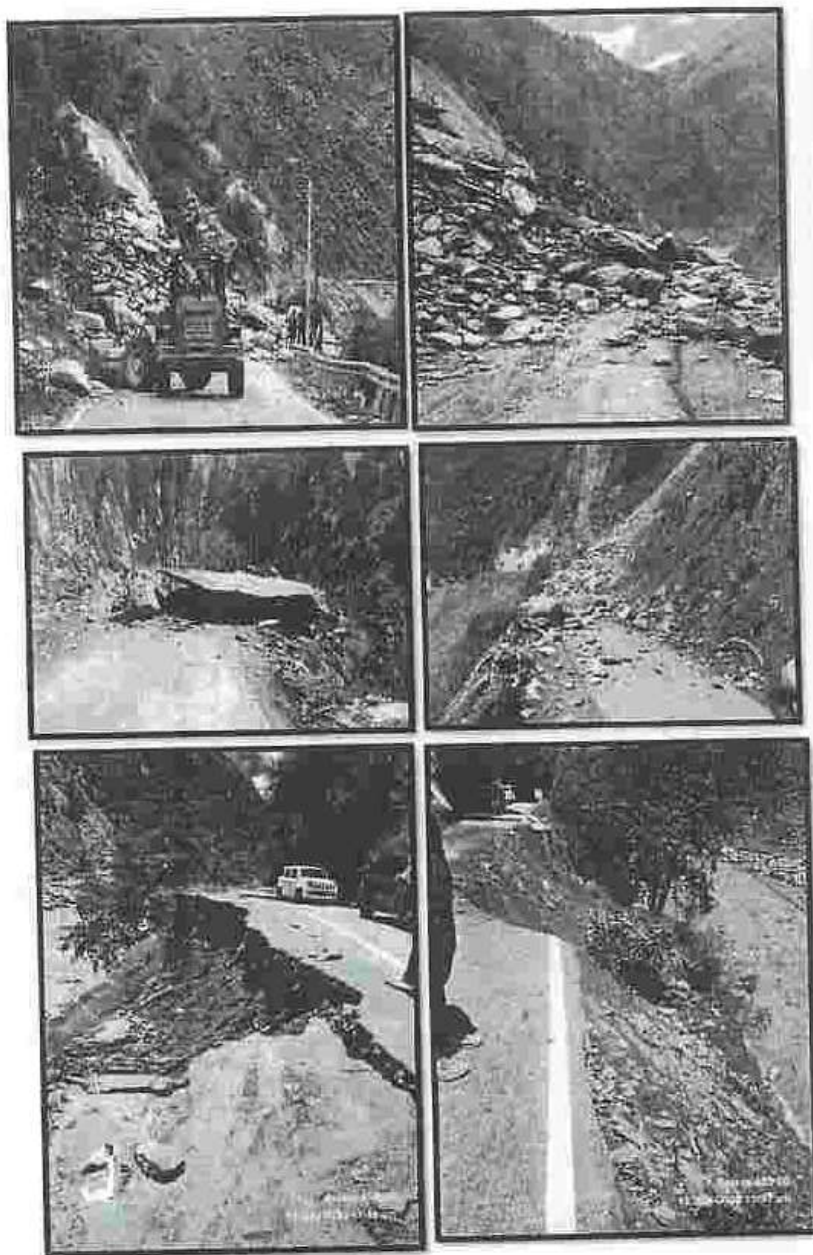


Road Damaged near between Dharwala and Luna



Road Damaged near between Luna and Khadamukh

Bye



Road Damaged near between Khadamukh and Holi

Page





Approach road to adit 6 damaged



Approach road to Barrage damaged

Boye



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Appendix -5



JSWEKL/KUTEHR HEP/DOE/IA/23-24/ 6332
July 31, 2023

To,

The Director,
Directorate of Energy,
Govt. of Himachal Pradesh,
Shanti Bhawan, Phase-III,
Sector -6, New Shimla (HP) – 171009



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

Sub: **Implementation of Kutehr Hydro Electric Project (240 MW) – Damages to Approach Road to Adit-3 due cloud Burst in Sanah Nala on 25.07.2023 and 27.07.2023**
Ref: Implementation Agreement dated 04.03.2011

Dear Sir,

This has reference to the above-mentioned subject.

Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Limited to carry out detailed investigation and implementation of Kutehr Hydro Electric Project in District Chamba (HP).

It was followed up with the signing of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 between Govt. of Himachal Pradesh and JSW Energy Limited. A Second Supplementary Agreement was signed between GOHP and JSW Energy (Kutehr) Limited vide which Zero Date for start of construction activities was **redefined as 29.10.2019.**

All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the Project is in advance stage of construction.

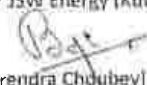
It is to inform that due to sudden cloud burst in Sanah Nala at around 02:50 AM on 25.07.2023 our ongoing project construction works at Adit -3 have been badly affected resulting in loss of material and equipment. Our contractor M/s Angelique – PCC has lodged the complaint in Holi Police Station. On 27.07.2023 another cloud burst occurred at around 03:00 AM resulting in further loss of material and equipment's.

The detailed report regarding the damages to approach road, loss of material and equipment's and the time lost due to the same, the effect on the construction activities shall be submitted to your good office once the approach road is restored.

Some photographs of the damages caused by the cloud burst enclosed herewith for reference please.

Thanking you and assuring you of our best cooperation.

Yours faithfully,
For JSW Energy (Kutehr) Limited


[Birendra Choubey]
Associate Vice-President

Encl: As above.



Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited

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Appendix - 6



JSWEKL/KUTEHR/HR&ADMIN/2024 | 6489
24 January 2024



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

To,

The Deputy Commissioner,
Chamba
District Chamba (HP)

Sub: Kutehr HE Project (240 MW) - Regarding Forcibly stoppage of work at Power House Site by Mr. Ram Thakur and others

Dear Sir,

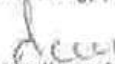
This is in reference to the above cited subject, we have received a letter No. MFB/JSW/2023-24 dated 24.01.2024 from M/s MF Bumi Geotech Private Limited which is self-explanatory. The copy of the same is attached herewith for ready reference. We wish to bring to your kind notice that today at about 09:30 AM Mr. Ram Thakur S/o Mr. Rattan Thakur, Village & Post Office Mahela Tehsil & District Chamba (HP) accompanied with Mr. Jai Karan, Mr. Kamlesh Kumar, Mr. Sanjay Kumar and Mr. Ravinder Kumar entered into the Power House site and threatened workers and senior officials by saying that everyone goes out from Power House site and forcibly stopped the ongoing activities at aforesaid site.

This illegal stoppage/ disruption of works at Power House has caused huge financial loss to the tune of Rs. 20.00 Lacs per hour and apart from the delay in commissioning of the Project. This project is of National importance and will lead to huge loss to State of HP.

You are requested to kindly intervene in the matter and take strict action against Mr. Ram Thakur & others. It is humbly requested to kindly provide police protection to the workers and employees at site so that any untoward incident can be avoided and our workers & employees can execute their duties and responsibilities without any fear.

Thanking you,

Yours sincerely,
For JSW Energy (Kutehr) Limited


(Sanjay Kumar Mahajan)
Authorised Signatory

Copy to : The Director, Directorate of Energy, GoHP, Shimla (HP)
The Superintendent of Police, Tehsil & District Chamba (HP)\
The Additional Dy. Commissioner, Bharmour, District Chamba (HP)
The Sub Divisional Magistrate, Bharmour, District Chamba (HP)
The Dy. Superintendent of Police, Tehsil & District Chamba (HP)
The SHO, Police Station Bharmour, District Chamba (HP)



Part of O. P. Jindal Group



Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in

30/



MFB JSW Energy Private Limited
(Formerly known as MFB Jindal JSW Energy Private Limited)
CIN : U12200DL2013PL1100070

Ref. No. MFB/JSW/2023-24/1611

Date: 24/01/2024

सेवा में,
श्रीमान थाना प्रभारी,
थाना कोतवाली भरमौर
जिला चम्बा हि० प्र० 176315


विषय : प्राथमिक रिपोर्ट दर्ज कर आवश्यक कार्यवाही बाबत

महोदय,

कृपया आप हमारे पत्रांक संख्या MFB/JSW/2023-24/1602 दिनांक 23.01.2024 का अवलोकन करें ! जिसमे उक्त विषय पर आवश्यक कार्यवाही करने का निवेदन किया गया था। आज दिनांक 24.01.2024 को प्रातः 9:30 बजे श्रमिकों को टनल के अंदर कार्य करने के लिए भेजा गया तो उसी समय श्री राम कुमार ठाकुर निवासी ग्राम पंचायत मेहला तहसील व जिला चंबा अपने अन्य साथियों श्री जय करण, श्री कमलेश कुमार, श्री संजय कुमार एवं श्री रविंदर कुमार के साथ आकर टनल के अंदर जाकर चलते कार्य को बंद करवा दिया, एवं सभी श्रमिकों को डरा धमका कर बाहर ले आया ! इस प्रकार उनके द्वारा सम्पूर्ण कार्य को बंद करवा दिया ! उक्त व्यक्ति के विरुद्ध पहले से ही FIR No. 8/24 आपके पास दर्ज है ! यह कह रहा है कि श्री एस० एन० पाण्डेय, श्री थिरुमलाई कुमार एवं श्री गोगुल कृष्णन जी आकर बात करें एवं बोल रहा था कि जब तक यह लोग आकर बात नहीं करेंगे तब तक कार्य नहीं चलने देंगे ! इनके द्वारा उपरोक्त तीनों व्यक्तियों को जान से मारने की धमकियाँ दी जा रही हैं ! क्योंकि श्री राम कुमार ठाकुर पहले से ही गुंडा प्रकृति का है !

अतः महोदय से निवेदन है कि इसके एवं इसके साथियों के विरुद्ध प्राथमिक रिपोर्ट दर्ज कर उचित कार्यवाही करने की कृपा करें !

सादर


भवदीय
एस० एन० पाण्डेय
प्रमुख एच आर एवं प्रशासक

प्रतिलिपि :

सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित :

1. HOP JSW Energy (Kutehr) Ltd.

Registered Office : A/102, Janakpuri, New Delhi-110058, Tel. : 011-414043070
Office : 102, 2nd Floor, Tower A, Global Business Park, Saket, Sector 26, Gurgaon-122002 (Haryana)


अनंद कुमार



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Appendix - 7



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
 Village: Machhetar, PO - Chanhouta,
 Tehsil - Bhamour, District - Chamba
 Himachal Pradesh Pin - 176309
 CIN.: U40101HP2013PLC000345
 Website : www.jsw.in

JSWEKL/KUTEHR HEP/DOE/ IA /23-24/6529
 March 7, 2024

To,

The Director,
 Directorate of Energy, GOHP,
 2nd Floor, MC Parking Building,
 Near Tuttikandi Crossing,
 SHIMLA - 171005,
 Himachal Pradesh

Sub: **Implementation of Kutehr Hydro Electric Project (240 MW) - Damages to Road from Chamba to Holi due to heavy rains**

Ref: Implementation Agreement dated 04.03.2011

Dear Sir,

This has reference to the above-mentioned subject.

Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Limited to carry out detailed investigation and implementation of Kutehr Hydro Electric Project in District Chamba (HP).

It was followed up with the signing of Implementation Agreement dated 04.03.2011 and Supplementary Implementation Agreement dated 26.11.2018 between Govt. of Himachal Pradesh and JSW Energy Limited. A Second Supplementary Agreement was signed between GOHP and JSW Energy (Kutehr) Limited vide which Zero Date for start of construction activities was **redefined as 29.10.2019**.

All the Civil Works, Hydro Mechanical Works and Electro Mechanical Works have been awarded and presently the Project is in advance stage of construction.

It is to inform here that due to heavy rains during the month of February and March 2024 (up to 07.03.2024), there are number of blockades due to slides and at numerous places ~~road~~ the road is badly damaged between Bagga Dam (Chamera -II HEP) and Kharamukh.

It is further to add that our Power House equipment's loaded on the trailer on 14.02.2024 & 15.02.2024 could not reach to the site due to continuous rains /snow in the valley due to which road from Bagga to Project site got badly damaged.



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Page 1 of 2

Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
 Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in



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The entire project activities are completely on halt due to disruption in supply chain on account of collapse/sinking and landslide of NH 154A Chamba-Bharmour highway at several locations

Some photographs of slides / blockades enclosed herewith as Annexure - 1 and details snowfall / rains during the month of February 2024 as Annexure - 2 for reference please.

It is hereby requested to kind self to pass directions to the concerned authority to restore the damaged road for plying heavy vehicles so that supply chain could be reinstated and construction activities of the project can be started at full strength.

Thanking you and assuring you of our best cooperation.

Yours faithfully,

For JSW Energy (Kutehr) Limited

[M Y Eswarappa]

Authorized Signatory

Encl: As above.

Copy to:

1. The Deputy Commissioner, Chamba, District Chamba, Himachal Pradesh For kind information please.
2. The Additional Deputy Commissioner, Bharmour, Distt: Chamba, Himachal Pradesh, ... for information and necessary action please.
3. Executive Engineer, NH Division, Chamba,... for kind information and necessary action please.
4. Executive Engineer, HPPWD, Bharmour,... for kind information and necessary action please.

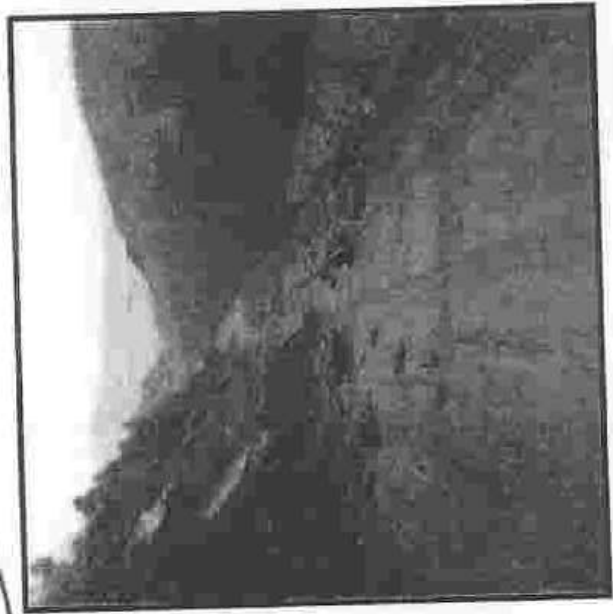


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Page 2 of 2



Road Damage / Blockage



Near Batti ki Hatti



Batti ki Hatti

Handwritten signature

304



JSW



Road Damage



Dadog near NHPC Gate

alshahid

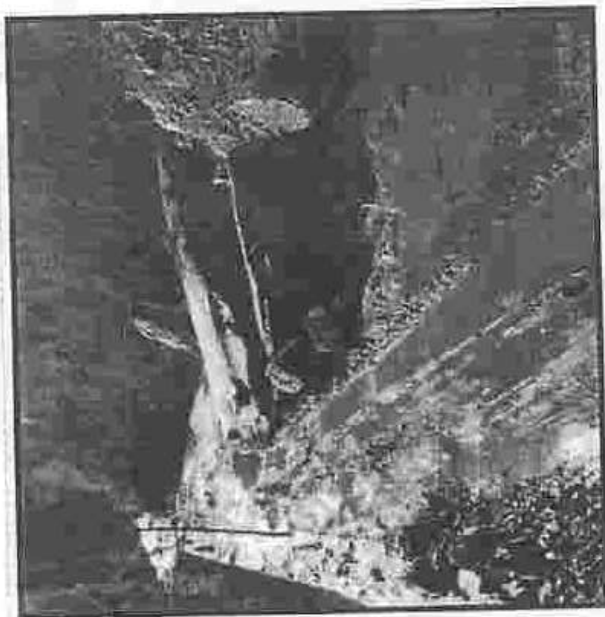


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Road Blockage

JSW

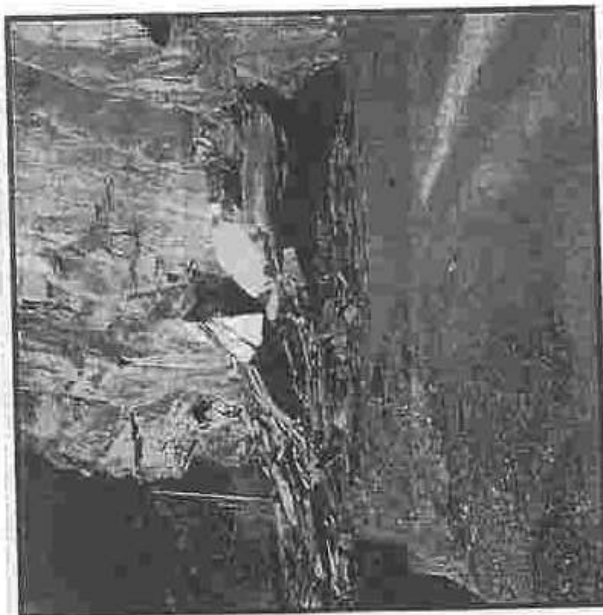


Kharamukh – Holi Road near Machatter

JSW



Road Blockage



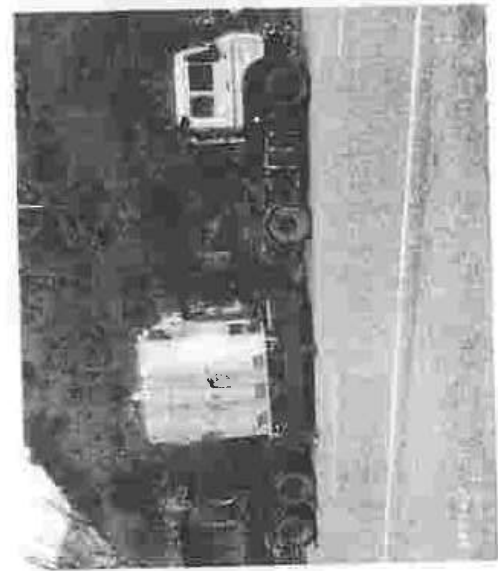
Kharamukh – Holi Road near Madhatter Adit 04

[Handwritten signature]





Power House Equipment Loaded on Trailer waiting at Kalsui for Road Clearance



Well Done



JSW Energy (Kutehr) Limited
Kutehr Hydroelectric Project (240 MW)

Details of Snowfall/ Rains during the month of February & March 2024 (Upto 06.03.2024)

S.No.	Date	Snowfall / Rainfall		Remarks
		Rainfall	Snowfall	
1	01-Feb-24	✓	✓	
2	02-Feb-24			
3	03-Feb-24			
4	04-Feb-24			
5	05-Feb-24			
6	06-Feb-24			
7	07-Feb-24			
8	08-Feb-24			
9	09-Feb-24			
10	10-Feb-24			
11	11-Feb-24			
12	12-Feb-24			
13	13-Feb-24			
14	14-Feb-24			
15	15-Feb-24			
16	16-Feb-24			
17	17-Feb-24			
18	18-Feb-24	✓		
19	19-Feb-24	✓		
20	20-Feb-24	✓		
21	21-Feb-24	✓		
22	22-Feb-24	✓		
23	23-Feb-24			
24	24-Feb-24	✓	✓	
25	25-Feb-24			
26	26-Feb-24			
27	27-Feb-24			
28	28-Feb-24			
29	29-Feb-24			
30	01-Mar-24	✓		
31	02-Mar-24	✓		
32	03-Mar-24	✓		
33	04-Mar-24			
34	05-Mar-24			
35	06-Mar-24			

[Signature]



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Appendix - 8



JSWEKL/KUTEHR HEP/DOE/IA/24-25/6578
22nd April 2024



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

To,

The Director,
Directorate of Energy,
Govt. of Himachal Pradesh,
MC Parking Building 2nd Floor,
Near Tutikandi crossing,
Shimla (HP)- 171005

Sub: Kutehr Hydro Electric Project (240 MW) — Damages to Road from Kharamukh to Holi & approach road to adit-6 and bottom of surge shaft due to landslide & rainfall.

Ref: Implementation Agreement dated 04.03.2011

Dear Sir,

This has reference to the above-mentioned subject. It is to inform here that all the Civil Works, Hydro Mechanical Works and Electro Mechanical Works of **Kutehr HEP** are in advance stage of construction.

Further to inform that, due to heavy rains from 14.04.2024 to 16.04.2024, an incident of landslide occurred at **Kharamukh to Holi Road (1.80 Km from Kharamukh) and approach road to Adit to bottom of Surge Shaft (from RD 200 to 400)** in the early hours on 17.04.2024. Due to this landslide about 150 meters of Kharamukh - Holi Road and 200 meters of approach road to bottom of Surge Shaft has been damaged and several tons of debris has closed the road.

Road connectivity to the entire area including the Kutehr HEP has been disrupted after the incident. The work of clearing the landslide has been started with the project resources along with HPPWD, but continuous landslides including rolling boulders and shooting stones at regular intervals are hampering the cleaning work.



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Handwritten signature

Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in





The entire project activities are completely on halt due to disruption in supply chain of construction material and project equipment's & spares on account of landslide and damage of Kharamukh - Holi Road.

The detailed report regarding the damages to the Kharamukh-Holi Road & approach road to bottom of surge shaft, the time lost due to the same and the effect due to lack of construction materials on the construction activities shall be submitted to your good office once the roads are restored.

Some photographs of landslide / road blockades enclosed herewith for reference please.

Thanking you and assuring you of our best cooperation.

Yours faithfully,

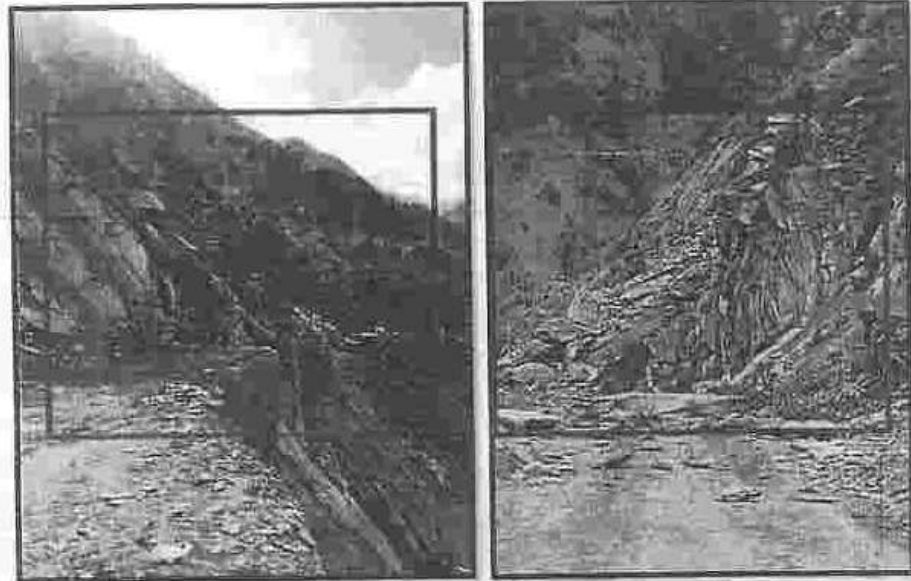
For JSW Energy (Kutehr) Limited

[M.Y. Eswarappa]

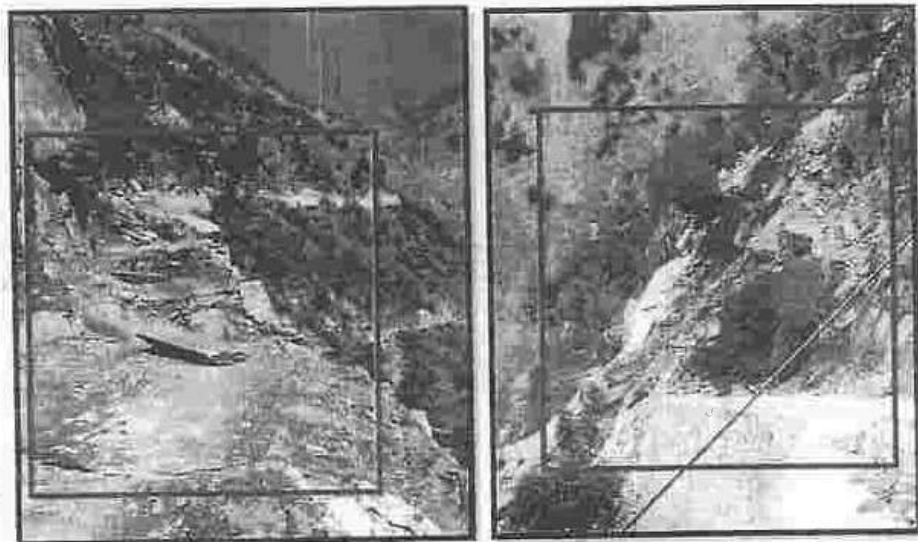
Authorized Signatory

Encls: - As above





Khadamukh-Holi Road (150 meters) blocked/damaged due to landslide.



Approach road to bottom of Surge Shaft damaged approximately 200 RM.

all 8m 3





JSWEKL/KUTEHR/HR&ADMIN/2024/6589
06 May 2024

The Director
Directorate of Energy,
MC Parking Building,
2nd Floor, Near Tuttikandi Crossing,
Shimla HP 171005.

Sub: Kutehr HE Project (240 MW) - Regarding Forcibly stoppage of work at Power House Site.

Dear Sir,

Through this letter, we would like to apprise you on the disturbance in project works that is being created by the Up-Pradhan of Ulansha Panchayat, Tehsil Bharmour, District Chamba (HP) & others

In our Powerhouse site, the E&M works are being carried out by our contractor M/s ANDRITZ HYDRO Private Limited. This work is highly specialized and need skilled and trained manpower to carry it.

The contractor Ms ANDRITZ HYDRO Private Limited, therefore has mobilized manpower with the required skill and experience from its other work site. But the Up-Pradhan of Ulansha Panchayat is not allowing the contractor to engage this manpower and insisting to recruit manpower from his Panchayat which is not possible as the local manpower does not have the required skill and experience to do this specialized work.

It would be pertinent to state here that we have engaged around 80% workers from the HP State, of which maximum numbers are from the affected Panchayats. This is more than 70% that has been prescribed by the Government of Himachal Pradesh.

There are certain jobs which needs specialized skill for which we allow to engage manpower from other states. Despite of repeated requests by citing the above-mentioned reasons, the Up-Pradhan of Ulansha Panchayat, is still not allowing the contractor to engage the mobilized manpower in E&M works and is threatening that if the outsiders are engaged in works then he will forcibly bring the project works to halt.

For his vested interest, he is frequently interfering with the project works and instigating local workers to stop the work until his demands are not met with.

Because of this repeated stoppage of works, the project completion timelines are getting extended which has become great concern for us. As this Project is of National Importance and such delays in the commissioning of Project will lead to huge loss to us and also to State of HP.



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Appendix - 9
Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bharmour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in





Copy of emails received from our E&M Contractor M/s Andritz Hydro Private Limited is attached herewith for ready reference.

You are therefore requested to take note of this and issue the necessary instructions to the concern departments of Chamba District Administration to ensure hindrance free working in the Project Area.

Thanking you,

Yours sincerely,
For JSW Energy (Kutehr) Limited


(Sanjeev Kumar Mahajan)
Authorised Signatory

- Copy to : (i) The Deputy Commissioner, Chamba, District Chamba (HP)
(ii) The Superintendent of Police, Chamba, District Chamba (HP)
(iii) The Additional Dy. Commissioner, Bharmour, District Chamba (HP)
(iv) The Sub Divisional Magistrate, Bharmour, District Chamba (HP)



JINDAL Part of O. P. Jindal Group





Purshotam Chand <purshotam.chand@jsw.in>

Fwd: Kutehr HEP: Diverting of manpower

1 message

Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>
To: Purshotam Chand <purshotam.chand@jsw.in>

Mon, May 6, 2024 at 4:50 PM

With Regards,

Sanjeev Mahajan

AVP

JSW Energy (Kutehr) Limited

Mobile: +91 7774090150 |

mailto: sanjeev.mahajan@jsw.in | Web Site: www.jsw.in

----- Forwarded message -----

From: **Ajay Lakra** <Ajay.Lakra@andritz.com>

Date: Mon, 6 May 2024 at 1:06 PM

Subject: RE: Kutehr HEP: Diverting of manpower

To: ajay.nath <ajay.nath@jsw.in>

Cc: gyan.kumar <gyan.kumar@jsw.in>, sanjeev.mahajan <sanjeev.mahajan@jsw.in>, SANJAY BEHERA <sanjay.behera@jsw.in>, AJAY BHADOURIA <ajay.bhadouria@jsw.in>, Bishnoi Sunil <Sunil.Bishnoi@andritz.com>, Gobinath R <R.Gobinath@andritz.com>, Kant Praful <Praful.Kant@andritz.com>

Dear Sir,

6 nos. (for generator works, skilled manpower) manpower were demobilised on 27-April-2024, as informed earlier they were not allowed to enter the powerhouse by the local Pradhan.

Further 20-25 nos. skilled manpower are planned but due to this ongoing issue contractor has further resistance in deploying the additional man power.

Due to this shortages of man power, we are badly affected in following works, due to this ongoing topic of no entry of outside skilled man power in the power house

- Generator works U1
- Rotors works U2
- IPBD U1
- GT U1

You are aware that holding manpower on standby for long is not an option as they find alternative job and become unavailable for our project. After a clearance is given to us for mobilising of manpower, we have also to check the availability of manpower and thus requiring some time for us to mobilise the manpower.

In view of above you are requested to please get the issue resolved.

With regards

AJAY PRAKASH LAKRA

Site Manager

Kutehr HEP

ANDRITZ HYDRO Private Limited

49/5 Mathura Road

121 102 Village Prithla / India



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m: +91 9630742678
ajay.lakra@andritz.com

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From: Ajay Lakra
Sent: Friday, April 26, 2024 12:02 PM
To: AJAY NATH <ajay.nath@jsw.in>
Cc: GYAN BHADRA KUMAR <gyan.kumar@jsw.in>; Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>; SANJAY BEHERA <sanjay.behera@jsw.in>; AJAY BHADOURIA <ajay.bhadouria@jsw.in>; Bishnoi Sunil <Sunil.Bishnoi@andritz.com>; Gobinath R <R.Gobinath@andritz.com>; Kant Praful <Praful.Kant@andritz.com>
Subject: Kutehr HEP: Diverting of manpower

Dear Sir,

We have brought additional manpower for working on generator activities of Unit # 1 (including box up). However, as intimated through the trailing mail, we are unable to take them inside due to local issues. Thus, as mutually agreed we are shifting manpower from Unit # 2 turbine activities to Unit # 1. Due to this diverting of manpower, the schedule of Unit # 2 turbine activities shall be affected.

Further we request you to please resolve the local issues urgently so that we are able to utilise the manpower shifted to our site and also more manpower would be reaching site. If the issue is not resolved, the mobilised manpower would be a financial burden on us and overall affecting the agreed schedule.

With regards

AJAY PRAKASH LAKRA
Site Manager
Kutehr HEP

ANDRITZ HYDRO Private Limited
49/5 Mathura Road
121 102 Village Prihla / India
m: +91 9630742678
ajay.lakra@andritz.com

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From: Ajay Lakra
Sent: Thursday, April 25, 2024 3:17 PM
To: AJAY NATH <ajay.nath@jsw.in>
Cc: GYAN BHADRA KUMAR <gyan.kumar@jsw.in>; Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>; SANJAY BEHERA <sanjay.behera@jsw.in>; AJAY BHADOURIA <ajay.bhadouria@jsw.in>; Bishnoi Sunil <Sunil.Bishnoi@andritz.com>; Gobinath R <R.Gobinath@andritz.com>; Kant Praful <Praful.Kant@andritz.com>
Subject: Kutehr HEP: Work hampered on 25-04-2024

Dear Sir,

Today local Pradhan came to site and objected to our mobilising of additional manpower. He also told us that if the 6 nos. manpower that came today did not go out of powerhouse, the entire work would be stopped. Thus the 6 nos. manpower have been taken to our guest house. Here it is worth mentioning that out of 6 nos. manpower, 4 nos. are technician and 2 nos. are riggers. Further we are also in the process of mobilising 10-15 more manpower to meet the tight schedule. If we are not allowed to mobilise additional manpower, we won't be able to meet the schedule.

Later today around 12:00 hrs, another Pradhan came to site and stopped the work till the time Khadamukh – Garolla road is opened. The work resumed at 14:30 hrs.



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In view of all the above, you are requested to please resolve the issues with everyone so that work is not hampered in future.

With regards

AJAY PRAKASH LAKRA
Site Manager
Kutehr HEP

ANDRITZ HYDRO Private Limited
49/5 Mathura Road
121 102 Village Prithla / India
m: +91 9630742678
ajay.lakra@andritz.com

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Thank you



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Purshotam Chand <purshotam.chand@jsw.in>

Fwd: Kutehr HEP: Work hampered on 29-04-2024

1 message

Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>
To: Purshotam Chand <purshotam.chand@jsw.in>

Mon, May 6, 2024 at 12:37 PM

With Regards,

Sanjeev Mahajan

AVP

JSW Energy (Kutehr) Limited

Mobile: +91 7774090150 |

mailto: sanjeev.mahajan@jsw.in | Web Site: www.jsw.in

----- Forwarded message -----

From: **Ajay Lakra** <Ajay.Lakra@andritz.com>

Date: Mon, 29 Apr 2024 at 5:36 PM

Subject: Kutehr HEP: Work hampered on 29-04-2024

To: ajay.nath <ajay.nath@jsw.in>

Cc: gyan.kumar <gyan.kumar@jsw.in>, sanjeev.mahajan <sanjeev.mahajan@jsw.in>, SANJAY BEHERA <sanjay.behera@jsw.in>, AJAY BHADOURIA <ajay.bhadouria@jsw.in>, Bishnoi Sunil <Sunil.Bishnoi@andritz.com>, Gobinath R <R.Gobinath@andritz.com>, Kant Praful <Praful.Kant@andritz.com>, Das Balram <Balram.Das@andritz.com>

Dear Sir,

Today from 08:00 AM, our work at site was stopped by Naveen Kumar of Gareema Panchayat. On enquiring he cited various reasons such as blocking of Khadamukh – Garolla road, dust in the area due to construction activities and giving job for locals. We had explained him that we had nothing to do with blocking of Khadamukh – Garolla road and dust in the area due to construction activities. Further it was also intimated that we are hiring Himachali workers as per requirement. Despite of all our explanations, he didn't agreed to reopen the works. Later after the intervention of Mr. Sanjeev Mahajan the work was started at 11:30AM.

With regards

AJAY PRAKASH LAKRA

Site Manager

Kutehr HEP

ANDRITZ HYDRO Private Limited

49/5 Mathura Road

121 102 Village Pritola / India

m: +91 9630742678

ajay.lakra@andritz.com

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Purshotam Chand <purshotam.chand@jsw.in>

Fwd: Kutehr HEP: Work hampered on 25-04-2024

2 messages

Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>
To: Purshotam Chand <purshotam.chand@jsw.in>

Mon, May 6, 2024 at 12:38 PM

With Regards,

Sanjeev Mahajan

AVP

JSW Energy (Kutehr) Limited

Mobile: +91 7774090150 |

mailto: sanjeev.mahajan@jsw.in | Web Site: www.jsw.in

----- Forwarded message -----

From: **Ajay Lakra** <Ajay.Lakra@andritz.com>

Date: Thu, 25 Apr 2024 at 3:17 PM

Subject: Kutehr HEP: Work hampered on 25-04-2024

To: ajay.nath <ajay.nath@jsw.in>

Cc: gyan.kumar <gyan.kumar@jsw.in>, sanjeev.mahajan <sanjeev.mahajan@jsw.in>, SANJAY BEHERA <sanjay.behera@jsw.in>, AJAY BHADOURIA <ajay.bhadouria@jsw.in>, Bishnoi Sunil <Sunil.Bishnoi@andritz.com>, Gobinath R <R.Gobinath@andritz.com>, Kant Praful <Praful.Kant@andritz.com>

Dear Sir,

Today local Pradhan came to site and objected to our mobilising of additional manpower. He also told us that if the 6 nos. manpower that came today did not go out of powerhouse, the entire work would be stopped. Thus the 6 nos. manpower have been taken to our guest house. Here it is worth mentioning that out of 6 nos. manpower, 4 nos. are technician and 2 nos. are riggers. Further we are also in the process of mobilising 10-15 more manpower to meet the tight schedule. If we are not allowed to mobilise additional manpower, we won't be able to meet the schedule.

Later today around 12:00 hrs, another Pradhan came to site and stopped the work till the time Khadamukh – Garolla road is opened. The work resumed at 14:30 hrs.

In view of all the above, you are requested to please resolve the issues with everyone so that work is not hampered in future.

With regards

AJAY PRAKASH LAKRA

Site Manager

Kutehr HEP

ANDRITZ HYDRO Private Limited

49/5 Mathura Road

121 102 Village Prithla / India

at: +91 9630742678

ajay.lakra@andritz.com

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Purshotam Chand <purshotam.chand@jsw.in>

Fwd: Kutehr HEP: Work hampered on 06-05-2024

1 message

Sanjeev Kumar Mahajan <sanjeev.mahajan@jsw.in>
To: Purshotam Chand <purshotam.chand@jsw.in>

Mon, May 6, 2024 at 12:37 PM

With Regards,

Sanjeev Mahajan

AVP

JSW Energy (Kutehr) Limited

Mobile: +91 7774090150 |

(mailto: sanjeev.mahajan@jsw.in | Web Site: www.jsw.in)

----- Forwarded message -----

From: **Ajay Lakra** <Ajay.Lakra@andritz.com>

Date: Mon, 6 May 2024 at 10:31 AM

Subject: Kutehr HEP: Work hampered on 06-05-2024

To: AJAY BHADOURIA <ajay.bhadouria@jsw.in>, SANJAY BEHERA <sanjay.behera@jsw.in>

Cc: gyan.kumar <gyan.kumar@jsw.in>, ajay.nath <ajay.nath@jsw.in>, sanjeev.mahajan <sanjeev.mahajan@jsw.in>, Bishnoi Sunil <Sunil.Bishnoi@andritz.com>, Gobinath R <R.Gobinath@andritz.com>, Kant Prafful <Prafful.Kant@andritz.com>

Dear Sir,

Our work was hampered by Hemraj Kalra on 06-05-2024 from 09:00 AM onwards. You are requested to please intervene in the matter and get the matter resolved.

With regards

AJAY PRAKASH LAKRA

Site Manager

Kutehr HEP

ANDRITZ HYDRO Private Limited

49/5 Mathura Road

121-102 Village, Prithia / India

in: +91 9630742678

ajay.lakra@andritz.com

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Thank you



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Appendix - 10



JSWEKL/Kutehr HEP/ DOE/IA/24-25/6590
06th May, 2023

The Director,
Directorate of Energy, GOHP,
2nd Floor, MC Parking Building,
Near Tuttikandi Crossing,
Shimla-171005, Himachal Pradesh



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bharmour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLCC00345
Website : www.jsw.in

Sub: Implementation of Kutehr Hydro Electric Project (240 MW)- Damages to Road from Chamba to Holi due to heavy rainfall.

Ref: Our letter no JSWEKL/KUTEHR HEP/ DOE/IA/23-24/6529 dated 07th March 2023.

Dear Sir,

In continuation to our above-mentioned letter on the cited subject, it is to submit that the NH road from Bagga to project site i.e., Khadamukh was damaged due to heavy rainfall during the February month. The restoration of damaged portion of road was done by deploying company's equipment and resources round the clock. Once the road was restored only 2 No's of transformers loaded on Tractor since 14.02.2024 were safely shifted to Project site on 13th April 2024. (i.e., after two months)

It is further submitted that, due to continuous rainfall in the vicinity, the Chamba Bharmour highway is again damaged at several places. Due to the damage condition of NH especially between Bagga to Khadamukh, the shifting of heavy EM and HM equipment's to the project site could not be done any further.

The 3rd and 4th transformer already loaded on Tractor since 20th April 2024 could not reach project site due to the present condition of road. (Photographs attached for kind reference) The delay in the shifting of EM and HM equipment's is directly affecting the progress of Kutehr H.E. Project, and ultimately the commissioning of the Kutehr project is being delayed.

In view of above, it is hereby again requested to kind self to pass directions to the concerned authorities to restore the damaged road for plying heavy vehicles.

Thanking you and assuring you of our best cooperation.

Yours faithfully,

For JSW Energy (Kutehr) Ltd


[Sanjeev Kumar Banthia]

Authorized Signatory

Encls:- As above

Copy to:

1. The Deputy Commissioner, Chamba, District Chamba, (HP) - for kind information please.
2. The Additional Deputy Commissioner, Bharmour, District Chamba, (HP) - for kind information and necessary action please.
3. Executive Engineer, NH Division, Chamba, District Chamba (HP)-----for kind information and necessary action please.
4. Executive Engineer, HP PWD, Bharmour, District Chamba (HP)-----for kind information and necessary action please.



Jindal Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in



PHOTOGRAPHS



Transformer Loaded on trailer



NH damage between Chamba to Kharamukh



NH damage between Chamba to Kharamukh



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Appendix - 11



JSWEKL/KUTEHR HEP/DOE/IA/24-25/ 5603
23rd May 2024



Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in.

The Director,
Directorate of Energy,
Govt. of Himachal Pradesh,
MC Parking Building 2nd Floor,
Near Tutikandi crossing,
Shimla (HP)- 171005

Sub: Kutehr Hydro Electric Project (240 MW) — Damages to Road from Kharamukh to Holi & approach road to adit-6 and bottom of surge shaft due to landslide & rainfall.

Ref: 1. Implementation Agreement dated 04.03.2011
2. Our letter JSWEKL/KUTEHR HEP/DOE/IA/24-25/6578 dated 22nd April 2024

Dear Sir,

In continuation to our letter under reference on the subject matter, it is submitted that more than one month has been lapsed and still the Kharamukh- Holi Road is not operational for vehicle movement.

It is to state here that, as there is no alternate approach road is available, all civil works at all the fronts are at halt due to non-availability of construction material at site and no work is being done since 17.04.2024. Only a few works such as Hydro Mechanical works at Barrage site and Electro Mechanical works at Power House Complex are being executed at snail pace until the available resources are exhausted.

Some photographs of project site are enclosed herewith for kind reference showing all the project activities are on halt due to the road damage and non-availability of construction material. Also, all the trucks carrying project construction material i.e., cement, steel etc. are standing at different locations since 17.04.2024 due to damaged road.


It is further submitted to your kind self to pass direction to the concerned authorities to expedite the restoration work. However, company has already deployed machinery and manpower in support to HPPWD for landslide removal since the incident happened, but continuous rolling boulders and shooting stones at regular intervals are hampering the restoration work.

Your kind intervention will not only expedite the restoration of road for traffic but also help for timely commissioning of Kutehr HE Project.

Thanking you and assuring you of our best cooperation.

Yours faithfully,

For JSW Energy (Kutehr) Limited


[Sanjeev Kumar Mahajan]
Authorized Signatory

Encls: - As above



JINDAL Part of O. P. Jindal Group



Regd. Office of JSW Energy Limited

JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Phone : +91 22 4286 1000

Fax : +91 22 4286 3000

Website : www.jsw.in



Lot-1 works at halt due to landslide at Kharamukh – Holi Road



Lot-2 area works at halt due to landslide at Kharamukh – Holi Road

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Construction material shifting vehicles stuck up due to landslide at Kharamukh – Holi Road



Page 2 of 2

Accu





Annexure XV

भारतीय स्टेट बैंक
भारतीय स्टेट बैंक
STATE BANK OF INDIA

The Director
JSW Energy (Kutehr) Ltd
JSW Centre,
Bandra Kurla Complex,
Bandra East
Mumbai – 400 051

PFSBU/TEAM06/ 1323

14.01.2021

Dear Sir,

JSW Energy (Kutehr) Ltd
240 MW Hydro Power Project in Himachal Pradesh
Sanction of Rupee Term Loan of Rs.1929 Crs

We refer to your request and further discussions we had with the company officials for funding of term loan of Rs.1929 Crs to set up captioned 240 MW Hydro project across Ravi river in Chamba Dist of Himachal Pradesh.

2. In this connection, we hereby convey sanction of the following facilities for the above project, subject to broad terms and conditions as indicated in **Appendix-I**:

i) Underwriting of Rupee Term Loan of Rs.1929 Cr with our hold portion of Rs.650 Cr.

(ii) Rupee Term Loan of Rs 1279 Cr to be down-sold to other banks/Financial institutes within 1year from the date of availment of TL facility of Rs 650 Cr failing which additional interest of 1% will be applicable on down-selling portion.

(iii) Capex ILC/FLC/SBLC sub limit of Rs.800 Cr (Hold Portion of Rs.270 Cr) within the overall TL limit of Rs.1929 Cr (Hold Portion of Rs.650 Cr).

(iv) Forward Contract/Derivative Sub Limit of Rs.20.00 Crore within TL limits of Rs.650 Cr

(v) One-time Performance/Financial BG facility of Rs.100 Cr with 10% margin.

3. The terms and conditions set out in **Appendix-I** are indicative and bank reserves the right to modify the existing terms and conditions/ stipulate additional terms & conditions till the time of documentation. Please also note that State Bank of India will be Lenders' Agent and TRA Agent.

4. Please communicate to the Bank within 30 days from the date of this letter, the acceptance of the terms and conditions set out herein by returning to us the duplicate copy hereof duly signed by the authorised representative(s) of the Company in token of having accepted the terms and conditions supported by two

M/s JSW Energy (Kutehr) Limited

Page 1 of 32



bank.sbi
+91 22 6862 1008
+91 22 6862 1072

परियोजना वित्त एवं संरचना व्यवसाय समूह
मफतलाल सेंटर, ४था मंजला,
नरिमन पॉइंट,
मुंबई - ४०० ०२१, भारत

परियोजना वित्त एवं संरचना व्यवसाय समूह
मफतलाल सेंटर, ४थी मंजला,
नरिमन पॉइंट,
मुंबई - ४०० ०२१, भारत

Project Finance & Structuring
4th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021, India



certified copies of the resolution duly passed by the Board of Directors. This resolution must provide that the Company is agreeable to enter into the Loan Agreements within the time stipulated by SBI, along with the names of the authorised signatories for the purpose. There is no obligation or commitment on the part of SBI to advance any money till such Agreements are executed.

5. Please note that this communication should not be construed as giving rise to any binding obligation on the part of the bank. The proposed term loan commitment and the pricing will be valid till 01/04/2021.

6. Please also note that 30% of the up-front fees and 100% of underwriting fees of 1% i.e. Rs 1.46 Cr and Rs 12.79 Cr aggregating to Rs 14.25 Cr plus applicable taxes is payable at the time of issuance of sanction letter, 40% (Rs 1.95 Cr) plus taxes will be payable at the time of documentation and 30% (Rs 1.47 Cr) plus applicable taxes will be payable at the time of initial disbursement. IP approval fee of Rs 20.00 lac paid by the company will be adjusted towards upfront fee payable at the time of initial disbursement. However, entire fee of Rs 17.47 Cr (net-off IP approval fee) plus applicable taxes is payable before 31.03.2021.

Yours faithfully


(M. P. Siva)
Deputy General Manager
PF&S SBU Mumbai



Accepted for and on behalf of JSW Energy (Kutehr) Ltd. (as Borrower)	Accepted for and on behalf of JSW Energy Ltd. (as Guarantor)
Name:	Name:
Designation:	Designation:
Date:	Date:



Appendix-I

Appendix 1

SNo.	Particular	Detailed terms																														
1	Documentation Clause	<p>Besides the terms and conditions listed in this term sheet, the financing documents will contain other customary conditions related to Mandatory Covenants, Negative Covenants, Pre-disbursement Conditions and Event of Default etc. This is not a legal document and the language used in this term sheet cannot be construed as an obligation on part of the Bank to enter into the Financing Documents in the same stated manner. The Financing Documents shall be finalized by the Bank in consultation with the Lenders' Legal Counsel. The Bank reserves the right to make additions/ modifications to the terms and conditions listed below, till the signing of the Financing Documents.</p> <p>The Borrower will also have to comply with other customary covenants applicable to such transactions such as Financial covenants, Representation & Warranties from the Borrower, Conditions Precedent to the effectiveness of the loan and condition precedents to each disbursement, Affirmative covenants by Borrower, Negative Covenants, Additional Covenants, Information Covenants, Events of Defaults by the Borrower and the Consequences of the Event of Default, RBI disclosure norms, as applicable, etc. at the time of documentation.</p>																														
2	Borrower	JSW Energy (Kutehr) Limited (JEKL)																														
3	Promoter/ Sponsor	JSW Hydro Energy Limited (JHEL) – Promoter JSW Energy Limited (JEL) - Sponsor																														
4	Project	240 MW run-of-river Hydro power project on Ravi River, in Chamba District of Himachal Pradesh.																														
5	Estimated Project Cost & Means of Finance	<p>The project cost is estimated to be Rs.2879 Crs for setting up of 240MW Hydro project detailed as under:</p> <table><tr><th>Cost Parameters</th><th>Amt. (Rs Crs)</th></tr><tr><td>Land & Building</td><td>75</td></tr><tr><td>Civil & Hydro Mechanical Works</td><td>1421</td></tr><tr><td>Electro Mechanical Works</td><td>279</td></tr><tr><td>Transmission</td><td>39</td></tr><tr><td>Preliminary, Survey, Consultancy and Others</td><td>69</td></tr><tr><td>Other Hard Cost (Overheads, Establishment, Communication etc.)</td><td>372</td></tr><tr><td>Upfront Premium</td><td>125</td></tr><tr><td>Local Area Development cost</td><td>41</td></tr><tr><td>Contingency Provision</td><td>46</td></tr><tr><td>Interest During Construction</td><td>395</td></tr><tr><td>Working Capital Margin</td><td>17</td></tr><tr><td>Total Project Cost</td><td>2879.00</td></tr><tr><td>Means of Finance</td><td></td></tr><tr><td>Equity (Minimum-50%)</td><td>475.00</td></tr></table>	Cost Parameters	Amt. (Rs Crs)	Land & Building	75	Civil & Hydro Mechanical Works	1421	Electro Mechanical Works	279	Transmission	39	Preliminary, Survey, Consultancy and Others	69	Other Hard Cost (Overheads, Establishment, Communication etc.)	372	Upfront Premium	125	Local Area Development cost	41	Contingency Provision	46	Interest During Construction	395	Working Capital Margin	17	Total Project Cost	2879.00	Means of Finance		Equity (Minimum-50%)	475.00
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Means of Finance																																
Equity (Minimum-50%)	475.00																															



		Sub Debt (Upto 50%)	475.00																				
		Total Sponsor/Promoters Contribution	950.00																				
		Rupee Term Loan	1929.00																				
		Total	2879.00																				
6	Debt: Equity Ratio	Overall DE ratio – 67:33																					
7	Project Debt	Rupee Term Loan of Rs.1929 Crs and Capex FLC /ILC/SBLC sub-limit of Rs.800 Cr within the Term Loan Limit of Rs.1929.00 Crore. One-time Performance/Financial BG facility of Rs.100 Cr with 10% margin.																					
8	Equity/ Sources of Equity	Promoter contribution will be infused in the form of equity (Min 50%) and balance up to 50% in the form of quasi equity/ subordinated loan from Promoter /Sponsor. The loan in the form of quasi equity and/or subordinated loans from promoter will not be repaid before the currency of our loan and interest charged if any will be less than our banks ROI.																					
9	Upfront Equity	60% of equity shall be brought upfront before taking any drawl of debt and balance equity to be pro rata basis after 60% of debt drawal such that overall debt equity is maintained at 67:33. IDC (part of overall equity) to be funded by promoter. 100% equity will be infused before debt level reaches 75% of total debt component.																					
10	Purpose	The proposed Rupee Term Loan (FB facility and sub-limit of Capex LCs) would be utilized for part financing the implementation of proposed 240MW Hydel power project.																					
11	Lenders	State Bank of India (SBI) & other Bank / Financial Institution who may join the consortium at a later date.																					
12	SBI Facilities / Facility	<ul style="list-style-type: none"> ➤ Underwriting of total project debt of Rs.1929 Crs with SBI hold portion of Rs.650 Crs and balance Rs.1279 Crs shall be down sold to other lenders. ➤ LC (FLC/ILC/SBLC) sublimit of Rs.800 Cr within the RTL limit with SBI hold portion of Rs.270 Cr. ➤ Forward Contract/Derivative Sub Limit of Rs.20.00 Crore within TL limits of Rs.650 Cr. ➤ BG (Performance/Financial) of Rs. 100 Cr. 																					
13	Upfront fee and Underwriting fee	<p>Upfront fees of 0.75% on hold portion of Rs.650 Cr (i.e. Rs.4.875 Cr plus applicable taxes).</p> <p>Underwriting fees of 1% on down selling portion of Rs.1279 Cr on non- sharing basis (i.e. Rs.12.79 Cr plus applicable taxes).</p> <p>Upfront fee payable to other lenders on account of down-selling will be borne by the Company.</p> <p style="text-align: right;">(Rs in Cr)</p> <table border="1"> <thead> <tr> <th>Stage At the time of</th><th>Underwriting fee</th><th>Upfront fee</th><th>Total</th></tr> </thead> <tbody> <tr> <td>Issuance of sanction</td><td>12.79 plus tax (1%)</td><td>1.46 plus tax (30%)</td><td>14.25 plus tax</td></tr> <tr> <td>Documentation</td><td>0.00</td><td>1.95* plus tax (40%)</td><td>1.95 plus tax</td></tr> <tr> <td>Disbursement</td><td>0.00</td><td>1.47* plus tax (30%)</td><td>1.47 plus tax</td></tr> <tr> <td>Total</td><td>12.79</td><td>4.88</td><td>17.67</td></tr> </tbody> </table> <p>* However, entire fee is payable before 31.03.2021</p>		Stage At the time of	Underwriting fee	Upfront fee	Total	Issuance of sanction	12.79 plus tax (1%)	1.46 plus tax (30%)	14.25 plus tax	Documentation	0.00	1.95* plus tax (40%)	1.95 plus tax	Disbursement	0.00	1.47* plus tax (30%)	1.47 plus tax	Total	12.79	4.88	17.67
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Total	12.79	4.88	17.67																				



14	TL Review charges	Rs.0.10 Crs p.a. plus applicable taxes																																																																																											
15	Scheduled COD (SCOD)	01.10.2024																																																																																											
16	Availability Period	<p>For tranches, which are utilized for retirement of Letter of Credit/ Buyers Credit/LUT: from the Effective Date till -Three (3) years from LC opening date or an extended period as per extant RBI guidelines OR the date on which the entire facility is fully disbursed, cancelled or terminated; whichever is earlier.</p> <p>For tranches utilized for other purposes: from the Effective Date till - March 31,2025; OR the date on which the Facility is fully disbursed, cancelled or terminated; whichever is earlier. Amounts remaining undrawn at the end of the Availability Period shall be automatically cancelled.</p>																																																																																											
17	Door to Door Tenor of debt	<p>Door-to-door tenor of 23 years as under:</p> <ul style="list-style-type: none">• 4 years of drawdown• 1 year of principal moratorium period• 18 years of principal repayment <p>Put Option: The Lenders shall have option to seek repayment of the Facility (together with interest and other charges), either in parts or in full to the extent of the outstanding facility at the end of 7th year from SCOD (i.e.01.10.2031) and every 5 years thereafter by giving 180 (one hundred eighty) days prior written notice to the Borrower. No prepayment premium shall be charged in the event of exercise of Put Option.</p>																																																																																											
18	Principal Moratorium	12 Months from the Scheduled Commercial Operation Date of the Project.																																																																																											
19	Repayment schedule for Debt Facility	<p>The repayment shall commence from Oct-25 which is one year after SCOD.</p> <p>Repayment Schedule of Term Loan Facility for the project.</p> <table><tr><th>FY</th><th>30thJun</th><th>31stJul</th><th>31stAug</th><th>30thSep</th><th>31stOct</th><th>Total</th></tr><tr><td>2026</td><td>--</td><td>--</td><td>--</td><td>--</td><td>2.00%</td><td>2.00%</td></tr><tr><td>2027</td><td>1.20%</td><td>1.20%</td><td>1.20%</td><td>1.20%</td><td>1.20%</td><td>6.00%</td></tr><tr><td>2028</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>6.50%</td></tr><tr><td>2029</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>6.50%</td></tr><tr><td>2030</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>1.30%</td><td>6.50%</td></tr><tr><td>2031</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>6.75%</td></tr><tr><td>2032</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>1.35%</td><td>6.75%</td></tr><tr><td>2033</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>7.00%</td></tr><tr><td>2034</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>1.40%</td><td>7.00%</td></tr><tr><td>2035</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>7.25%</td></tr><tr><td>2036</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>1.45%</td><td>7.25%</td></tr><tr><td>2037</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>1.00%</td><td>5.00%</td></tr></table>	FY	30 th Jun	31 st Jul	31 st Aug	30 th Sep	31 st Oct	Total	2026	--	--	--	--	2.00%	2.00%	2027	1.20%	1.20%	1.20%	1.20%	1.20%	6.00%	2028	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%	2029	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%	2030	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%	2031	1.35%	1.35%	1.35%	1.35%	1.35%	6.75%	2032	1.35%	1.35%	1.35%	1.35%	1.35%	6.75%	2033	1.40%	1.40%	1.40%	1.40%	1.40%	7.00%	2034	1.40%	1.40%	1.40%	1.40%	1.40%	7.00%	2035	1.45%	1.45%	1.45%	1.45%	1.45%	7.25%	2036	1.45%	1.45%	1.45%	1.45%	1.45%	7.25%	2037	1.00%	1.00%	1.00%	1.00%	1.00%	5.00%
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20	Lead Bank Charges	Rs.15Lacs + taxes (subject to lenders in the consortium is not more than 5).																																																								
21	TRA Agent Fee	Rs. 15.00 Lacs + taxes. (subject to lenders in the consortium is not more than 5)																																																								
22	Inspection Charges	Actual expenses incurred by the Bank for Inspection of the project site and Rs.30,000/- p.a plus applicable taxes.																																																								
23	Rate of Interest	<p>2.55% above 6M MCLR, present effective rate being 9.50% fixed till COD Subject to interest rate is not lower than 1year MCLR.</p> <p>Post COD, Grid Based pricing based on External Credit rating of the borrower (Subject to ECR of minimum of "BBB" Rating) as under:</p> <table><tr><th>ECR</th><th>After COD</th></tr><tr><td>AAA (+ or -)</td><td>0.50% above 6M MCLR</td></tr><tr><td>AA (+ or -)</td><td>0.75% above 6M MCLR</td></tr><tr><td>'A' (+ or -) or better</td><td>1.25% above 6M MCLR</td></tr><tr><td>"BBB" (+ or -)</td><td>1.50% above 6M MCLR</td></tr></table> <p>The interest rate will be subject to change in case of change in external credit ratings. SBI interest rate shall not be lower than any other lender in the consortium.</p>	ECR	After COD	AAA (+ or -)	0.50% above 6M MCLR	AA (+ or -)	0.75% above 6M MCLR	'A' (+ or -) or better	1.25% above 6M MCLR	"BBB" (+ or -)	1.50% above 6M MCLR																																														
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24	Interest Tax, Levies & Duties	Interest tax / other levies / duties, if any, applicable, shall be payable by the Borrower over and above the interest rates, fees mentioned herein above.																																																								
25	Security Stipulations	<p>The Facility for the project, all interest, fees, commission and other monies in respect thereof shall be secured by way of</p> <ol style="list-style-type: none">Pari-passu first charge on entire immovable properties of the captioned Project,Pari-passu first charge by way of hypothecation of entire movable properties of the Project financed by Bank, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles raw material, stock-intrade, inventory and all other movable properties of whatsoever nature;Pari-passu first charge on the entire cashflows, receivables, book debts and revenues of the Project, of whatsoever nature and wherever arising, bothPari-passu first charge on entire intangible assets of the Project, including but not limited to, goodwill and uncalled capital, intellectual property, both present and future;																																																								



- v. Pari-passu first charge in the manner prescribed by lenders, as the case may be, of - (a) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (including but not limited to Power Purchase Agreement (PPA), Implementation Agreement), duly acknowledged and consented (as applicable and if required by the Bank) to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time; (b) subject to Applicable Law, all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the Clearances, and (c) all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; (d) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance Contracts;
- vi.
- Pari-passu first charge on the Trust and Retention Account (TRA), Debt Service Reserve and any other reserves and other bank accounts of the Project wherever maintained;
 - Pledge of 76% shares of the borrower company in favour of Lenders.
 - Pari-passu first charge on all the monies receivable by Promoter from the Borrower under the unsecured loans, if any, granted by them.
 - Corporate Guarantee of Sponsor, JSW Energy Ltd for (i) Cost Overrun support & (ii) DSRA creation, (iii) security perfection and (iv) stabilization of project (two consecutive years of minimum DSCR 1.10x) or 3 years from the COD of the project whichever is later. If the actual generation/revenue level is not as per Base case model for consecutive 2 years, then sponsor should undertake to resize the debt as per base case projection.

Security Interest set out above shall rank pari-passu amongst the term lenders of the Project for an aggregate rupee loan of Rs. 1929 Crore. Security Interest above shall also rank pari-passu 1st charge with working capital lenders for the working capital facility to the extent of the amount as approved by the Bank.

The Borrower shall create and perfect Security Interest stipulated from (ii) to (vi) above prior to seeking Initial Drawdown save and except the assignment of the rights and / or obligations under the PPA / Implementation Agreement / other Project Documents.

With respect to Security Interest stipulated in (i) above, the Borrower shall create and perfect mortgage on entire immoveable properties pertaining to the Project and also shall complete the assignment of rights and / or obligations under the PPAs/Implementation Agreement and other project documents in favor of the Bank within 6 months from



		<p>the date of first disbursement of the Loan.</p> <p>If, at any time during the currency of the Loan, the Bank is of the opinion that the security provided to the Bank has become inadequate to cover the outstanding amount under the loan agreement, then the Borrower, upon receipt of a notice to that effect from the Bank, shall provide and furnish to the Bank, to the satisfaction of the Bank, such additional security as may be acceptable to the Bank to cover such deficiency.</p>
26	Additional Interest	<p>i. Post disbursement of our share of Rs.650 Cr, Additional interest of 50 bps on outstanding under down selling portion of Rs.1279 Cr will be charged upto 12 months from the date of first drawl of down selling portion and additional interest of 100 bps if down selling is delayed beyond 12 months.</p> <p>ii. The Borrower will have to create & perfect final security as per the security stipulations.</p> <p>If the security is not created/ perfected within the stipulated time period as per the Security Clause, additional interest of 0.5% p.a. on the entire outstanding (FB + NFB) from the expiry of the given period till perfection of security shall be applicable.</p> <p>iii. Any further disbursements/opening of LC/SBLC facility pending perfection of security, after the expiry of time period stipulated in Clause 30 for creation/perfection of security, shall be at the sole discretion of the Lenders.</p> <p>iv. The Company shall ensure to obtain external credit rating for its entire borrowings from an accredited Credit Rating Agency within 3 months from the date of first disbursement of the Facility. Thereafter, the rating should be obtained and furnished to the lenders at least at annual intervals.</p> <p>On failure to obtain the first credit rating or revised credit rating at annual intervals or, the rating obtained is below investment grade till the rating is done/improves, an additional interest of 1 % would be levied by the lenders on the entire outstanding (FB+NFB).</p> <p>v. Breach of any covenants which include all Mandatory and Mandatory Negative covenants (excluding those items of covenants for which specific additional interest rates are already in place) will attract additional interest of 1% p.a. on the entire outstanding (FB + NFB), from the date of breach of covenant till the breach is rectified/ approved by sanctioning authority.</p> <p>vi. In case of cross default, penal interest of 1% on the entire outstanding for the period of default will be charged</p> <p>vii. Non-creation/Non-maintenance of DSRA (either in the form of BG or Cash) will attract additional interest of 0.5% p.a. on the entire outstanding amount (FB) from the expiry of the period till creation of DSRA</p> <p>The aggregate additional interest under various provisions under this clause shall not exceed 2% of the total outstanding amount.</p>
27	Penal Interest	Penal Interest of 5% per annum on the irregular portion for the period of irregularity to be recovered till the overdues are fully adjusted.
28	Prepayment	Any prepayment of the Loan shall be subject to payment by the



	charges	<p>Borrower of an amount equivalent to 2% of the amount prepaid including refinancing.</p> <p>In the following cases, the prepayment charges will not be applicable, if prepayment:</p> <ol style="list-style-type: none"> 1. happens at the insistence of the Bank 2. is done from cash accruals 3. is done out of fund infusion from promoter/sponsor 4. is done on account of increase in spread and same is not acceptable to borrower.
29	Drawdown Schedule and Disbursement	<ul style="list-style-type: none"> • Disbursement of the term loan / opening of capex LCs shall be as per draw down schedule (in line with the indicative phasing of the project) to be provided by the Borrower to the Lenders at the time of Documentation. • Disbursement of the Term Loan shall commence only after infusion of stipulated Upfront Equity and compliance of conditions precedent to 1st disbursement. Further disbursements will depend upon the progress of project implementation, satisfactory compliance of all Conditions Precedent and within the accepted Debt: Equity ratio. • A certificate from Chartered Accountant on sources and end-use of funds, including pre-operative expenses, will be submitted along with each notice of drawl (except in case of last disbursement wherein, a Certificate from Statutory Auditor shall have to be submitted). • Payments for all capex shall be made directly to the Suppliers/Contractors or any other vendor/contractor through LCs/Cash as per the satisfaction of the Lenders except for cases where agreed by the Lenders. Also, lenders shall have the right to call for information in respect of financial transactions of Promoter and EPC contractor as relevant to the project. • The Borrower would have the option to suitably modify / revise the draw down schedule with prior advance notice of 7 days before the beginning of respective quarter, without any commitment charges. • The drawdown can be in the form of cash drawdown or Letters of Credit to be established for the Project and the same to be availed before the expiry of availability period. Post availability period, fund based facility will be disbursed to retire outstanding Buyers Credit/LCs as and when due.
30	Project Expenditure Certification	The borrower shall submit a quarterly certificate on sources and end-use of funds from chartered accountant (one quarterly certificate from the Statutory Auditor once in a year) till the project cost is frozen.
31	Cancelability clause	Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice: in case of deterioration in the loan accounts in any manner whatsoever, and/or in case of non-compliance of terms and conditions of sanction.
32	Insurance	The Project Assets charged to the Lenders shall be insured, preferably from SBI General Insurance Company Limited.



		<p>comprehensively against appropriate risks, including force majeure events, both during & after the construction period, till the Facilities are outstanding, with suitable bank clause incorporated. The Borrower shall not make any compromise, adjustment or settlement in connection with any loss or any other event entitling the Borrower to claim under any Insurance Contract without the prior approval of Bank.</p> <p>For this purpose, services of a Lenders Insurance Advisor (LIA) will be appointed at the cost of the Borrower. LIA will carry out due diligence on the project / identify project related risks including environmental risk associated with the project and propose an insurance package, based on which insurance cover will be obtained by the Borrower at its own cost. Fees / charges payable to the LIA would be on the Borrowers account.</p> <p>Insurance policies shall be reviewed by Lenders Insurance Advisor (LIA) and the Borrower shall address all the concerns raised by LIA to the satisfaction of the lenders. The policies may be retained by the Borrower. However, a copy of the policies containing lenders security stipulations and names of the lenders as loss payees should be submitted to the Bank. A list of the current insurance policies should be submitted to the Bank detailing therein the names and addresses of the insurer, brief particulars of the assets covered, type of cover, amount of cover and <u>date of expiry</u> of each policy.</p>
33	Commitment Charges	<p>Disbursements will be made as per the drawdown schedule given by the Borrower at the time of documentation. Commitment Charges of 0.50% + all applicable taxes shall be levied for draw-downs in case the same is delayed as per the draw down schedule.</p> <p>Commitment Charges shall be paid for a period of 1 quarter on the amount of disbursements not availed in the relevant quarter with respect to the Disbursement schedule.</p> <p>The disbursement schedule may be amended by the Borrower, with a seven (7) day written notice before the beginning of the respective quarter and in such a case no commitment charges will be applicable.</p>
34	Debt Service Reserve Account (DSRA)	<p>DSRA obligations in respect of the loan is as follows:</p> <p>The Borrower shall provide Debt Service Reserve (DSR), within 12 months from the date of COD, in form of Cash/BG/LC/MF, as per below for debt service obligations due to the Lenders</p> <p>a. Ensuing 1 quarter interest and 25% of principal instalment repayment obligations of the next 12 months</p> <p>In case there is a delay in building DSRA from the project cash flows by the timelines as above, a Bank Guarantee/LC to be arranged by promoter/borrower of delayed amount from a bank acceptable to the Lenders, without recourse to the project assets, cash flows or any other items related to the proposed Project for the period until the</p>



		<p>DSRA accounts are filled. Until the DSRA accounts are filled up from cash flows or BG/LC is provided, Sponsor support <u>undertaking</u> of the Sponsor will be available for the DSRA amount. The Lenders will have 1st charge on the DSRA. In case actual COD of the project happens earlier than the Scheduled COD, the surplus cash accruals generated between actual COD and Scheduled COD to be utilized for creation of DSRA.</p> <p>The amount accumulated in the DSRA shall not be used for any purpose other than for servicing the debt. The amount in the DSRA would be utilized only in case of a shortfall in cash flows for meeting debt service requirements from time to time. The Company shall invest the funds in the DSRA only in permitted investments and securities as approved by Bank. No dividends shall be permitted until the DSRA is topped up. The Borrower shall ensure maintenance of DSRA during the tenor of the loan after it is built as above and at the end of loan tenor, the balance in DSRA shall be utilized for payment of last quarterly instalment</p>
35	Cash Sweep & Cash Trap	<p>In the event of generation of any surplus cash accruals in any financial year, Lender(s) shall have the option to sweep the excess cash surplus in the below mentioned manner in the inverse order of maturity as per discretion of Lenders:</p> <ul style="list-style-type: none"> ➤ In case of DSCR in any year is less than 1.15x, Promoters will not be able to declare dividends ➤ In case of DSCR in any year is between 1.15x and 1.25x, Lenders will have the right to sweep 30% of excess cash for prepayment of loan ➤ In case of DSCR in any year is above 1.25x, Lenders will have the right to sweep 40% of excess cash for prepayment of loan <p>However, at point of time Cash surplus utilised either for debt reduction or restricted payments should not be more than 90% of the total available cash surplus. Surplus cash accruals for the purpose of cash sweep shall be the cash transferred to TRA sub-account post meeting the statutory obligations, debt servicing obligations, operational expenses, and reserve requirements in accordance with the stipulated terms. Such surplus shall be calculated and paid after submission of the Audited financial statements after the end of each financial year.</p>
36	Trust Retention Account &	<p>The Borrower will open a Trust & Retention Account (TRA) with SBI and agree that all cash flows of the Project including equity capital, would be deposited in Trust and Retention Account(s), which would specify the priority, timing, utilization and the sequence of the cash flows to be decided pursuant to the Trust & Retention Account Agreement and agree to maintain adequate reserves in all the sub-accounts as per the TRA Agreement.</p> <p>Payment of expenses other than mentioned in the Base case plan will be subject to approval from lenders</p>



37	Legal Expenses	The Borrower shall pay/reimburse all the expenses incurred/to be incurred by the Lenders in respect of appointment of Legal Counsel for creation of security, obtention of legal and / or any other advices, <u>documentation, filing of charges, etc.</u>
38	Other Charges	The Company shall pay/reimburse all the expenses incurred / to be incurred by the Lenders in respect of any other consultant (s) services utilised for the <u>project</u> .
39	Pre-Commitment Conditions	<p>The Borrower shall to the satisfaction of the Lenders:</p> <ol style="list-style-type: none"> 1. Undertake to arrange for the entire envisaged equity for the project as per the project requirements. 2. The Company will submit suitable affidavit(s)/letter(s) from the Director(s) whose name(s) is/are appearing in the RBI Defaulters list/CIBIL Defaulters List. 3. The Borrower has agreed to confirm/ undertake that name of none of the directors appears in RBIs/ CIBILs Defaulters list/ ECGC Caution List. Further, the Borrower will furnish to the RTL Lenders an undertaking of disclaimer along with an undertaking of disclaimer from Director(s) with similar identity appearing in any of RBI defaulters/ CIBIL/ CEIB/ECGC Caution lists. The Borrower shall agree to remove the directors, if any whose names appear in RBI wilful defaulters' list from its Board, or get their names deleted from the list. 4. That no legal cases of any nature have been filed against the Borrower and or any of its Directors which have material adverse effect in the view of the lenders. 5. Undertake that there is no existing event of default which has not been cured or waived under the Project Documents and existing facilities. 6. Undertake to build up a Debt Service Reserve Account (DSRA) account as stipulated in this term sheet. 7. Undertake to furnish to the Lenders or any agency appointed by the Lenders, such information and data as may be required by them or any agency appointed by the Lenders to ensure that the physical and financial progress of the project are as per the schedule. 8. Undertake to acquire entire land required for the Project which is free from all encumbrances as may be required for smooth implementation of the Project, adequacy of which will be reviewed by LIE. 9. To execute all necessary EPC/construction contracts required for implementation of the Project. 10. Agree that the technical configuration of the plant, the EPC contracts/amendment/novation to EPC contract, Power Purchase Agreement (PPA) and other important contracts executed/ to be executed, approvals received by the Borrower for the Project shall be reviewed by LIE/ LLC/ LIA or any other consultant, as may be required. The Borrower to carry out necessary changes/ modifications as recommended by the LIE/ LLC/ LIA to the extent admissible by the relevant agencies in



	<p>case of Government and deemed necessary by the Lenders.</p> <p>11. Company will give an undertaking to ensure completion of all works and services in accordance with stipulated completion date and performance parameters.</p> <p>12. Undertake to obtain all statutory and non-statutory clearances as may be required for smooth implementation, for starting and timely completion of the Project and for continuous operation of the Project, which shall be reviewed by LIE.</p> <p>The Borrower shall undertake to comply with the conditions stipulated in such clearances as and when required, during the currency of loan to the satisfaction of lenders.</p> <p>13. Undertake to comply with all the obligations of power producer under PPA so as not to result in termination of PPA.</p> <p>14. Undertake that the power evacuation arrangements are in place prior to the Scheduled COD of the project, which shall be reviewed by LIE.</p> <p>15. Further the company will take suitable measures to ensure Rehabilitation and Resettlement. R&R Scheme will be reviewed by LIE. Acquisition/availability of Right of Way (RoW) for the transmission line from the project site to nearest substation and approval for grid connectivity is in place.</p> <p>16. The progress of acquisition/ RoW will be monitored closely by LIE on bi-monthly basis and if not found satisfactory, the Bank reserves the right to stipulate additional conditions to safeguard its interest.</p> <p>17. Agree to obtain all necessary clearances for the power plant, as applicable to the stage of project implementation.</p> <p>18. Undertake to make suitable arrangements for project management/ O&M 15 days prior to Scheduled COD of the project, which shall be reviewed by LIE.</p> <p>19. To ensure proper management structure is in place for efficient running of the project.</p> <p>20. Agree to modify its Memorandum of Association and Articles of Association, for enhancement of the authorised share capital and borrowing power as per the envisaged financing plan, if required, and incorporate any other changes, if required by the Lenders.</p> <p>21. Agree that the Lenders reserve the right to appoint any Agencies for specialised monitoring/concurrent auditors/consultants for the review of the Project as deemed fit during the currency of the loan, the entire cost of such appointment will be borne by the Company.</p> <p>22. Agree that in the event of reduction in project cost on account of any savings on account of duties/other taxes, price negotiations or otherwise, there would be a prorate reduction in debt and equity of the project.</p> <p>23. Undertake to make/ enter into suitable hedging mechanism for payments towards import component of plant and machinery in foreign currency (i.e. for LC, Buyers Credit) and also for</p>
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		<p>repayment of foreign currency loans, if any, in line with RBI Guidelines to the satisfaction of the Lenders. In case the lenders have to do additional provisioning for the shortfall in hedging arrangement of the Borrower, the additional cost to be incurred by the lenders shall have to be made good by Promoters by way of additional promoter's contribution, so that there is no adverse impact on the Borrower.</p> <p>24. Provide copy of the Shareholders Resolution under section 180 (1) (a) and 180 (1) (d) of the Companies Act to the Lender, if applicable</p> <p>25. The Borrower agrees to procure and submit/applied for a certificate under Section 281 (1) (ii) of the Income Tax Act, 1961 in respect of the creation of Security, as applicable for creation of Mortgage.</p> <p>26. Provide copy of the resolution of the Board of Directors of the company approving the terms of this transaction and authorizing specified person(s) to execute, sign and/or dispatch all documents and notices to which it will be a party.</p> <p>27. Agree that the Lenders shall be entitled to appoint one (1) nominee on behalf of all the Lenders on the Board of the Borrower in case of default, till the default is subsisting.</p> <p>28. Agree that the Borrower shall obtain adequate insurance cover both during construction phase and operation phase, as per advice given by Lenders' Insurance Advisor and assign all insurance policies pertaining to the Project plan in favour of lenders. If the policy is not renewed on due date, Flat penalty (penal interest) of Rs 500/- for each day of delay beyond due date.</p> <p>29. Agree that the Bank/Lenders Agent can stipulate additional conditions till execution of the Financing documents, as may be mutually agreed.</p> <p>30. Agree to carry out the amendments in the EPC contracts as suggested by the Banks Consultants as mutually agreed.</p> <p>31. The Borrower shall agree to broad base its Board of Directors by inducting suitable qualified and experienced technical and financial professionals, with mutual agreement.</p> <p>32. The Borrower agrees that the lenders shall have the right to exercise options under Strategic Debt Restructuring or other resolution process as per RBI stipulations and suitable resolutions to that effect to be passed by the Borrower.</p> <p>33. Borrower to obtain special resolution under Section 62 (3) of Companies Act 2013.</p> <p>34. Approval for connectivity to HPPTCL and Power evacuation is in place.</p> <p>The Promoter shall undertake the following, to the satisfaction of the Lenders:</p> <p>35. Complete the Project within stipulated timelines.</p> <p>36. Bring in the additional amount of equity/ Promoters Contribution from its own sources/ affiliates without recourse to the Project</p>
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		<p>assets, in a form and manner acceptable to the lenders, as may be required in case of any time/cost overrun, including any increase in cost due to foreign exchange fluctuation/ escalation in cost of buyers credit. to the extent not covered by project contingencies.</p> <p>37. If, during the currency of the loan, management control over the Borrower changes or the equity stake by the Promoter falls below 51%, the Promoter and the Borrower undertake to repay the entire loan.</p> <p>38. Undertaking that the power evacuation arrangements should be in place before the Scheduled COD of the project, which shall be reviewed by the LIE.</p> <p>39. In case there is a delay in building DSRA from the project cash flows by the timelines as above, a Bank Guarantee/LC to be arranged by promoter/ sponsor of delayed amount from a bank acceptable to the Lenders, without recourse to the project assets, cash flows or any other items related to the proposed Project for the period until the DSRA accounts are filled. Until the DSRA accounts are filled up from cash flows or BG/LC is provided, Corporate Guarantee of the Sponsor will be available for the DSRA amount.</p> <p>40. Sponsor will undertake to resize the debt in case of any breach in financial covenants continuously for a period of two years from first full year of operation to maintain the ratios as per Financial Covenant.</p> <p>41. Meet all the financial obligations of Promoters under the financing of this Project and as required under this Term sheet.</p> <p>42. Undertake to complete the security creation within the timelines as furnished in this term sheet.</p> <p>43. Promoter will undertake to resize the debt in case the project does not achieve the performance as per Lenders Base case model during the first 36 months after COD.</p>
40	Pre-Disbursement	<p>Prior to 1st disbursement under the facility the Borrower shall, to the satisfaction of the Lenders, have complied with the following conditions:</p> <ol style="list-style-type: none"> 1. Execution of Facility Agreement/ Security Documents for tie up of the debt requirement of the Borrower. 2. Satisfactory legal opinions from Bank Legal Counsel to the Lender/Bank covering inter alia the TIR, enforceability of the security/documentation, etc. subject to timelines stipulated in the Security section. 3. Resolve the issues raised by the LLC to the satisfaction of Bank. 4. The Company should have acquired entire land required for the project. The land for the Project should be free from all encumbrances as may be required for smooth implementation of the Project, adequacy of which will be reviewed by LIE 5. All necessary regulatory, government, shareholder and corporate approvals for the Facilities by the Borrower to the satisfaction of the Bank, LLC and LIE wherever applicable; 6. Lenders Independent Engineer (LIE) and Lenders Insurance



	<p>Advisor (LIA) (together hereinafter referred to as Lenders Consultants) have been appointed by the Lenders.</p> <p>7. Opinion from LLC shall be obtained regarding impact of change in shareholding in borrower company from JSW Energy Ltd to JSW Hydro Energy Ltd in relation to Tripartite Agreement wherein it is stipulated that JEL shall retain equity not less than 51% till 6 months after COD.</p> <p>8. 60% of equity required for the Project has been brought in up-front before taking any drawl of debt and balance equity to be pro rata basis after 60% of debt drawl such that overall debt equity is maintained at 67:33. IDC (part of overall equity) to be funded by promoter. However, 100% equity will be infused before debt level reaches 75% of total debt component.</p> <p>9. Opened a Trust and Retention Account (TRA) with the TRA agent to the satisfaction of the Lenders through which all the project equity, project debt and project cash flows would flow.</p> <p>10. LIE certificate that the proposed drawdown is in accordance with the implementation schedule and that the physical progress of the Project and the cost incurred is as per the Project requirement.</p> <p>11. The LIE shall vet the cost of project and LLC/LIE shall review contracts for supply of major equipment, Power Purchase Agreement and other major contracts/ approvals as obtained. LIE will also examine the reasonableness of these contract prices. The Borrower shall carry out necessary changes/ modifications to the extent admissible by relevant agencies in case of Government and as recommended by the LIE/ LLC and deemed necessary by the Lenders.</p> <p>12. To ensure that Lenders shall have received the final copies of the construction schedule, organization chart, copies of all the contracts, the construction budget and disbursement schedule, in accordance with the Base case business plan, as agreed between Borrower and the relevant contractors duly certified by LIE.</p> <p>13. The Borrower has created the securities as envisaged in the security package within the stipulated time period as applicable.</p> <p>14. Finalise the insurance package and submit the same for review by the Lenders Insurance Advisor/ Lenders. Ensure that all requisite insurance policies are taken in respect of the project to the satisfaction of Lenders Insurance Advisor and that the Lenders/Trustee have been named as Loss Payee in these insurance Policies.</p> <p>15. The Borrower shall have executed the fixed time EPC Contract(s) for the Project including provisions for adequate liquidated damages for delay in commissioning of plant and performance guarantees. The EPC Contract(s) shall be reviewed by Lenders Independent Engineer and Lenders Legal Counsel and the Borrower shall carry out the necessary modification in the EPC contract as deemed necessary by the Lenders as mutually agreed.</p> <p>16. The Borrower shall obtain and maintain all the requisite statutory and other clearances as may be required and applicable for smooth implementation of the Project and has agreed to comply with all the</p>
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		<p>conditionality of these clearances/ approvals. LIE and LLC shall have reviewed the position of various statutory and regulatory clearances including any detrimental clauses for the Project.</p> <p>17. The Borrower shall have received the necessary approvals for requisite construction water and Construction Power for implementation of the Project and any other related approvals and the same has been reviewed by LIE</p> <p>18. Power Purchase Agreement (PPA) should have been entered by the Borrower with DISCOM and approved by the respective regulatory authority under sec 63 of electricity act. It shall be reviewed by LIE and LLC and the Borrower would take all necessary steps to resolve the issues raised, if any, to the satisfaction of the Lenders.</p> <p>19. Ensure that all required licenses, approvals, agreements, PPAs have been assigned/ transferred in favour of JSWEKL.</p> <p>20. The Company to give Chartered Accountant Certificate regarding sources and end use of funds up to previous disbursement. However, the company will submit a quarterly Certificate from chartered accountant (one quarterly certificate from its Statutory Auditor once in year and while seeking last disbursement).</p> <p>21. Amend the Memorandum and Articles of Association of the Company for increasing the authorised share capital, borrowing power and incorporate any other change, as per the requirement of envisaged financing plan.</p> <p>22. Borrower should display a name board with lender details at the prominent place in the project site.</p> <p>23. Appointment of following Consultants: i) Lenders Independent Engineer (LIE) ii) Lenders Insurance Advisor (LIA) iii) Lenders Legal Counsel (LLC) iv) Agency for Specialised Monitoring (ASM).</p> <p>24. CIR from all the banks/FIs of JEL and JHEL will be obtained by us.</p>
41	Conditions precedent to each disbursement	<p>The Borrower shall, prior to each disbursement under the Facility, the Borrower shall, to the satisfaction of the Lenders, have complied with the following:</p> <p>1. Provide a certificate from the Chartered Accountant certifying the project cost incurred till date along with the components of the project cost and means of finance and the same should certify that the funds drawn down have been used for the purpose mentioned in the Transaction Documents and confirming that the total debt to equity ratio after giving effect to the particular drawdown shall not exceed as provided under means of finance. However, the company will submit a Certificate from its Statutory Auditor while seeking last disbursement. Further, a chartered accountant (one certificate from statutory auditor once in a year) Certificate will be provided on quarterly basis certifying sources and end-use of funds, as aforesaid.</p> <p>2. Provide certificate of LIE that each drawdown amount is to the satisfaction of the LIE to reflect actual physical progress of the Project achieved by the Company and within the overall Base Case Business Plan;</p> <p>3. The amount allocated towards contingency and margin money for working capital shall not be disbursed until certified by LIE;</p> <p>4. The Company should have acquired land fully before first disbursement. The land for the Project should be free from all encumbrances as may be required for smooth implementation of the Project, adequacy of which will</p>



		<p>be reviewed by LIE.</p> <p>5. All stipulated representations and warranties which are made or repeated on the date of such drawdown are true in all respect, and</p> <p>6. No event of default/ potential event of default has occurred and is continuing;</p> <p>7. All Clearances, approvals, consents required at least for that part of the Project, for which disbursement has been sought, have been obtained and shall remain in full force and effect and in compliance with all the conditions stipulated therein.</p> <p>All the above terms are in addition to the conditions precedent to the 1st disbursement. Bank, at its discretion, may ask for any or all the above conditions at each disbursement.</p>
42	Other Conditions	<p>Borrower has to fulfil the following conditions to the satisfaction of the Lenders:</p> <ol style="list-style-type: none"> 1. Our terms shall not be inferior to the terms of any other Lender. 2. Any additional terms / modification in terms required as per changes in statutory/ regulatory / policy (RBI) guidelines, as may be mutually agreed, would be acceptable to the Borrower. 3. Lenders shall have 1st charge on Carbon Credits and related revenues, if any, that accrues to the project company 4. To retain Ownership and control (directly or indirectly), on a fully diluted basis, by the Promoter of at least 51% of the equity shares of the Borrower. 5. Lenders reserve the right to withhold disbursement of loan equivalent to the provision against margin money for working capital in the cost of the project till such time the project is near completion and the build-up of the working capital commences. 6. Lenders reserve the right to review the cost of the project and means of finance anytime during construction period of the project and stipulate relevant conditions, as deemed necessary. 7. The Borrower shall furnish to the Lender such information and data as may be required by Lender to ensure that the physical progress as well as the expenditure incurred is reasonable and in line with schedule. 8. The Borrower shall agree that the Lenders shall have the right to stipulate any additional condition, as considered necessary, upon occurrence of any event, which may have any material adverse impact on the project. 9. Ensure that proper power evacuation plan for transmission of power from the project site as per PPA, in line with project implementation schedule, is in place and suitable efforts have been made to complete the power evacuation arrangement before the Scheduled COD of the project. 10. Make satisfactory arrangements for tie-up of the required working capital facilities prior to the start of commercial operations; 11. Appoint technical, financial and executive personnel of proper qualification and experience for the key posts and ensure that the organization set up is adequate enough for smooth implementation and operation of the Project. 12. During the currency of credit facilities, if there is any change in



	<p>nationality of the Borrower (s)/Guarantor (s)/Director (s) loses the citizenship of Indian or acquire (s) the citizenship of any other country, the same has to be advised in writing to the Bank, immediately upon such knowledge by the Borrower.</p> <p>13. LEI number should be furnished at the time of appraisal of the project.</p> <p>14. Ministry of Corporate Affairs has notified companies (Restriction on number of Layers) rules 2017 Vide Gazette Notification No. 793 dated 20.09.2017 and the borrower has to comply with the captioned regulations and should submit an undertaking.</p> <p>15. Restricted Payment conditions: Undertake not to declare any dividend/pay any interest on unsecured loans from promoters during construction/ moratorium period and that during the currency of the Debt, it shall not, without obtaining prior consent of the lenders, declare any dividend / pay any interest on unsecured loans from promoters:</p> <ol style="list-style-type: none"> a) if it fails to meet its obligations to pay interest and/or instalments and/or other monies, b) If there is no cash available for distribution c) if the DSRA is not funded and /or arranged as required by the Lenders, and d) if the Borrower is in breach of any material covenants and terms of financing and e) In the event of occurrence of any Event of Default. <p>16. Make suitable arrangement for the Project Management and supervision during the implementation and operation of the Project;</p> <p>17. Agree to constitute a competent Committee of Directors/Senior Executives for the purpose of supervising and monitoring the progress of implementation of the project. The committee shall be responsible for the management of the project during construction period and monitoring implementation of the project and the Lenders shall have the rights to seek appropriate information from this committee.</p> <p>18. Shall agree that the Board of Directors or a Committee of Directors of the Borrower shall be responsible for audit and corporate governance related matters for close monitoring of the Borrowers operations.</p> <p>19. Constitute an Audit Sub-committee of its Directors to the satisfaction of Lenders for monitoring of the Borrowers operations.</p> <p>20. Furnish to the Lenders every year a copy of audited annual accounts of the Borrower immediately on finalisation of the same but in any case, not later than 180 days from the end of each relevant accounting period.</p> <p>21. Provide regular progress reports on the Project both during construction and during operation to the Lenders in a form and manner as may be required by them and any other information as and when required.</p>
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		<p>replacement of capital equipment is more than the projections as per Lenders Base case model due to repair and replacement of spare parts or any other reason such payments will be made from the surplus cash flows or from the accruable surplus amount to the borrower in cash sweep arrangement.</p> <p>34. The Borrower shall adopt a suitable hedging mechanism for the payments towards import component of plant and machinery in foreign currency (i.e. for LC, Buyers Credit, if any) and also for repayment of foreign currency loans, if any, in line with RBI Guidelines to the satisfaction of the Lenders, to ensure that forex/MTM/ cash losses does not adversely impact the company's ability to service the debt repayment obligations. The Borrower shall submit details of its foreign currency outstanding portfolio along with hedging details on quarterly basis to the bank in line with extant RBI guidelines.</p> <p>35. In case the Borrower does not make suitable hedging arrangement and suffers losses due to the same, such loss, over and above the contingencies envisaged in the project cost shall be made good by Promoters by way of additional promoter's contribution so that there is no adverse impact on the Borrower.</p> <p>36. In case the Bank is required to make additional provision/provide additional capital (in terms of RBI Guidelines) on account of Borrowers un-hedged forex exposure, the cost for the same shall be recovered from the Borrower</p> <p>37. The shareholding of the promoter shall not go below 51% in JSW Energy (Kutehr) Limited</p> <p>38. Any other Terms and Conditions stipulated by any of the participating Banks/FIs which are more favourable to the lenders, shall be applicable to us <i>mutatis mutandis</i>.</p>
43	Financial Covenant	<p>At the time of annual review of the term loan, the minimum financial covenants testing shall be based on the following parameters:</p> <p>i) FACR should not be less than 1.25 times in any year ii) Gross (Min) DSCR: Minimum Gross DSCR should be 1.20 iii) Interest Coverage Ratio: Min 1.75</p> <p><u>Penalty for breach</u></p> <p>The covenants will be tested based, from first full year of operation after COD, on audited financials every year during the currency of the loan and penalty will be levied for breach of any of the covenants on the outstanding loan amount as on the date of audited balance sheet. Penal interest would be charged retrospectively from the date of audited Balance Sheet based on which, covenants have been tested, for the period of breach.</p> <p>-Up to 10% - Nil -More than 10% - 50 bps</p> <p>"Waiver, if any, will be permitted only with Lead Bank's approval". In case of any breach in financial covenants continuously for a period of two years the promoters would resize the debt so as to maintain the</p>



		above-mentioned ratios.
44	Mandatory Covenants	<ol style="list-style-type: none"> 1. The borrower should maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank. 2. The borrower should submit to the Bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the borrower to the Bank as on the date of publication of the borrowers annual accounts. 3. In case of default in repayment of the loan/advances or in the payment of the interest thereon or any of the agreed instalments of the loan on due date(s) by the borrower, the Bank and/or the RBI will have an unqualified right to disclose or publish the borrowers name or the name of the borrower/unit and its directors/partners/proprietors as defaulters/wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit. 4. The Bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time. 5. The borrower should not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CICs. In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose. 6. In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests (for the period of default) Cross default will be defined as: a) Default by the borrower to any other bank under Consortium/ MBA or b) Default by the borrower's associate/sister concern/subsidiary to our Bank or c) Default by the borrower's associate/sister concern/subsidiary to any other bank Further, cross default would be deemed to have occurred only in case default to particular lender(s) is not cured within 30 days. 7. In stressed situation or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The Bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines. Further, in such a scenario, the borrower agrees to facilitate the process of conversion of loan to equity or other capital. 8. Bank will have the right to examine at all times the borrowers books of accounts and to have the borrowers factories inspected, from time to time, by officer(s) of the Bank and/or qualified auditors and/or technical experts and or management consultants of the



		<p>Banks choice. Cost of such inspection shall be borne by the borrower.</p> <p>9. After provision for tax and other statutory liabilities, the Bank will have first right along with other secured lenders as per arrangement of security sharing on the profits of the borrower for repayment of amounts due to the secured lenders, in case of payment default to the lenders is not cured within 30 days (unless expressly permitted otherwise by any law for the time being in force)</p> <p>10. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business: for instance, if, the monthly production or sales are substantially less than what had been indicated, the borrower shall immediately inform the Bank with explanations and the remedial steps taken and/or proposed to be taken. Further, for listed corporates, the borrower will inform the Bank simultaneously along with Stock Exchange(s)</p> <p>For the purpose of this covenant, substantial effect on their profit or business would mean adverse variance of 5 % or more</p> <p>11. Effect any change in the borrowers capital structure where the shareholding of the existing promoter(s) (a) gets diluted below current level or (b) leads to dilution in controlling stake for any reason (whichever is lower), without prior permission of the Bank - for which 60 days prior notice shall be required</p> <p>12. The borrower will utilise the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines and terms of sanction.</p> <p>13. Promoters shares in the borrowing entity should not be pledged to any Bank/NBFC/Institution outside the consortium/multiple banking arrangement without our prior consent.</p> <p>14. Covenants are required to be tested annually on the basis of Audited Balance Sheet (as detailed in Clause 43 of this Term Sheet). Penal interest will be charged in case of breach of any two of the four parameters vis--vis values as approved by the sanctioning authority in the sanction note. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured.</p> <p>15. Each of the following events will attract penal interest/charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:</p> <ol style="list-style-type: none"> For the period of overdue interest/instalment in respect of Term Loans and over-drawings above the drawing power/limit in Fund Based Working Capital accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc. Non-submission of Audited Balance Sheet within 6 months of closure of financial year. Non-submission of FSMTL, within the stipulated time Non-submission of review data at least one month prior to due date.
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		<p>e. Non-renewal of Insurance Policy(ies) in a timely manner or inadequate insurance cover.</p> <p>f. Non creation of DSRA at the stipulated time.</p> <p>16. In the event of default, or where signs of inherence weakness are apparent, the Bank shall have the right to securitise the assets charged and in the event of such securitisation, the Bank will suitably inform the borrower(s) and guarantor(s). In addition, the Bank will have the right to novate/assign the assets charged</p> <p>17. The borrower shall keep the Bank advised of any circumstance adversely affecting the financial position of subsidiaries/group companies or companies in which it has invested including any action taken by any creditor against the said companies legally or otherwise.</p> <p>Further, for the purpose of this covenant, adversely affecting the financial position of subsidiaries/groups companies or companies in which it has invested would mean impact on TNW of the particular entity by 5 % or more.</p> <p>18. Borrowers to submit Certificate on quarterly basis furnishing details of accounts opened with other banks and Details of investments made in Stock Markets, Mutual Funds, NBFCs, ICDs, Associate Companies, Subsidiaries, Real Estate etc., Due Diligence Report etc.</p> <p>19. Borrowers to obtain ECGC coverage on Foreign Bank Guarantee issued.</p> <p>20. Security to be created as per the approved schedule. / Banks. Approval for delay in creation and perfection of securities is required. (Maximum period 12 months).</p>
45	Mandatory Negative Covenants	<p>The Borrower(s) shall give 60 days prior notice to the Bank for undertaking any of the following activities to enable the Bank to take a view. If, in the opinion of the Bank, the move contemplated by the borrower is not in the interest of the Bank, the Bank will have the right of veto for the activity. Should the borrower still go ahead, despite the veto, the Bank shall have the right call up the facilities sanctioned.</p> <ol style="list-style-type: none"> 1. Formulate any scheme of amalgamation or reconstruction or merger or de-merger 2. Undertake any new project, implement any scheme of expansion or acquire fixed assets if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets. 3. Invest by way of share capital in or loan or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the ordinary course of business or advances to employees can, however, be extended. Such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and current ratio agreed upon at the time of sanction. 4. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction.



		<p>5. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).</p> <p>6. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the Bank.</p> <p>7. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons, except as permitted by the Lender.</p> <p>8. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% of Gross Block may be sold in any financial year provided such sale does not dilute FACR below minimum stipulated level. (Not applicable for unsecured loans).</p> <p>9. Enter into any contractual obligation of a long term nature (i.e. 2 years or more) or which, in the reasonable assessment of the Bank, is detrimental to lenders interest,</p> <p>10. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.</p> <p>11. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.</p> <p>12. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of Promoter Directors (including Key Managerial Personnel)</p> <p>13. Repay monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans /advances. Further, the rate of interest, if any, payable on such deposits/loans/advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted/deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.</p> <p>14. Opening of Current Account with another bank or a bank which is not a member of Consortium/MBA. For credit facility(ies) under sole banking arrangement, borrower shall confine entire business with financing bank. Further, in respect of credit facilities under consortium/MBA, the borrower agrees to offer to the Bank, on a right of first refusal basis, at least pro rata business relating to remittances, bills/cheque purchase, non-fund based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business, Merchant Banking, IPO/FPO, capital market transactions, cash management product, vehicle loan etc.</p> <p>15. Payment of commission to the guarantor(s) for guaranteeing the credit facilities sanctioned by the Bank, except for statutory compliance at arms length.</p>
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		<p>16.</p> <p>(a) Change in Machinery/ manufacturer/ cost of machinery</p> <p>(b) Modification in repayment period of term loans whose weighted average maturity is not extended.</p> <p>(c) Disbursement of term loan by way of reimbursement of expenditure incurred within one year of date of sanction.</p> <p>17. Issuance of BGs with auto renewal clause. (Except in favour of Govt Departments for business purposes)</p>
46	Events of default	<p>The Lenders reserve the right to call up the Facility, impose any other terms and conditions upon the happening of, inter-alia, the following Events of Default (each an Event of Default) subject to cure periods (if any) including but not limited to:</p> <ol style="list-style-type: none"> i. Any instalment of principal amount of or interest on the Facility remaining unpaid beyond their respective due dates; ii. Any other amounts payable under financing documents remaining unpaid for 30 days beyond their respective due dates; iii. Material Non-compliance/Event of default with any provisions/ Material breach/Event of default of obligations of the Borrower under the financing documents and Project Agreements; iv. Non-payment/Cross default of Borrower, breach of obligations by the Borrower, Promoter and Sponsor, under the Finance Agreements and Project Agreements related to the project; v. Breach of other obligations or default in performance or observance of financial covenants under Financing Documents; vi. Misrepresentations vii. Deterioration in the loan accounts in any manner whatsoever having material adverse impact on the Borrowers capacity to repay the loan. viii. Termination of any financing documents; ix. Revocation of material authorization, license or consent; x. Non-maintenance or avoidance of material insurance; xi. Security ceasing to be effective; xii. Occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lenders or impact the viability of the Project. xiii. Failure to obtain any statutory clearances as and when required for the implementation and operation of the project; xiv. Insolvency events effecting the Borrower(s); xv. Abandonment of the project; The Borrower ceasing or threatening to cease to carry on its business. xvi. Nationalization of the borrower(s) or the Project; xvii. Breach of Obligations/Undertakings of Representation & Warranties by Promoter or Borrower, as the case may be. xviii. Material Adverse Change xix. Execution or distress being enforced or levied against whole or any part of Borrower's property and any order relating thereto is not discharged or stayed. xx. A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not



		<p>xxi. stayed, quashed or dismissed within a period of 30 days; Borrower committing breach of any applicable law of the land which may lead to an event of default.</p> <p>xxii. Opening/ maintaining current account with Banks outside the lending arrangement without Bank's approval</p> <p>xxiii. Change in management control on occurrence (and continuance beyond stipulated cure period), of an Event of Default, Lenders are entitled to accelerate the Facilities, demand immediate repayment of outstanding amount of the Facilities subject to such cure periods as agreed, appoint nominee director, and have other customary recourse for recovery of dues. Cure Period for Non-Financial EoD shall be 30 days. Nominee director shall continue till the default persists. The above list is indicative only and final list shall be detailed in our documentation.</p>
47	Termination	In case of termination of the PPA, the borrower will arrange to liquidate the entire outstanding loan immediately & it will also arrange for payment of penalty/compensation to power off-takers, if any from its own resources without any recourse to lenders secured assets.
48	Other Covenants	<p>Borrower is required to furnish following declarations.</p> <p>a) Regarding no specified relative of the Borrower is senior officer of bank, is to be incorporated.</p> <p>b) Regarding no director in the company, is a director in any bank.</p> <p>c) Regarding no default in payment of dues to any other lender.</p> <p>All out of pocket expenses as per Banks standard rates and related to the project will also be payable by the company</p> <p>Borrower is required to submit a declaration at half yearly intervals on the details of accounts opened with other Banks. Further, details of investments in stock markets, mutual funds, NBFCs, ICDs, associate companies, subsidiaries, real estate, etc. made would also be required to be furnished</p> <p>Two title investigation reports (TIR) will be obtained from two different Banks panel advocates at company's cost and fresh TIRs to be obtained once in every three years at company's cost.</p> <p>Latest tax receipt to be submitted annually at cost of company.</p> <p>Due Diligence Report Certificate to be submitted half yearly dully certified by practicing Company Secretary.</p>
49	Illegality	In the event, that it becomes illegal for the Lenders to lend or maintain the commitment, the Borrower will repay all amounts outstanding under the Facility to the Lenders and/or the Lenders commitment will be cancelled.
54	Consequences of Events of Default	<p>If an Event of Default has occurred and not cured within the cure periods mentioned under Events of Default, the Lender may exercise any one or more of the following actions including but not limited to:</p> <p>a) Accelerate the maturity of the Facility and declare all amounts</p>



		<p>outstanding in respect of the Facility to be due and payable immediately;</p> <p>b) Declare the commitments to be cancelled or suspended;</p> <p>c) Issue notice regarding the payment of proceeds of any insurance or compensation;</p> <p>d) Enforce Security;</p> <p>e) Issue notices to the Account Bank for the purposes of drawing on the balance in the trust and retention accounts;</p> <p>f) Exercise any other right that the Lender may have under the Financing Documents or under the Indian Law; and</p> <p>g) Appoint a whole-time Nominee Director on the board of the company, who shall not be liable to retirement or rotation. The Board of Directors of the Borrower shall have no power to remove such a Director as long as the default continues.</p> <p>The Rupee Term Lenders and / or RBI and / or CIBIL will have an unqualified right to disclose or publish the name of the Borrower and its Directors as defaulters in such manner and through such medium as the Rupee Term Lenders or the RBI or CIBIL in their absolute discretion may think fit.</p>
51	Transfer, Assignment & Novation	Lenders shall have a right to sell down/ syndicate/novate and /or assign, at its sole discretion, its entire assistance to other banks/financial institutions (in whole or part). Upon a transfer by novation etc., the transferee shall become a lender for all purposes of the Facility and the Facility shall be reduced to the extent of participation by other Lenders.
52	Taxes	All payments to be made by the Borrower under the Facility will be made free and clear of all present and future taxes, levies, imports, duties, withholdings or deductions of any nature. In case of mandatory deductions that can be set off by the Lenders against their income tax liabilities, the Borrower shall deduct such amounts and provide a certificate towards the same.
53	Expenses	The Borrower shall reimburse the Lender for all costs and expenses, if any, incurred by them in connection with this Facility, including but not limited to processing fees, legal, insurance, other lenders advisors fees, whether or not the Facility proceeds to signing. The Borrower will also bear its own expenses. Any outstanding fee can be set-off against the proceeds of the first / applicable utilization.
54	Nationality Clause	During the currency of credit facilities, if there is any change in the nationality of the Borrower(s)/Guarantor(s) or any individual Borrower(s)/Director(s)/ Guarantor(s)/Partner(s) lose(s) the citizenship of India or acquire(s) the citizenship of any other country, the same has to be advised in writing to the Bank, immediately.
55	Indemnity Clause	The Borrower shall indemnify the Bank against all losses, costs, damages expenses whatsoever that the Bank may incur or sustain by reason of any fraud detected in or in respect of any loan or any other financial assistance granted or to be granted to a group company or group establishment of the Borrower or in respect of any security offered or documents executed in respect of such loan or other financial assistance. For the purpose of this clause, group company or



		group establishment means a subsidiary company or holding company or associate company or a joint venture or any other similar establishment in which the Borrower is having control, influence or substantial interest.
56	Wilful default Clause	<p>The borrower hereby agrees that it shall not induct on its board a person whose name appears in the list of wilful defaulters and in case such person is found to be on its board, it would take expeditious and effective steps for removal of such person from its board. It is further agreed that in the event of failure of the borrower unit to remove a person whose name is found in the list of wilful defaulters from the board, the Bank may at its sole discretion treat the same as an event of default and may call up the advance or the facilities as granted by the Bank.</p> <p>The Guarantors acknowledge and agree that in the event of default on our part in honouring the guarantee hereby provided for repayment of the Bank's dues, despite having sufficient means, the Bank shall be entitled to proceed against the Guarantors to declare as 'Wilful defaulter' in accordance with guidelines/instructions issued by RBI from time to time.</p> <p>Opening/Maintaining current account with a Bank outside consortium /MBA without permission will be treated as an act of wilful default.</p>
57	Other conditions	<ol style="list-style-type: none"> 1. The preliminary and pre-operative expenses shall be allowed as part of the Completion Cost only to the extent they are certified by the chartered accountant that they have been actually incurred and relate to the proposed Project only; 2. The Borrower shall not escrow its future cash flows or create any lien or first charge of whatsoever nature over the same without prior approval of Lender; 3. Borrower shall not undertake any new project or expansion of the existing Project or make any investment or take assets on lease without prior approval of Facility Agent during the currency of the Facility; 4. The Borrower shall have agreed that the Lender shall have the right to review the cost of the Project any time during the implementation of the Project and also before the final disbursement of the Facility. Pending completion of such review, the Borrower shall obtain prior approval of the Lender for utilising the amount of the financial assistance equal the contingency provision in the cost of the project; 5. During the currency of the Bank's credit facilities, the Company shall not without prior approval of the Bank in writing: <ol style="list-style-type: none"> i. Formulate any scheme of amalgamation or reconstruction; ii. Invest by, including but not limited to the following (i) by way of share capital in or (ii) lending or advancing funds to or place deposits with any other concern except as agreed under the terms of this Facility; iii. Undertake guarantee obligations on behalf of any other company (including group companies).



		<p>6. The Borrower's assets offered as security for the Facility should be kept fully insured against fire and such other risks as may be required by the Lender and the policies retained by the Borrower. Copy of this policy should be submitted to the Lender.</p> <p>7. Restriction on transactions between related parties/affiliates except when conducted at arm's length;</p> <p>8. Information regarding the unhedged foreign currency exposure of the borrower will be provided within 60 days from end of each quarter;</p> <p>9. FSMTLs to be submitted in the format as prescribed by the bank within 20 days of the succeeding quarter throughout the tenor of the loan;</p> <p>10. Any additional provision due to unhedged foreign currency exposure of the Borrower shall be reimbursed to the Lenders;</p> <p>11. All subordinated / unsecured debt infused by sponsors can be repaid after meeting Restricted Payment Conditions;</p> <p>12. Financing Document will contain other conditions as is customary to the transaction of this nature to the satisfaction of Facility Agent;</p> <p>13. The Borrower shall submit the IT certificate under section 281 on receipt of same from Income Tax Authorities.</p>
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Terms and Conditions for the CAPEX LC facility as a sublimit within TL

SN	Particular	Detailed term
1	Type of Facility	Capex LC/FLC/SBLC (sublimit of RTL facility)
2	Limit	Rs.800 Cr (Within the overall TL limit of Rs.1929 Cr) with SBI hold portion of Rs. 270 Cr.
3	Purpose	For Supply and construction contracts
4	Period	36 months from the LC issuing date including usance period or as per RBI guidelines issued from time to time.
5	Commission charges	
	LC	Commission
	Inland	
	LC issuance	1.40% p.a.
	Increasing value of credit	LC issuance charges for the increased amount subject to Min Rs.500/-
	Extension of period	LC opening charges for the extended period subject to Min Rs.5000/-
	Advising LCs	Flat Rs.2000/- per instance
	Advising Amendments	Rs.750/- per advice/instance
	Foreign	
	LC issuance/ Commitment /Enhancement of value/ Extension of validity	0.18% for first 3 months. Any additional month or part @ 0.08% per month. 50% concession on the amount exceeding Rs.5 Cr per LC (On exceeding portion of LC amount) Min charges Rs.2000/-
Usance Charges	0.17% for first 3 months. Any additional month or part @ 0.07% per month. 50% concession on the amount exceeding Rs.5 Cr per LC (On exceeding portion of LC amount) Min charges Rs.2000/-	
6	Security	Same as security for the RTL Facility.
7	Special Conditions	a. The LC facility shall be utilized for Project related activities only b. LC component shall be retired out of disbursement from corresponding RTL Facility c. Terms and Conditions of the RTL facility shall apply to the LC facility. d. The Borrower shall ensure that any forex amount associated with the project in any form at present/in future would be fully hedged.



Terms and Conditions for the BG facility

SN	Particular	Detailed term														
1	Type of Facility	Bank Guarantee (Performance/Financial)														
2	Limit	Rs.100 Cr														
3	Purpose	To be issued in favor of various Government departments with respect to PPA, Transmission arrangement and other project related activities.														
4	Period	18 Months.														
5	Commission charges	<table><tr><th>Particulars</th><th>Commission</th></tr><tr><td>Inland</td><td></td></tr><tr><td>Performance BG</td><td>1.80% p.a.</td></tr><tr><td>Financial BG</td><td>2.10% p.a.</td></tr><tr><td>Foreign</td><td></td></tr><tr><td>Performance BG</td><td>1.20% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)</td></tr><tr><td>Financial BG</td><td>1.50% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)</td></tr></table>	Particulars	Commission	Inland		Performance BG	1.80% p.a.	Financial BG	2.10% p.a.	Foreign		Performance BG	1.20% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)	Financial BG	1.50% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)
Particulars	Commission															
Inland																
Performance BG	1.80% p.a.															
Financial BG	2.10% p.a.															
Foreign																
Performance BG	1.20% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)															
Financial BG	1.50% p.a. (Min Rs.5000 for issuance/confirmation & Rs.2000 for Extension)															
6	Margin	10%														
7	Security	Same as security for the RTL Facility.														



The Director
JSW Energy (Kutehr) Limited
Village - Machetar, PO - Chanhota
Tehsil - Bharmour Chamba
Chamba HP 176309 IN

PFSBU/TEAM06/2024-25/1001

04.12.2024

Dear Sir,

JSW Energy (Kutehr) Limited
Project of 240 MW Hydro Power Project in Himachal Pradesh
Approval for Extension of SCOD

We invite reference to your letter dated 27.06.2024 regarding extension of scheduled commercial operation date from 01.10.2024 to 01.06.2025.

2. In this connection, the competent authority has approved the following:

- (i) Approval for Extension of Scheduled Commercial Operation Date (SCOD) from 01.10.2024 to 01.06.2025 with consequential shift in repayment schedule, loan availability period, DSRA creation and revision in door to door tenor from 23 years to 23 years and 08 months.

3. The revised repayment schedule is enclosed as annexure-I.

4. The mentioned changes are subject to;

- a. Execution of suitable documentation in consultation with Lenders Legal Counsel and Banks law officer.
b. Company to undertake that any cost overrun in respect of the proposed project will be met by the promoters from their own sources.

5. All other terms and conditions as advised in our sanction letter dated 14.01.2021 and ~~15.12.2022~~ will remain same.

14.12.2022 to
30.06.2022

6. In this regard, please arrange for the payment of Rs. 15.00 Lakh + GST as one time fee for the aforesaid approval.

R. T. Sharma



R. T. Sharma



bank.sbi
☎ +91 22 6862 1008
☎ +91 22 6862 1072

परियोजना वित्त एवं संरचना व्यवसाय समूह
मकतलाल सेंटर, ४ था मजला,
नरिमन पॉइंट,
मुंबई - ४०० ०२९, भारत

परियोजना वित्त एवं संरचना व्यवसाय समूह
मकतलाल सेंटर, ४ था मजला,
नरिमन पॉइंट,
मुंबई - ४०० ०२९, भारत

Project Finance & Structuring SBU
4th Floor, Mafatlal Centre
Nariman Point,
Mumbai 400 021, India



Please communicate to the Bank, the acceptance of the terms and conditions set out herein by returning to us the duplicate copy hereof duly signed by the authorised representative(s) of the Company within 10 days.

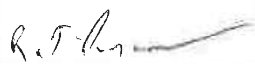
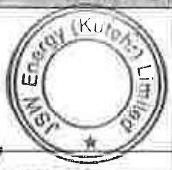
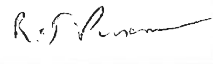
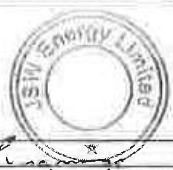
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Yours faithfully,


(Pankaj Chauhan)
Deputy General Manager
PF&S SBU Mumbai



Accepted for and on behalf of:

Accepted for and on behalf of JSW Energy (Kutehr) Ltd. (as Borrower)	Accepted for and on behalf of JSW Energy Ltd. (as Guarantor)
 	 
Name: <u>Rakesh Kumar</u>	Name: <u>Rakesh Kumar</u>
Designation: <u>V.P. Finance</u>	Designation: <u>Authorized Signatory</u>
Date: <u>9/12/14</u>	Date: <u>9/12/14</u>



Annexure- I

Original Repayment Schedule

Frequency of Repayment: Monthly (From June to October every Year)

Repayment Start Date: 31.10.2025

Original sanctioned moratorium: 1 Year from SCOD

(Amt in crores)

FY	30 th Jun	31 st Jul	31 st Aug	30 th Sep	31 st Oct	Total
2025-26	--	--	--	--	2.00%	2.00%
2026-27	1.20%	1.20%	1.20%	1.20%	1.20%	6.00%
2027-28	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%
2028-29	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%
2029-30	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%
2030-31	1.35%	1.35%	1.35%	1.35%	1.35%	6.75%
2031-32	1.35%	1.35%	1.35%	1.35%	1.35%	6.75%
2032-33	1.40%	1.40%	1.40%	1.40%	1.40%	7.00%
2033-34	1.40%	1.40%	1.40%	1.40%	1.40%	7.00%
2034-35	1.45%	1.45%	1.45%	1.45%	1.45%	7.25%
2035-36	1.45%	1.45%	1.45%	1.45%	1.45%	7.25%
2036-37	1.00%	1.00%	1.00%	1.00%	1.00%	5.00%
2037-38	0.60%	0.60%	0.60%	0.60%	0.60%	3.00%
2038-39	0.65%	0.65%	0.65%	0.65%	0.65%	3.25%
2039-40	0.70%	0.70%	0.70%	0.70%	0.70%	3.50%
2040-41	0.75%	0.75%	0.75%	0.75%	0.75%	3.75%
2041-42	0.80%	0.80%	0.80%	0.80%	0.80%	4.00%
2042-43	0.85%	0.85%	0.85%	0.85%	0.85%	4.25%
2043-44	0.94%	0.94%	0.94%	0.94%	--	3.75%
						100.00%

Interest to be paid as and when applied

R. S. S.



R. S. S.



Revised Repayment Schedule

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Frequency of Repayment: Monthly (From June to October every Year)
Repayment Start Date: 30.06.2026

Moratorium period for payment of principal and/or interest

Moratorium for	Moratorium Period	Start Date	End Date	Date of commencement of Repayment
Principal	1 year	01.06.2025	31.05.2026	30.06.2026
Interest	-	-	-	-

Amt in crores

Financial Year	30 th Jun	31 st Jul	31 st Aug	30 th Sep	31 st Oct	Total
2025-26		--	--	--	--	0.00%
2026-27	2.00%	1.20%	1.20%	1.20%	1.20%	6.80%
2027-28	1.20%	1.30%	1.30%	1.30%	1.30%	6.40%
2028-29	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%
2029-30	1.30%	1.30%	1.30%	1.30%	1.30%	6.50%
2030-31	1.30%	1.35%	1.35%	1.35%	1.35%	6.70%
2031-32	1.35%	1.35%	1.35%	1.35%	1.35%	6.75%
2032-33	1.35%	1.40%	1.40%	1.40%	1.40%	6.95%
2033-34	1.40%	1.40%	1.40%	1.40%	1.40%	7.00%
2034-35	1.40%	1.45%	1.45%	1.45%	1.45%	7.20%
2035-36	1.45%	1.45%	1.45%	1.45%	1.45%	7.25%
2036-37	1.45%	1.00%	1.00%	1.00%	1.00%	5.45%
2037-38	1.00%	0.60%	0.60%	0.60%	0.60%	3.40%
2038-39	0.60%	0.65%	0.65%	0.65%	0.65%	3.20%
2039-40	0.65%	0.70%	0.70%	0.70%	0.70%	3.45%
2040-41	0.70%	0.75%	0.75%	0.75%	0.75%	3.70%
2041-42	0.75%	0.80%	0.80%	0.80%	0.80%	3.95%
2042-43	0.80%	0.85%	0.85%	0.85%	0.85%	4.20%
2043-44	0.85%	0.94%	0.94%	0.94%	0.93%	4.60%
						100.00%

Interest to be paid as and when applied

R. S. R.



R. S. R.



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Annexure XVI

JSW ENERGY (KUTEHR) LIMITED
Balance Sheet as at 31st March, 2024

		₹ in Lakhs	
Particulars	Note No.	As at 31st March, 2024	As at 31st March, 2023
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4A	4,277.68	2,355.57
(b) Capital work-in-progress	4B	186,781.73	128,994.11
(c) Other intangible assets	4C	12.95	17.00
(d) Financial assets			
(i) Other financial assets	5	2,669.33	2,826.73
(e) Income tax assets (net)	6	43.48	20.45
(f) Other non-current assets	7	16,164.78	23,502.66
Total non-current assets		209,949.95	157,716.52
2 Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	8A	6,356.19	10,006.43
(ii) Bank balances other than (i) above	8B	221.82	
(iii) Other financial assets	5	319.43	150.24
(b) Other current assets	7	334.59	285.86
Total current assets		7,232.03	10,442.53
Total Assets (1+2)		217,181.98	168,159.05
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	9A	91,677.00	87,271.00
(b) Other equity	9B	(856.36)	(752.71)
Total equity		90,820.64	86,518.29
Liabilities			
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	116,183.14	72,053.39
Total non-current liabilities		116,183.14	72,053.39
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	2,500.00	
(ii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	11A	47.86	21.53
(b) Total outstanding dues other than micro and small enterprises	11A	10.07	16.52
(iii) Other financial liabilities	11B	7,167.55	9,171.64
(b) Other current liabilities	12	452.72	377.68
Total current liabilities		10,178.20	9,587.17
Total liabilities (2+3)		126,361.34	81,640.76
Total Equity and Liabilities (1+2+3)		217,181.98	168,159.05
See accompanying notes to the financial statements			
As per our attached report of even date		For and on behalf of Board of Directors	
For Shah Gupta & Co.			
Chartered Accountants			
Firm Registration No.: 109574W			
Partner: Pavith P Patel		Perveen Puri	
M No. 172670		Whole Time Director	
Place: Mumbai		[DIN: 07532075]	
Date: 2nd May, 2024		Venkata Susaria	
		Director	
		[DIN: 08236325]	



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JSW ENERGY (KUTEHR) LIMITED
Statement of Profit and Loss for the year ended 31st March, 2024

(₹ in Lakhs)

Particulars	Note No.	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
I Revenue from operations			
II Other income	13	1.07	191.65
III Total income (I + II)		1.07	191.65
IV Expenses			
(a) Depreciation and amortisation expenses	4A & 4C	85.08	56.71
(b) Other expenses	14	14.62	18.85
Total expenses (IV)		99.70	75.56
V Profit / (Loss) before tax (III-IV)		(98.63)	116.09
VI Tax Expense			
Current tax	15	5.02	0.23
Deferred tax			
		5.02	0.23
VII Profit / (Loss) for the year (V-VI)		(103.65)	115.86
VIII Other comprehensive income			
IX Total comprehensive income / (loss) for the year (VII + VIII)		(103.65)	115.86
X Earnings per equity share of ₹ 10 each :	22		
Basic		(0.01)	0.01
Diluted		(0.01)	0.01

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No.: 109574W

Parth P Patel

Partner
M No. 172670

Place: Mumbai

Date: 2nd May, 2024

For and on behalf of Board of Directors

Perveen Puri

Whole Time Director
[DIN: 07532075]Venkata Ramakumar
Susarla
Director
[DIN: 08236325]

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JSW ENERGY (KUTEHR) LIMITED**Statement of Changes in Equity for the year ended 31st March, 2024****a. Equity share capital**

(₹ in Lakhs)

Balance as at 1st April, 2022	79,800.00
Changes in equity share capital during FY 2022-23	7,471.00
Balance as at 1st April, 2023	87,271.00
Changes in equity share capital during FY 2023-24	4,406.00
Balance as at 31st March, 2024	91,677.00

b. Other equity

(₹ in Lakhs)

Particulars	Retained earnings	Total
Balance as at 1st April, 2023	(752.71)	(752.71)
Profit / (Loss) for the year	(103.65)	(103.65)
Total comprehensive income for the year ended 31st March, 2024	(856.36)	(856.36)

(₹ in Lakhs)

Particulars	Retained earnings	Total
Balance as at 1st April, 2022	(868.57)	(868.57)
Profit / (Loss) for the year	115.86	115.86
Total comprehensive income for the year ended 31st March, 2023	(752.71)	(752.71)

See accompanying notes to the financial statements

As per our attached report of even date

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No. 109574W

Parth P Patel

Partner

M No. 172670

Place: Mumbai

Date: 2nd May, 2024

For and on behalf of Board of Directors

Perveen Puri

Whole Time Director

[DIN: 07532075]





Venkata Ramakumar
Susarla

Director

[DIN: 08236325]



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JSW ENERGY (KUTEHR) LIMITED			
Statement of Cash Flows for the year ended 31st March, 2024			
(₹ in Lakhs)			
Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023
I CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		(98.63)	116.09
Adjusted for:			
Depreciation and amortisation	85.08		56.71
Interest income earned on financial assets that are not designated as fair value through profit or loss (FVTPL)	(1.07)		
Excess provision no longer required within back		84.01	(134.29)
Operating profit before working capital changes		(14.62)	(18.20)
Adjustment for movement in working capital:			
Decrease / (increase) in current and non-current assets	(220.06)		1,992.68
Increase in trade payables and other liabilities	68.59		215.80
		(151.47)	2,208.48
Cash generated from operations		(166.09)	2,190.28
Income taxes paid (net)		(5.02)	(10.62)
NET CASH FLOW FROM OPERATING ACTIVITIES		(171.11)	2,179.66
II CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment (including capital work-in-progress and capital advances)		(54,430.64)	(57,402.16)
Bank deposits not considered as cash and cash equivalent		(84.25)	(211.40)
NET CASH USED IN INVESTING ACTIVITIES		(54,514.89)	(57,613.56)
III CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares		4,405.00	7,471.00
Proceeds from current borrowings		2,500.00	5,219.00
Proceeds from non-current borrowings		44,129.75	72,053.39
Repayment of current borrowings			(19,851.00)
NET CASH FLOW FROM FINANCING ACTIVITIES		51,035.75	64,892.39
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)		(3,650.24)	9,458.49
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR		10,006.43	547.94
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR		6,356.19	10,006.43
Cash and cash equivalents comprise of:			
a) Balances with banks (Refer note 8A)			
(i) In current accounts		6,353.19	5,003.43
(ii) In deposit account with maturity less than 3 months at inception			5,000.00
b) Cash in hand (Refer note 8A)		3.00	3.00
Total		6,356.19	10,006.43
See accompanying notes to the financial statements			
The Statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.			
As per our attached report of even date Shah Gupta & Co. Chartered Accountants Firm Registration No. 109574W		For and on behalf of Board of Directors	
  Parth P Patel Partner M No. 172670 Place: Mumbai Date: 2nd May, 2024		 Perveen Puri Whole Time Director [DIN: 07532075]	
		 Vinayata Ranjit Kumar Director [DIN: 08236525]	



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

1 General information

The Company is a public limited company and is incorporated under the provisions of the Companies Act, 2013. The Company forms part of JSW Energy group. The Company is wholly owned subsidiary of JSW Neo Energy Limited and is a step down subsidiary of JSW Energy Limited. The registered office of the Company is located at Village - Machetar, PO - Chanhota, Tensli - Bhamour, Chamba HP 176309.

The Company is in the process of setting up 240 MW (3X80 MW), run-of-the-river, hydroelectric power project at Kutehr, Himachal Pradesh.

2 Statement of compliance

The Financial Statements of the Company which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2024, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements") have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the provisions of the Companies Act, 2013 ("the Act") to the extent notified, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting principles generally accepted in India.

The Financial Statements were approved for issue by the Board of Directors on 2nd May, 2024.

3 Material accounting policies

3.1 Basis of preparation of financial statements

a) The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as amended, as explained in the accounting policies below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Financial Statements have been followed. The Financial Statements are presented in Indian Rupees ("INR") in lakhs, which is functional currency of the Company, and rounded off to two decimal places as per by Schedule III to the Companies Act, 2013.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

3.2 Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.3 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Certain computer software costs are capitalized and recognized as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain / loss on de-recognition are recognised in statement of profit and loss.

3.4 Depreciation & amortisation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

Amortisation of intangible assets is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible assets is provided as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

3.5 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditure on that asset.

3.7 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

3.8 Revenue recognition

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Income from sale of equipment's / services is accounted on an accrual basis as and when the right to receive arises.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

3.9 Foreign currency transactions

In preparing the financial statements of company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

3.10 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.

Current tax and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

3.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (Loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (Loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.12 Provisions, Contingencies and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable incremental costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

A disclosure for contingent liabilities is made where there is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected economic benefits to be received by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

3.13 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial assets

(a) Recognition and initial measurement

All financial assets are recognized initially at fair value. In case of financial assets not recorded at fair value through profit or loss (FVTPL), financial assets are recognized at transaction costs that are attributable to the acquisition of financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

Financial assets are classified, at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate (EIR) method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains and losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in standalone statement of profit and loss incorporates any dividend or interest earned on the financial asset and is included in the other income line item.

Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established;
- It is probable that the economic benefits associated with the dividends will flow to the entity;
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Perpetual debt instruments / loans, which provide its holder with the contractual right to receive payments on account of interest at fixed dates extending into the indefinite future, either with no right to receive a return of principal or a right to a return of principal under terms that make it very unlikely or very far in the future, are considered as investment in equity instrument of the holder. The Company has elected to measure investment in equity instruments of its subsidiaries at cost.

(c) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(d) Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

(e) Income from financial assets

Dividend income from investments is recognised when the shareholder's right to receive payment has been established. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Delayed payment charges are recognised on collection or earlier when there is reasonable certainty to expect ultimate collection.

(f) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

B. Financial liabilities and equity instruments

(a) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
 - such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
 - the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
 - it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

(d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit or Loss.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

D. Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



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JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.14 Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (i) changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- (ii) non-cash items such as depreciation, provisions, and unrealised foreign currency gains and losses etc., and,
- (iii) all other items for which the cash effects are investing or financing cash flows

Cash and cash equivalents comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less and liquid investments, which are subject to insignificant risk of changes in value

3.15 Segment reporting

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

3.16 Inventories

Inventories are stated at the lower of cost or net realisable value. Costs of inventories are determined on weighted average basis.

Cost of inventories includes cost of purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.



JSW ENERGY (KUTEHR) LIMITED
Notes to the financial statements for the year ended 31st March, 2024

Note 4A: Property, plant & equipment

(₹ in Lakhs)

	Office Equipment	Furniture and Fixtures	Free Hold Land	Computer & Data Process Machine	Plant & Machinery	Building	Vehicles	Right of Use Assets - Land	Total
At Cost / deemed cost									
i. Gross carrying value									
Balance as at 1st April, 2023	46.99	55.84	1,207.58	66.95	1,050.06	43.01	52.69	5.00	2,528.17
Additions	0.99	24.55			2,120.84				2,146.38
Adjustment				(8.26)					(8.26)
Balance as at 31st March, 2024	47.98	80.39	1,207.58	58.69	3,170.90	43.01	52.69	5.00	4,666.24
ii. Accumulated depreciation and impairment for the year 2023:-									
24.									
Balance as at 1st April, 2023	20.63	7.71		30.47	87.43	13.62	10.52	2.17	172.55
Depreciation / amortisation for the year	7.85	6.02		12.46	28.48	13.62	5.23	1.00	74.66
Depreciation / amortisation for the year (rfd to CWIP)					143.24				143.24
Adjustment				(1.89)					(1.89)
Balance as at 31st March, 2024	28.48	13.73		41.04	259.15	27.24	15.75	3.17	386.56
Net carrying value as at 31st March, 2024 (I-II)	19.50	66.66	1,207.58	17.65	2,911.75	15.77	36.94	1.83	4,277.68

	Office Equipment	Furniture and Fixtures	Free Hold Land	Computer & Data Process Machine	Plant & machinery	Building	Vehicles	Right of Use Assets - Land	Total
At cost / deemed cost									
i. Gross carrying value									
Balance as at 1st April, 2022	40.77	18.63	1,207.58	50.54	444.87		43.18	5.00	1,810.57
Additions	6.22	37.21		16.41	605.19	43.01	9.51		712.55
Balance as at 31st March, 2023	46.99	55.84	1,207.58	66.95	1,050.06	43.01	52.69	5.00	2,528.12
ii. Accumulated depreciation and impairment for the year 2022:-									
23.									
Balance as at 1st April, 2022	13.46	3.54		17.35	15.76		5.89	1.17	57.17
Depreciation / amortisation for the year	7.17	4.17		13.12	5.06	13.62	4.63	1.00	48.77
Depreciation / amortisation for the year (rfd to CWIP)					66.61				66.61
Balance as at 31st March, 2023	20.63	7.71		30.47	87.43	13.62	10.52	2.17	172.55
Net carrying value as at 31st March, 2023 (I-II)	26.36	48.13	1,207.58	36.48	962.63	29.39	42.17	2.83	2,355.57

Note:

Refer Note 10 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security against borrowing.



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 4B - Capital work- in- progress

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Capital work in progress & pre operative expenditure during construction period (pending allocation) relating to property, plant & equipment	186,781.73	128,994.11

Note:-

- Amount transferred to property, plant and equipment during the year ₹ 2146.38 lakhs (previous year ₹ 717.55 lakhs) and amount transferred to Profit and Loss ₹ Nil (previous year ₹ Nil).

- Refer Note 10 for the details in respect of certain property, plant and equipment hypothecated / mortgaged as security against borrowing.

Capital Work in Progress Ageing & Schedule

(₹ in Lakhs)

As at 31st March, 2024	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	57,787.62	54,442.97	36,700.09	37,851.05	186,781.73
Total	57,787.62	54,442.97	36,700.09	37,851.05	186,781.73

Capital Work in Progress Ageing & Schedule

As at 31st March, 2023	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	54,442.97	36,700.09	11,076.74	26,774.31	128,994.11
Total	54,442.97	36,700.09	11,076.74	26,774.31	128,994.11



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 4C - Other Intangible Assets

(₹ in Lakhs)

Description of Assets	As at 31st March, 2024		As at 31st March, 2023	
	Computer Software	Total	Computer Software	Total
At Cost / deemed cost				
I. Gross Carrying Value				
Balance as at 1st April, 2023	24.94	24.94	-	-
Additions	-	-	24.94	24.94
Adjustment	8.26	8.26	-	-
Balance as at 31st March, 2024	33.20	33.20	24.94	24.94
II. Accumulated depreciation and impairment for the year 2023-24				
Balance as at 1st April, 2023	7.94	7.94	-	-
Depreciation / amortisation for the year	10.42	10.42	7.94	7.94
Adjustment	1.89	1.89	-	-
Balance as at 31st March, 2024	20.25	20.25	7.94	7.94
Net carrying value as at 31st March, 2024 (I-II)	12.95	12.95	17.00	17.00

Note:

- Refer Note 10 for the details in respect of certain intangible assets hypothecated / mortgaged as security against borrowing.



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 5. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Security deposits						
- Government authorities					19.83	19.83
- Others		1.50	1.50		1.50	1.50
(b) Interest receivable						
(i) Interest accrued on deposits	319.43		319.43	150.24		150.24
(c) Other bank balance						
- Fixed deposits / margin money against security, bank guarantee & letter of credit		2,667.83	2,667.83		2,805.40	2,805.40
Total	319.43	2,669.33	2,988.76	150.24	2,826.73	2,976.96



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 6. Income Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Current	Non-current	Current	Non-current
Tax deducted / collection at sources (Net of provision for tax) (Provision for tax as at 31st March, 2024 Rs. 5.02 lakh and as at 31st March, 2023 Rs. 0.16 lakh)	-	43.48	-	20.45
Total	-	43.48	-	20.45



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JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 7. Other Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(a) Capital Advances	-	16,454.02	16,454.02	-	23,791.90	23,791.90
Less Provision for doubtful advance	-	(289.24)	(289.24)	-	(289.24)	(289.24)
(b) Balances with Govt. authorities	334.18	-	334.18	272.67	-	272.67
(c) Others	0.41	-	0.41	13.19	-	13.19
Total	334.59	16,164.78	16,499.37	285.86	23,502.66	23,788.52



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JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 8A. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	6,353.19	5,003.43
(ii) In deposit account with maturity less than 3 months at inception	-	5,000.00
(b) Cash in Hand	3.00	3.00
Total	6,356.19	10,006.43

Note 8B. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Bank balances other than above		
(i) Earmarked balances with banks		
-Fixed deposit against Letter of Credit	221.82	-
Total	221.82	-



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 9A - Equity share capital

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
Authorized:				
Equity shares of Rs 10 each with voting rights	950,000,000	95,000.00	950,000,000	95,000.00
Issued:				
Subscribed and Fully Paid:				
Equity shares of Rs 10 each with voting rights	872,710,000	87,271.00	872,710,000	87,271.00
Total	916,770,000	91,677.00	872,710,000	87,271.00

1) The reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2024	As at 31st March, 2023
	No. of Shares	No. of Shares
Balance as at the beginning of the year	872,710,000	798,000,000
Shares issued during the year	44,060,000	74,710,000
Balance as at the end of the year	916,770,000	872,710,000

2) Details of Shareholding

Particulars	% of total shares	As at 31st March, 2024	As at 31st March, 2023
		No. of Shares	No. of Shares
a) Details of Shareholding by Promoters			
JSW Neo Energy Limited	100%	916,770,000	872,710,000
b). Details of shareholding more than 5% of aggregate share in the company			
JSW Neo Energy Limited	100%	916,770,000	872,710,000

3) Shares held by promoters and promoter group at the end of the year

Particulars	As at 31st March, 2024		As at 31st March, 2023		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Promoter					
JSW Neo Energy Ltd.	916,770,000	100%	872,710,000	100%	0%

4) Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company the share holder of equity share will be entitled to receive remaining assets of the company after distribution of all the preferential amount. However, no such preferential amount as at end of the year.

Note 9B- Other equity

(₹ in Lakhs)

Particulars	Retained earnings
Balance as at 1st April, 2023	(752.71)
Profit / (Loss) for the year	(103.65)
Balance as at 31st March, 2024	(856.36)

Particulars	Retained earnings
Balance as at 1st April, 2022	(668.57)
Profit for the year	115.86
Balance as at 31st March, 2023	(752.71)

Note:

(1) Retained earning

Retained earning comprise balance of accumulated (undistributed) profit and loss at each year end



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 10 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Non-current borrowings		
Borrowings at amortised cost		
Secured borrowings		
Term loan from banks	89,632.81	56,589.20
Term loan from financial institution	29,090.74	18,040.00
Less: Unamortised borrowing cost	(2,540.41)	(2,575.81)
Total	116,183.14	72,053.39
Current borrowings		
Unsecured borrowings		
Loan from related party	2,500.00	-
Total	2,500.00	-

Disclosure as per Para 44A of Ind AS 7

(₹ in Lakhs)

Particulars	Non-current borrowings	Current borrowings
As at 1st April, 2022		14,632.00
Proceeds	74,629.20	5,219.00
Unamortised borrowing cost	(2,575.81)	-
Repayments	-	19,651.00
Effect of changes in foreign exchange rates	-	-
Changes in fair value	-	-
Others	-	-
As at 31st March, 2023	72,053.39	-
Proceeds	44,094.35	2,500.00
Unamortised borrowing cost	35.40	-
Repayments	-	-
Effect of changes in foreign exchange rates	-	-
Changes in fair value	-	-
Others	-	-
As at 31st March, 2024	116,183.14	2,500.00

Note : Rate of interest on term loans from banks and financial institution is 9.7% p.a. as on 31st March 2024. It will be reviewed by banks and financial institution on regular intervals and is based on MCLR

Details of security:

Term loans from banks

Terms of repayment	Security	As at 31st March, 2024	As at 31st March, 2023
Rs. 89,632.81 lakhs payable from Oct-2025 to Sep-2043	First ranking pari-passu mortgage over the leasehold and freehold land of the Kutehr Project. First ranking pari-passu charge over the Project Accounts all movable assets (tangible & intangible) and current assets of the Kutehr Project all revenues from the Projects including book debt and operating cash flows both present and future and the rights title and interest of the project under the PPA. Pledge of 75% of equity shares of the borrower & separate guarantee of JSW Energy Ltd.	Current - Nil Non-current - Rs. 89,632.81 lakhs	Current - Nil Non-current - Rs. 56,589.20 lakhs

Term loans from financial institution

Terms of repayment	Security	As at 31st March, 2024	As at 31st March, 2023
Rs. 29,090.74 lakhs payable from Oct-2025 to Sep-2043	First ranking pari-passu mortgage over the leasehold and freehold land of the Kutehr Project. First ranking pari-passu charge over the Project Accounts all movable assets (tangible & intangible) and current assets of the Kutehr Project all revenues from the Projects including book debt and operating cash flows both present and future and the rights title and interest of the project under the PPA. Pledge of 75% of equity shares of the borrower & separate guarantee of JSW Energy Ltd.	Current - Nil Non-current - Rs. 29,090.74 lakhs	Current - Nil Non-current - Rs. 18,040 lakhs



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JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 11A. Trade Payable

(₹ in Lakhs)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Total outstanding dues of micro and small enterprises	47.86		47.86	21.53		21.53
(b) Total outstanding dues other than micro and small enterprises	10.07		10.07	16.52		16.52
Total	57.93		57.93	38.05		38.05

Trade Payable Aging

(₹ in Lakhs)

As at 31st March, 2024	Unsecured		Secured	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year				
1-2 years				
2-3 years				
More than 3 years				
Not due		47.86		
Unbilled		10.07		
Total		57.93		16.52

As at 31st March, 2023	Unsecured		Secured	
	MSME	Others	MSME	Others
Outstanding for following periods from due date of payment				
Less than 1 year				
1-2 years				
2-3 years				
More than 3 years				
Not due		21.53		
Unbilled		16.52		
Total		38.05		16.52

Note 11B Other Financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Payable for capital supplies / services	7,167.55		7,167.55	9,171.64		9,171.64
Total	7,167.55		7,167.55	9,171.64		9,171.64

Trade payables are normally settled within 30 days

Refer Note 26 for payables w.r.t. related party

Outstanding under Micro, Small and Medium Enterprises Development Act

(₹ in Lakhs)

Sl No	Particulars	As at 31st March, 2024	As at 31st March, 2023
1	Principal amount outstanding to MSME	47.86	21.53
2	Principal amount due and remaining unpaid		
3	Interest due on (2) above and the unpaid interest		
4	Interest paid on all delayed payments under the MSME Act		
5	Payment made beyond the appointed day during the year		
6	Payment due and payable for the period of delay other than (4) above		
7	Interest accrued and remaining unpaid		
8	Payment of further interest remaining due and payable in succeeding year		



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 12 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	Current	Non- Current	Total	Current	Non- Current	Total
(i) Statutory Dues	452.72	-	452.72	377.68	-	377.68
Total	452.72	-	452.72	377.68	-	377.68



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 13. Other income

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
a) Interest income earned on financial assets that are not designated as at FVTPL		
i) On bank deposits	0.10	0.09
ii) On income tax refund	0.97	0.56
b) Other non-operating income		
i) Provision no longer required written back	-	191.00
Total	1.07	191.65



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 14. Other Expenses

(₹ in Lakhs)

Particulars		For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
(i)	Auditors remuneration	9.78	16.23
(ii)	Legal and other professional fees	2.94	2.26
(iii)	Other general expenses	1.46	-
(iv)	Donation	0.26	-
(v)	Rates and taxes	0.18	0.36
Total		14.62	18.85



JSW ENERGY (KUTEHR) LIMITED

Notes to the financial statements for the year ended 31st March, 2024

Note 15. Tax Expense

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Current Tax	5.02	0.23
Total	5.02	0.23

A reconciliation of income tax expenses applicable to accounting profit / (loss) before tax at the statutory income tax rate to ~~recognised~~ income tax ~~expenses~~ for the year indicated are as follows:

Particulars	For the Year Ended 31st March, 2024	For the Year Ended 31st March, 2023
Profit / (Loss) before tax	(98.63)	116.09
Enacted tax rate	25.168%	25.168%
Expected tax expense at statutory tax rate	(24.82)	29.22
Effect due to non deductible expenses	3.68	4.74
DTA not recognised	26.16	(33.80)
Others		0.07
Tax expenses for the year	5.02	0.23



JSW Energy (Kutehr) Limited
Notes to the financial statements for the year ended 31st March, 2024

Note 16 - Financial Ratios

Sr. No.	Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	Variance (%)	Reason for variance
		Numerator	Denominator			
1	Current Ratio (in times) (Current Assets / Current Liabilities)	7,232.03	10,176.20	1.09	-35%	Due to maturity of fixed deposit and short term loan taken during the year ended 31st March, 2024.
2	Debt-Equity Ratio (in times)	118,665.14	90,620.64	0.83	57%	Due to current & non-current borrowings taken during the year ended 31st March, 2024.
3	Debt Service Coverage Ratio (in times) (Profit before Tax, Exceptional Items, Depreciation, Finance Charges / Finance Charges + Long Term Borrowings scheduled Principal repayments (excluding prepayments + refinancing) during the year)	NA	NA	NA	NA	
4	Return on Equity Ratio (%) (Net profit after tax / Average Net Worth)	(103.65)	88,689.46	-0.12%	-183%	Due to provision for doubtful advances written back during the year ended 31st March, 2023.
5	Inventory Turnover (No. of days) (Average Inventory / (Fuel Cost + Stores & Spares Consumed + Purchase of stock in trade)	NA	NA	NA	NA	
6	Debtors Turnover (no. of days) (Average Trade Receivables including unbilled revenue + No of days) / Revenue from operations)	NA	NA	NA	NA	
7	Payables Turnover (no. of days) (Average Trade payables including + No of days) / Cost of goods sold)	NA	NA	NA	NA	
8	Net Capital Turnover (in times) (Revenue from operations / Working Capital)	NA	NA	NA	NA	
9	Net Profit Margin (%) (Net profit for the year / Total Income)	(103.65)	1.07	-3710.23%	16163%	Due to provision for doubtful advances written back during the year ended 31st March, 2023
10	Return on Capital Employed (%) (Profit before tax plus interest on long term loans and debentures) / Average (Net Worth + Total Borrowings)	(88.63)	185,037.73	-0.05%	-173%	Due to provision for doubtful advances written back during the year ended 31st March, 2023
11	Working Capital Investment (%) (Profit generated on sale of investment / Cost of investment)	NA	NA	NA	NA	

The Company is in the early stage and currently does not have commercial operations or working capital. Hence certain ratios are not applicable.



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JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

17 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 3, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The management has reviewed all the transactions and not found any material changes in preparation of financial statements in accordance with Ind ASs notified.

Key sources of estimation uncertainties

Useful lives of property, plant and equipment

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of plant load factor, historical/planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant and equipment.

Provisions and Contingencies

In the normal course of business, contingent liabilities arise from litigations and claims. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognised. Potential liabilities that are remote are neither recognized nor disclosed as contingent liability. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract, regulatory provisions etc.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the Financial Statements cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

18 Financial Instruments: Classifications and fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market
Level 2	Income approach – at this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the operations of these investments.
Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.

Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of current financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(₹ in Lakhs)		
As at 31st March, 2024	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	6,356.19	6,356.19
Other financial asset		
Interest accrued on deposits	319.43	319.43
Security deposits	1.50	1.50
Fixed deposits / margin money against security, bank guarantee & letter of credit	2,667.83	2,667.83
	9,344.95	9,344.95
Financial liabilities		
Financial liabilities carried at amortised cost		
Payable for trade supplies / services	57.93	57.93
Short term borrowings	2,500.00	2,500.00
Secured non-current borrowings	116,183.14	116,183.14
Payable for capital supplies / services	7,167.55	7,167.55
	125,908.62	125,908.62

(₹ in Lakhs)		
As at 31st March, 2023	Carrying amount	Fair value
Financial assets		
Financial assets carried at amortised cost		
Cash and cash equivalents	10,006.43	10,006.43
Other financial asset		
Interest accrued on deposits	150.24	150.24
Security deposits	21.33	21.33
Fixed deposits / margin money against security, bank guarantee & letter of credit	2,805.40	2,805.40
	12,983.40	12,983.40
Financial liabilities		
Financial liabilities carried at amortised cost		
Payable for trade supplies / services	38.05	38.05
Secured non-current borrowings	72,053.39	72,053.39
Payable for capital supplies / services	9,171.64	9,171.64
	81,263.08	81,263.08

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

Fair value of financial assets and liabilities measured at amortised cost

The carrying amount of Trade Payable, Capital Creditors, Cash & Cash Equivalents, Other Financial assets and Other financial liabilities (Other than those specifically disclosed) are to be considered to be the same as fair values, due to their short term nature.

Particulars	As at 31st March, 2024		As at 31st March, 2023		Level	Valuation technique
	Carrying value	Fair value	Carrying value	Fair value		
Financial assets						
Security deposits	1.50	1.50	21.33	21.33	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Total	1.50	1.50	21.33	21.33		
Financial liabilities						
Borrowings	118,683.14	118,683.14	72,053.39	72,053.39	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Total	118,683.14	118,683.14	72,053.39	72,053.39		

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

As at 31st March, 2024				₹ In Lakhs	
	Net Balance	Unamortised Borrowing Cost	Gross Balance		
Floating rate borrowings	116,183.14	2,540.41	118,723.55		
Total	116,183.14	2,540.41	118,723.55		

As at 31st March, 2023				₹ In Lakhs	
	Net Balance	Unamortised Borrowing Cost	Gross Balance		
Floating rate borrowings	72,053.39	2,575.81	74,629.20		
Total	72,053.39	2,575.81	74,629.20		



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

19 Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting year are as follows:

Currency exposure as at 31st March, 2024

Particulars	₹ in Lakhs
Financial assets	
Cash and cash equivalents	5,356.19
Other financial assets	2,998.76
Total financial assets	8,354.95
Financial liabilities	
Borrowings	111,683.14
Trade payables	57.93
Other financial liabilities	7,167.55
Total financial liabilities	125,908.62

Currency exposure as at 31st March, 2023

Particulars	₹ in Lakhs
Financial assets	
Cash and cash equivalents	10,008.43
Other financial assets	2,978.97
Total financial assets	12,987.40
Financial liabilities	
Borrowings	72,055.39
Trade payables	38.05
Other financial liabilities	9,171.64
Total financial liabilities	81,265.08



JSW Energy (Kutehr) Limited

Notes to Financial Statement for the year ended 31st March, 2024

20 Capital management

The Company being in a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisition. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and align maturity profile of its debt commensurate with life of the asset and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

Gearing ratio

The Company monitors its capital using gearing ratio, which is net debt divided to total equity as given below:

(₹ in lakhs)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Debt (i)	118,683.14	72,053.39
Cash and cash equivalents (ii)	6,356.19	10,006.43
Net debt (i-ii)	112,326.95	62,046.96
Total equity (iii)	90,820.64	86,518.23
Net debt to equity ratio	1.24	0.72

(i) Debt includes Current and Non-Current borrowings. (refer Note No-10)

(ii) Total equity includes equity share capital and other equity. (refer Note No-9A & 9B)



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JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

21 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures, wherever required. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The table below provides details regarding the remaining contractual maturities of financial assets and financial liabilities as at reporting date

₹ in Lakhs				
As at 31st March, 2024	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	6,356.19			6,356.19
Other financial asset				
Interest accrued on deposits	319.43			319.43
Security deposits		1.50		1.50
Fixed deposits / margin money against security, bank guarantee & letter of credit	2,593.00	74.83		2,667.83
Total assets	9,268.62	76.33		9,344.95
Financial liabilities				
Payable for trade supplies / services	57.93			57.93
Payable for capital supplies / services	7,167.55			7,167.55
Total current liabilities	7,225.48			7,225.48
Financial liabilities				
Secured non-current borrowings		24,398.46	91,784.68	116,183.14
Future interest on long term borrowings	11,516.19	41,870.93	57,812.31	111,199.42
Total non-current liabilities	11,516.19	66,269.39	149,596.99	227,382.57

As at 31st March, 2023	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	10,006.43			10,006.43
Other financial asset				
Interest accrued on deposits	150.24			150.24
Security deposits		21.33		21.33
Fixed deposits / margin money against security, bank guarantee & letter of credit		2,805.40		2,805.40
Total assets	10,156.67	2,826.73		12,983.40
Financial liabilities				
Payable for trade supplies / services	38.05			38.05
Payable for capital supplies / services	9,171.64			9,171.64
Total current liabilities	9,209.69			9,209.69
Financial liabilities				
Secured non-current borrowings		15,131.21	56,922.18	72,053.39
Total non-current liabilities		15,131.21	56,922.18	72,053.39



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

22 Earnings per share

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit attributable to equity holders of the company: (₹ in lakhs)	(103.65)	115.86
Weighted average number of equity shares for basic & diluted EPS	900,731,093	832,304,384
Earnings per share (In ₹) :		
- Basic	(0.01)	0.01
- Diluted	(0.01)	0.01

23 Remuneration to auditors (inclusive of GST)

(₹ in Lakhs)		
Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Services as statutory auditors (including quarterly limited reviews)	9.78	8.85
Other services	-	7.38
Total	9.78	16.23

24 Commitments

(₹ In Lakhs)		
Particulars	As at 31st March, 2024	As at 31st March, 2023
Estimated amounts of contracts remaining to be executed on capital account & not provided for (net of advances)	32,128.50	64,477.59
Total	32,128.50	64,477.59

25 Contingent liabilities

There is no contingent liabilities to be disclosed by the company

26 Related party disclosure

A) List of related parties

I Ultimate Holding Company

- 1 JSW Energy Limited

II Holding Company

- 1 JSW Neo Energy Limited

III Key Managerial Personnel

- 1 Mr. Venkata Ramakumar Susarla – Director & Chief Financial Officer
- 2 Mr. Perveen Puri - Whole time Director
- 3 Ms. Monica Chopra - Non-executive Director

IV Other related parties with whom the company has entered into transactions during the year

- 1 JSW Steel Limited
- 2 Jindal Steel and Power Limited
- 3 JSW Hydro Energy Limited



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

B) Transaction with related parties during the year			
(₹ in Lakhs)			
Sl.	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	Unsecured Loan received JSW Energy Limited	-	5,219.00
	JSW Neo Energy Limited	2,500.00	-
2	Unsecured Loan repaid JSW Energy Limited	-	19,851.00
3	Purchase of Steel JSW Steel Limited	3,031.80	2,779.54
	Jindal Steel and Power Limited	596.95	776.98
4	Equity Share Capital JSW Neo Energy Limited	4,406.00	7,471.00
5	Corporate Guarantee provided by JSW Energy Limited	42,203.30	77,252.58
6	Purchase of bus and spares JSW Hydro Energy Limited	-	14.55

C) Closing Balances			
(₹ in Lakhs)			
Sl.	Particulars	As at 31st March, 2024	As at 31st March, 2023
1	Equity Share Capital JSW Neo Energy Limited	91,677.00	87,271.00
2	Unsecured Loan received JSW Neo Energy Limited	2,500.00	-
3	Corporate Guarantee provided by JSW Energy Limited	120,734.30	78,531.00
4	Purchase of Steel Jindal Steel and Power Limited	32.38	588.19
	JSW Steel Limited	212.09	960.65

Note:

- No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.
- Related party relationships have been identified by the management and relied upon by the Auditors.
- Related party transactions have been disclosed on basis of value of transactions in terms of the respective contracts.
- Terms and conditions of purchases: the purchase transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions, market rates and memorandum of understanding signed with the related parties. For the year ended 31st March, 2024 & 31st March, 2023, the Company has not recorded any loss allowances for transactions between the related parties.
- Transactions are inclusive of Taxes.
- Transactions are disclosed based on relationship as on the date of transaction.
- Purchase of goods are at arm length price.
- Corporate Guarantee was provided by JSW Energy Ltd for security of term loan and letter of credit.



JSW Energy (Kutehr) Limited

Notes to Financial Statements for the year ended 31st March, 2024

27 Other statutory Information

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property
- ii) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company
- iii) The Company does not have any transactions with struck off companies
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

28 Audit Trail


The Company has been maintaining its books of accounts in the SAP which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021. However, the audit trail feature is not enabled for direct changes to data in the underlying database. The Company as per its policy has not granted privilege access for change to data in the underlying database as evident from the manual log being maintained in this regard.

The Company in the month of March 2024 has also implemented Privileged Access Management tool (PAM), onboarded the SAP database servers on the PAM tool and the process of monitoring database is currently under testing phase. The PAM is an identity management tool which focuses on the control, monitoring, and protection of privileged accounts within an organization. The PAM tool saves complete screen video recording sessions of all the admin activities as soon as they authenticate on the PAM console and connect to the target resources (Servers, Network Devices, Applications and Database) which acts as an audit trail feature.

29 Approval of financial statements

The financial statements were approved for issue by the board of directors on 2nd May, 2024

For and on behalf of the Board of Directors


Parveen Puri
Whole Time Director
[DIN : 07532075]


Venkata Ramakrishna Nishantha
Director
[DIN: 08236325]

Place : Mumbai
Date : 2nd May, 2024



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Annexure XVII

Government of Himachal Pradesh
Deptt. of Multi Purpose Projects & Power

No. MPP-F (1)2/2005-XV-II Dated; Shimla-171002, the **12th December, 2023**

NOTIFICATION

The Governor, Himachal Pradesh is pleased to order amendments to the Chapter IV of the Swaran Jayanti Energy Policy 2021, notified vide Notification No. MPP-F(1)-2/2005-XV dated 20.01.2022 with immediate effect, as under:-

Sr. No.	Clause No.	Existing Provision	Amended Provision
1.	4.1.1 Projects above 5 MW capacity 4.1.1. (A) Allotment policy	<p>PROJECTS ABOVE 5 MW CAPACITY:-</p> <p>A. Allotment Policy.</p> <p>The allotment of projects above 5 MW capacity in private sector shall be done through ICB Route on Build, Own, Operate and Transfer (BOOT) basis. The agreement shall remain in force up to a period of 40 years from the Scheduled Commercial Operation Date (SCOD) of the project. Thereafter, the project shall revert back to the State Government free of cost and free from all encumbrances and liabilities. After completion of 40 years, State may either extend the agreement on mutually agreed terms & conditions or may go for competitive bidding under Renovation and Modernizations (R&M) mode for next thirty years, however, the royalty payable to state for the extended period in any case will not be less than 30%.</p> <p>The allotment of projects to public sector shall be made on Memorandum of Understanding (MoU) Route basis for 70 years further extendable for the period up to 100 years on the terms and conditions mutually</p>	<p>PROJECT ALLOTMENT POLICY:-</p> <p>A. Allotment Policy.</p> <p>The allotment of projects above 5 MW capacity in private sector shall be done through ICB Route on Build, Own, Operate and Transfer (BOOT) basis. The agreement shall remain in force up to a period of 40 years from the Scheduled Commercial Operation Date (SCOD) of the project. Thereafter, the project shall revert back to the State Government free of cost and free from all encumbrances and liabilities. After completion of 40 years, State may either extend the agreement on mutually agreed terms & conditions or may go for competitive bidding under Renovation and Modernizations (R&M) mode for next thirty years, however, the royalty payable to state for the extended period in any case will not be less than 50%.</p> <p>The allotment of projects to public sector shall be made on Memorandum of Understanding (MoU) Route on Build, Own, Operate and Transfer (BOOT) basis for 40 years further extendable on the terms</p>



		agreed between state and the project developer.	and conditions mutually agreed between state and the project developer however, the royalty payable to state for the extended period in any case will not be less than 50%.
2.	4.1.1.C Allotment of Projects through MOU Route	<p>C.ALLOTMENT OF PROJECTS THROUGH MOU ROUTE:-</p> <p>i) The projects to the Central/ State Public Sector (PSUs) or Joint Sector will be allotted through MOU route with mutually agreed terms & conditions on BOOT basis.</p> <p>ii) The projects up to capacity of 10 MW (renewable sources) for captive use of power for existing industries or for new industrial units within the state shall be allotted without competitive bidding after assessing the capabilities of the project developer on MoU route in accordance with the power requirement of the industrial units already set up or to be set up subject to fulfillment of all the legal, regulatory and procedural requirements. 12% uniform royalty will be applicable in hydro projects.</p>	<p>C.ALLOTMENT OF PROJECTS THROUGH MOU ROUTE:-</p> <p>i) The projects to the Central/ State Public Sector (PSUs) or Joint Sector will be allotted through MOU route with mutually agreed terms & conditions on BOOT basis for 40 years.</p> <p>ii) The projects up to capacity of 10 MW (renewable sources) for captive use of power for existing industries or for new industrial units within the state shall be allotted without competitive bidding after assessing the capabilities of the project developer on MoU route in accordance with the power requirement of the industrial units already set up or to be set up subject to fulfillment of all the legal, regulatory and procedural requirements. <u>The royalty will be applicable @ 20% for first 12 years, @ 30 % for next 18 years and @ 40 % for balance 10 years of agreement period. The agreement shall remain in force up to a period of 40 years from the Scheduled Commercial Operation Date (SCOD) of the project. Thereafter, the project shall revert back to the State Government free of cost and free from all encumbrances and liabilities. After completion of 40 years, State may either extend the agreement on mutually</u></p>

9.1.1



			<u>agreed terms & conditions or may go for competitive bidding under Renovation and Modernizations (R&M) mode for next thirty years, however, the royalty payable to state for the extended period in any case will not be less than 50%.</u>
3.	4.1.1.1 Project implementation Provisions A Private sector Projects xli)	The project developer shall provide royalty in the shape of free power from the project during the entire agreement period to the Government of Himachal Pradesh at the rate agreed in their respective agreements (IA/SIA) of the deliverable energy of the project, from the date of synchronization of first unit whereas, the projects allotted in future shall provide royalty in the shape of free power @ 12 % uniformly.	The project developer shall provide royalty in the shape of free power from the project during the entire agreement period to the Government of Himachal Pradesh at the rate agreed in their respective agreements (IA/SIA) of the deliverable energy of the project, from the date of synchronization of first unit whereas, the projects allotted in future shall provide royalty in the shape of free power from projects <u>@ 20 % for first 12 years, @ 30 % for next 18 years & @ 40% for balance 10 years from the date of synchronization of first unit.</u>
4.	4.1.1.1 Project implementation Provisions A Private sector Projects xlv)	xlv)The following amendments made in the Hydro Policy by the state Government vide Notification dated 15.05.2018 shall not be applicable to the Projects which will be commissioned beyond 31 st December, 2028: a) In case of already allotted (but not commissioned) project, the free power quantum to be received on account of free power share of the state will be deferred for the critical period of initial 12 years from the date of achieving SCOD or COD of the project, whichever is earlier. The quantum to be deferred shall be recovered during the balance agreement period in a	xlv)The following amendments made in the Hydro Policy by the state Government vide Notification dated 15.05.2018 shall not be applicable to the Projects which will be commissioned beyond 31 st December, 2028: a) <u>deleted</u>



		<p>uniform percentage rate for all the ongoing private sector projects which are under construction and at various stages of clearances. The project developers shall be liable to sign revised MoU/IA/SIA, as the case may be.</p> <p>b) The entire power generated from the projects having capacity up to 25 MW will be mandatorily purchased by HPSEBL at the HPERC determined tariff. The same shall be applicable to the projects which shall be commissioned after 15.05.2018.</p> <p>c) No open access charges for the use of intra-State transmission network shall be payable by hydro-electric projects having capacity up to 25 MW which shall be commissioned after 15.05.2018.</p>	<p>b) The entire power generated from the projects having capacity up to 25 MW will be mandatorily purchased by HPSEBL at the HPERC determined tariff. The same shall be applicable to the projects which shall be commissioned after 15.05.2018.</p> <p>c) <u>Deleted</u></p>
5.	4.1.2 Small hydroelectric Projects (SHEPs) up to 5 MW	<p>887 Small Hydro-Electric Projects (100KW-5MW) with capacity of 2004.40 MW have been allotted for development through Private/Public Sector participation. Out of these, 112 projects of 362.12 MW capacity stand commissioned.</p> <p>The projects shall be allotted for a period of 40 years on BOOT/BOT basis. The agreement shall remain in force up to a period of 40 years from the SCOD of the project. Thereafter, the project shall revert to the State Government free of cost and free from all encumbrances and liabilities. After completion of 40 years, State may either extend the agreement on mutually agreed</p>	<p>887 Small Hydro-Electric Projects (100KW-5MW) with capacity of 2004.40 MW have been allotted for development through Private/Public Sector participation. Out of these, 112 projects of 362.12 MW capacity stand commissioned.</p> <p>The projects shall be allotted for a period of 40 years on BOOT/BOT basis. The agreement shall remain in force up to a period of 40 years from the SCOD of the project. Thereafter, the project shall revert to the State Government free of cost and free from all encumbrances and liabilities. After completion of 40 years, State may either extend the agreement on mutually agreed</p>

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		terms & conditions or may go for competitive bidding under Renovation and Modernisation (R&M) mode for next thirty years; however, the royalty payable to state for the extended period in any case will not be less than 30 %.	terms & conditions or may go for competitive bidding under Renovation and Modernisation (R&M) mode for next thirty years; however, the royalty payable to state for the extended period in any case will not be less than 50 % .
6.	4.1.2.1 Small Hydro power development programme in Himachal Pradesh C Guidelines to Private investors xlix	Xlix) The project developer shall provide royalty in the shape of free power from the project during the entire agreement period to the Govt. of Himachal Pradesh at the rate agreed in their respective agreements (IA/SIA) of the deliverable energy of the project, from the date of synchronization of first unit whereas, the projects allotted in future shall provide royalty in shape of free power @12% uniformly	Xlix) The project developer shall provide royalty in the shape of free power from the project during the entire agreement period to the Govt. of Himachal Pradesh at the rate agreed in their respective agreements (IA/SIA) of the deliverable energy of the project, from the date of synchronization of first unit whereas, the projects allotted in future shall provide royalty in shape of free power @ 20 % for first 12 years, @ 30 % for next 18 years & @ 40% for balance 10 years from the date of synchronization of first unit.
7.	4.1.2.1 Small Hydro power development programme in Himachal Pradesh C Guidelines to Private investors lx)	lx) The following amendments made in the Hydro Policy by the state Government vide Notification dated 15.05.2018 shall not be applicable to the Projects which will be commissioned beyond 31 st December, 2028: a) In case of already allotted (but not commissioned) project, the free power quantum to be received on account of free power share of the state will be deferred for the critical period of initial 12 years from the date of achieving SCOD or COD of the project, whichever is earlier. The quantum to be deferred shall be recovered during the balance agreement period in a uniform percentage rate for all the ongoing private sector projects which are under	lx) The following amendments made in the Hydro Policy by the state Government vide Notification dated 15.05.2018 shall not be applicable to the Projects which will be commissioned beyond 31 st December, 2028: a) deleted



	<p>construction and at various stages of clearances. The project developers shall be liable to sign revised MoU/IA/SIA, as the case may be.</p> <p>b) The entire power generated from the projects having capacity up to 25 MW will be mandatorily purchased by HPSEBL at the HPERC determined tariff. The same shall be applicable to the projects which shall be commissioned after 15.05.2018.</p> <p>c) No open access charges for the use of intra-State transmission network shall be payable by hydro-electric projects having capacity up to 25 MW which shall be commissioned after 15.05.2018.</p>	<p>b) The entire power generated from the projects having capacity up to 25 MW will be mandatorily purchased by HPSEBL at the HPERC determined tariff. The same shall be applicable to the projects which shall be commissioned after 15.05.2018.</p> <p>c) <u>deleted</u></p>
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By Order

Pr. Secretary (Power) to the
Govt. of Himachal Pradesh

Endst. No. MPP-F(1)-2/2005-XV-II

Dated: Shimla-02, the 12-12-2023

Copy is forwarded to the following for information & necessary action to:-

1. The Pr. Private Secretary-cum Special Secretary to Chief Minister, Himachal Pradesh, H.P. Secretariat, Shimla-2.
2. The Private Secretary to Chief Secretary Government of Himachal Pradesh, H.P. Secretariat, Shimla-2.
3. The Pr. Secretary to Hon'ble Chief Minister, Himachal Pradesh, H.P. Secretariat, Shimla-2.
4. The Secretary, Ministry of Power, Govt. of India, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001.
5. The Chairman, Central Electricity Authority (CEA), Sewa Bhawan, R.K. Puram, New Delhi.
6. All the Administrative Secretary Government of Himachal Pradesh, H.P. Secretariat, Shimla-2.
7. The Chairman, Power Grid Corporation Ltd., New Delhi.
8. The Chairman-cum-Managing Director, Power Finance Corporation, New Delhi.
9. The Chairman, HPSEBL, Vidyut Bhawan, Shimla-04.



10. The Director (Energy), Directorate of Energy, Shanti Bhawan, Phase-III, Sector-VI, Shimla-9.
11. The Managing Director, Himachal Pradesh State Electricity Board Ltd, Vidyut Bhawan, Shimla-04
12. The Managing Director, Himachal Pradesh Power Corporation Ltd, Himfed Building, BCS, New Shimla-09.
13. The Managing Director, Himachal Pradesh Transmission Ltd., Tutikandi, Shimla-05.
14. The Secretary, Himachal Pradesh Electricity Regulatory Commission, Block No. 37, SDA Complex, Kasumpti, Shimla-09.
15. The Chief Executive Officer, Himurja, SDA Complex, Kasumpti, Shimla-09.
16. The Joint Secretary (General Administration) to the Govt. of Himachal Pradesh w.r.t Item No.02 of CMM dated 1.12.2023.
17. All the Deputy Commissioners, Himachal Pradesh.
18. The Guard File.



(Kultar Singh Rana, H.P.S.S)
Deputy Secretary (Power) to the
Government of Himachal Pradesh





Energy (Kutehr) Limited

Regd Off: Village – Machetar,
PO - Chanhota, Tehsil -
Bharmour, District - Chamba
Himachal Pradesh: 176309
CIN:U40101HP2013PLC000345
Tel & Fax: 91-1899- 220847
Website: www.jsw.in

4.7.2024

To,
Chief Engineer
Haryana Power Purchase Centre
Sector 16, Panchkula

Sub: Change in law notice under the provision of PPA dt. 5.3.2022 executed between JSW Energy (Kutehr) Ltd. and HPPC, regarding increase in royalty on minor minerals by GoHP

Ref: i. JSWEKL EOI dated 18th August 2018

ii. PPA dated 5th March 2022 signed between JSW Energy (Kutehr) Limited and Haryana Power Purchase Committee and subsequent amendment dated 24.05.2022 thereto (“PPA”)

iii. Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015

iv. Himachal Pradesh Mineral Policy 2024 dt. 29.2.2024

Dear Sir,

In reference to the captioned matter, we would like to inform you that Government of Himachal Pradesh has notified Himachal Pradesh Mineral Policy 2024 dt. 29.2.2024 wherein new provisions have been introduced regarding the Royalty on Minor minerals.

Clause 14 of the said 2024 policy is reproduced herein below for ready reference:

14. Processing charges:

*While allowing the permission to use the **minor mineral** generated during construction of hydel projects, tunnels, roads, bridges, water supply schemes, reservoirs, railway lines, other infrastructure of public importance and development activities as specified in Rule-33 of ibid Rules, the department has to complete the entire process as required in the cases of grant of mineral concessions like processing of the application, joint inspection of the material etc. Hence, while allowing such permission, **an additional processing charge equivalent to 75% of royalty payable on every tonne of mineral produced shall be realized from the permission holders***





Energy (Kutehr) Limited

Regd Off: Village – Machetar,
PO - Chanhota, Tehsil -
Bharmour, District - Chamba
Himachal Pradesh: 176309
CIN:U40101HP2013PLC000345
Tel & Fax: 91-1899- 220847
Website: www.jsw.in

The Royalty rates prescribed under schedule II of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015, were amended on 10.2.2022 vide its 3rd amendment. Now the government has introduced and demanded additional levy of processing charges in terms of Clause 14 of the notified Himachal Pradesh Mineral Policy 2024 (Relevant extract of 2015 Rules, its 3rd amendment dt. 10.2.22 and HP Mineral policy 2024 is enclosed colly. as **Annexure 1**). It may be noted that we have started making payment of royalty and processing charges in terms of current Rules/ Policy (copy of GoHP letter dt 4.4.24 and JSW letter alongwith DDs dt. 4.6.24 are enclosed as **Annexure 2**)

As the introduction of the additional processing charge by the GoHP @ 75% of royalty payable is a Change in Law event as per the Article 11 of aforesaid PPA and increases the construction cost of the project therefore, an additional cost shall be considered in completed capital cost and shall be adjusted in the Tariff.

Accordingly, kindly consider this as our notice for change in law in terms of Clause 11.2.2 of the PPA.

Thanking You,
Yours Faithfully,

For JSW Energy (Kutehr) Limited

Anurag Agarwal
General Manager



Encl: As above

"Extract from HP Minor Minerals Rules
2015"

Annexure 1

32. Forfeiture of minor mineral left after cancellation of the permit.- In case of breach of any of the conditions subject to which the permit has been granted, the Director or the authority issuing the permit, may cancel it. On cancellation of the permit, the extracted/removed material lying on the land from which they are extracted shall become absolute property of the Government.

33. Permission for disposal of minor mineral generated due to non-mining activities.- (1) Notwithstanding anything contained in these rules, the Director or any Officer authorized by him in this behalf, may grant permission for lifting/transportation of minor minerals generated during various developmental activities and natural calamities for a specific purpose and period. The permission will be given after the site is inspected by a Committee consisting of Tehsildar, Assistant Engineer (Public Works Department) and Mining Officer which may also assess the availability of stock thereof.

Explanation:- For the purpose of this rule the developmental activities shall means excavation of tunnel for hydro electric projects, construction of tunnels for connectivity of roads/railways track and construction of various National Highways/state highways, de-silting of reservoir, development of plots, excavation of fisheries ponds and any kind of other developmental activities.

(2) The aforesaid permission shall be subject to fulfillment of following conditions:-

- (i) the royalty shall be charged on the saleable mineral in advance as per the rates specified in the second schedule;



- (ii) the permission shall be granted on the forest land after getting specific clearance from the Forest Department;
- (iii) the permission shall be granted only for lifting/transportation of such stock which has been assessed by the Committee; and
- (iv) any other conditions as may be imposed by the sanctioning authority in this behalf.

34. General conditions for grant of mineral concession.- There shall be following general conditions for grant of mineral concession:-

- (i) the Government may decide the mode and nature of grant of Mineral Concession under these rules in different areas i.e. lease, contract, permit etc. from time to time;
- (ii) no river or stream bed mining shall be carried on or allowed to be carried on within two hundred metres upstream and downstream of water supply/irrigation scheme and within two hundred metres upstream and two hundred metres to five hundred metres downstream of bridge or the distances as specified by the Joint Inspection Committee whichever is more.
- (iii) no quarrying operations or mining shall be carried on or permitted to be carried on by a Mineral Concession holder upto any point within five metres from the outer periphery of adjoining land as a safety zone in case of hill slope mining;
- (iv) the depth of mining in the river bed shall not exceed one metre or water level whichever is less:

Provided that where the Joint Inspection Committee certifies about excessive deposition or over accumulation of minerals in certain reaches



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SECOND SCHEDULE**RATES OF ROYALTY**

[See rule 4(1), 18(1) & 19(1)(a)]

Sl. No.	Name of Mineral	Rates of Royalty/other fee required under Rule (Per tonne)
1.	Building stones, Masonary stone including Boulders and Shingle.	Rs. 60.00
2.	Limestone	Rs. 80.00
3.	Marble:	
	(a) Used for lime burning	Rs. 80.00
	(b) Dressed, carved and rough marble Slabs	Rs. 450.00
	(c) Marble chips, fine powder, Khandas.	Rs. 80.00
	(d) Coarse powder of not more than plus 20 mash.	Rs. 80.00
4.	Bajri.	Rs. 60.00
5.	Ordinary Sand/Stone Dust	Rs. 60.00
6.	Ordinary Soil/Shale	Rs. 30.00
7.	(a) Rough slab slate	Rs. 140.00
	(b) Slate	Rs. 340.00
	(c) Quartzite slate	Rs. 340.00
8.	Kankar, road metal, blast and romi.	Rs. 60.00
9.	Cut or dressed blocks of granite and traps/basalt including rocks of other colours and shades (size 180x80x50 cms or more)	Rs. 500.00
10.	Brick earth	Rs. 5000 per lac Bricks on pro-rata basis
11.	All other minor mineral not herein specified	25% of the sale value at pit mouth



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(Authoritative English Text of this Department Notification No. Ind-II(F)6-14/2014-Vol-I, dated 10.2.2022 as required under clause (3) of article 348 of the Constitution of India)

Government of Himachal Pradesh
Department of Industries

No. Ind-II(F)6-14/2014-Vol-I

Dated: 10.02.2022

NOTIFICATION

In exercise of the power conferred by section 15 read with section/23 C of the Mines and Minerals (Development and Regulation) Act, 1957, the Governor, Himachal Pradesh is pleased to make the following rules further to amend the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 notified vide this department's notification No. Ind-II(F)6-14/2014, dated 13.03.2015 and published in the Rajpatra, Himachal Pradesh dated 21.03.2015, namely:-

- Short title and commencement. 1. (1) These rules may be called the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Third Amendment Rules, 2022.
- (2) These rules shall come into force from the date of their publication in the Rajpatra, (e-Gazzette) Himachal Pradesh.
- Amendment of rule 3. 2. In the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 (hereinafter referred to as the 'said rules') after clause iii), the following clause shall be added, namely:-
- “(iii) The removal of clay/soil upto a depth of 1.5 meter from the general ground level for the purpose

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of development of agricultural land and plot in private land shall not be treated as mining activities.

The clay/soil so generated during such development activity may be utilized by brick kiln owners or any other manufacturing unit using such clay/soil as raw material on a lump-sum payment of Rs. 1 lakh per year per brick kiln unit/manufacturing unit as royalty. For transportation of clay/soil, the land owner/contractor shall apply to the Mining Officer on Form-‘ZB’. The concerned Mining Officer may visit or get the area inspected for assessment of stock.”.

Amendment of rule 17.

3. In rule 17 of the said rules, for sub- rule (3), the following shall be substituted, namely:-

“(3) When order for grant of mining lease is issued, the lease deed in Form-‘F’ shall be executed within three months from the date of issue of sanction order by the authority competent to sanction the lease under these rules and if the lease is not executed within the aforesaid period the order sanctioning the lease shall be deemed to have been revoked and the application fee shall be forfeited by the Government:

Provided that where the Competent Authority is satisfied that the lessee is not responsible for the delay in execution of the lease, the said Authority may permit the execution of the lease after the expiry of the said period and



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currency period of lease shall be effective from the date of its execution.”.

Amendment of rule 19.

4. In rule 19 of the said rules, for sub -rule (15), the following shall be substituted, namely:-

“(15) (a) The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe shall not be treated as mechanical mining and the use of such loader shall be allowed with the permission of Director after depositing fee and security as specified in the First Schedule and the Director may permit the loader under the following terms and conditions:-

- (i) Only collection and lifting of the mineral is allowed.
- (ii) Natural flow of the water shall not be disturbed;
- (iii) The collection of mineral shall be done in a scientific manner;
- (iv) Any other condition as may be imposed by the Director;
- (v) Any violation of terms and conditions imposed while granting such permission shall result in cancelation of permission and forfeiture of security amount thereof:

(b) The lease holder may use excavator in hill slope mining with the permission of State Geologist and after depositing fee and security as specified in the First Schedule.”.

Amendment of rule 23.

5. In rule 23 of the said rules, for sub- rule (6), the following shall be substituted, namely:-

“(6) The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe



shall not be treated as mechanical mining and the use of such loader shall be allowed with the permission of Director after depositing fee and security as specified in the First Schedule and the Director may permit the loader under the following terms and conditions:-

- (i) Only collection and lifting of the mineral is allowed.
- (ii) Natural flow of the water shall not be disturbed;
- (iii) The collection of mineral shall be done in a scientific manner;
- (iv) Any other condition as may be imposed by the Director;
- (v) Any violation of terms and conditions imposed while granting such permission shall result in cancellation of permission and forfeiture of security amount thereof:

Provided that the lease holder may use excavator in hill slope mining with the permission of State Geologist and after depositing fee and security as specified in the First Schedule.”.

Amendment of rule 31.

6. In rule 31 of the said rules, in sub-rule (2), for clause (xiii), the following clause shall be substituted, namely:-

“(xiii) The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe shall not be treated as mechanical mining and the use of such loader shall be allowed with the permission of Director after depositing fee and security as specified in the First Schedule and the Director may permit the loader under the following terms and conditions:-

- (i) Only collection and lifting of the mineral is



allowed.

- (ii) Natural flow of the water shall not be disturbed;
- (iii) The collection of mineral shall be done in a scientific manner;
- (vi) Any other condition as may be imposed by the Director;
- (vii) Any violation of terms and conditions imposed while granting such permission shall result in cancelation of permission and forfeiture of security amount thereof.

Provided that the lease holder may use excavator in hill slope mining with the permission of State Geologist and after depositing fee and security as specified in the First Schedule”.

Amendment of rule 33

7. In rule 33 of the said rules, for sub -rule (1), the following shall be substituted, namely:-

“(1) Notwithstanding anything contained in these rules, the Director or any officer authorized by him in this behalf, may grant permission for lifting/ transportation of minor minerals generated during various developmental activities and natural calamities for a specific purpose and period. The permission will be given after the site is inspected by a Committee consisting of the concerned Tehsildar, Assistant Engineer (Public Works Department) and Mining Officer, which may also assess the availability of stock thereof.

Explanation:- For the purpose of this rule the developmental activities shall mean excavation of tunnel for hydro electric projects, construction of tunnels for connectivity of roads/railways track and construction of various National Highways/State



Highways/any other roads, de-silting of reservoir, development of plots, excavation of fisheries ponds and any kind of other developmental activities:

Provided that in case of material generated from road cutting of National Highway/ Express way/State Highway/ H.P.P.W.D. road/ during execution of approved Hydel Projects, the Contractor or concerned Agency shall have liberty to use such material after paying the royalty and after verification of the stock by the concerned Mining Officer alongwith representative of concerned Agency not below the rank of Assistant Engineer or equivalent."

Amendment of rule 67.

8. For rule 67 of the said rules, the following rule shall be substituted, namely:-

"67. **Mineral Concession mandatory for running a stone crusher.**- For running a stone crusher. a valid mineral concession shall be mandatory to ensure legal and regular supply of minor mineral:

Provided that in the case of construction of Hydel Projects, road(s) and tunnel(s), the stone crusher shall be allowed to be installed, on the basis of material generated during such construction activities even without mining lease. For establishment of stone crusher units for such captive use, compliance of norms and distance parameters shall be ensured by the concerned department before/during execution of the said project:

Provided further that the crushed material

✓



shall be utilized for the purposes of construction of such Hydel Project(s), road(s) and tunnel(s) and after the completion of Project, the left out stacked raw material/finished product shall be auctioned by the Department after verifying the quantity by the Committee specified in rule 33 of these rules. The successful bidder may install a new stone crusher on the basis of this raw material if the available material is more than 2,50,000 Metric Tonnes.”

Amendment of FORM-‘F’.

9. In FORM ‘F’ of the said rules, for serial number 4 of PART-II, the following shall be substituted, namely:-

“4. Use of Mechanical Excavator for Mining: The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe shall not be treated as mechanical mining and the use of such loader shall be allowed with the permission of Director after depositing fee and security as specified in the First Schedule.”

Amendment of FORM ‘K’.

10. In FORM-‘K’ of the said rules, for serial number (21) of PART-IV, the following shall be substituted, namely:-

“(21) RESTRICTION ON MECHANICAL EXCAVATION IN RIVER OR STREAM BEDS

The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe shall not be treated as mechanical mining and the use of such loader shall be allowed with the



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permission of Director after depositing fee and security as specified in the First Schedule.”.

Amendment of FORM-‘L’.

11. In FORM-‘L’ of the said rules, for condition number 11, the following shall be substituted, namely:-

“11. The collection/lifting of mineral with the help of tyre mounted front end loader upto 80 Horse Power without provision for attaching backhoe shall not be treated as mechanical mining and the use of such loader shall be allowed with the permission of Director after depositing fee and security as specified in the First Schedule”.

Amendment of FIRST SCHEDULE. 12. In the FIRST SCHEDULE of the said rules, for serial number 4. the following shall be substituted, namely:-

S. No.	Rule	Particulars	Fee (in Rupees)
4.	19(15), 23(6) and 31(2)(xiii)	Application fee for Mechanical Mining	Rs. 3,00,000/- upto area 5 Hectares and thereafter Rs. 50,000/- per hectare for area more than 5 Hectares on pro-rata basis (Non-refundable) for a period of two years.
		Security for Mechanical Mining	Rs. 5,00,000/- upto area 5 Hectares and thereafter Rs. 50,000/- per hectare for area more than 5 Hectares on pro-rata basis.
		Application fee for tyre mounted front end loader upto 80 Horse Power without backhoe	Rs. 2,00,000/- upto production of 3000 MT per month in the stone crusher unit and thereafter Rs. 50,000/- per thousand MT increase in production of stone crusher unit on pro-rata basis (Non-refundable) for a period of two years.
		Security for tyre mounted front end	Rs. 2,50,000/- upto production of 3000 MT per month in stone crusher unit and



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		loader upto 80 Horse Power without backhoe	thereafter Rs. 50,000/- per thousand MT increase in production of stone crusher unit on pro-rata basis".
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Substitution of SECOND SCHEDULE. 13. For the SECOND SCHEDULE of the said rules, the following shall be substituted, namely:-

<p align="center"><u>"SECOND SCHEDULE"</u></p> <p align="center"><u>RATES OF ROYALTY</u></p> <p align="center">[See rule 4(1), 18(1) & 19(1)(a)]</p>		
S. No.	Name of Mineral	Rates of Royalty/other fee required under Rule (per tonne)
1.	Building stones, Masonary stone including Boulders and Shingle.	Rs. 80.00
2.	Limestone	Rs. 80.00
3.	Marble:	Rs. 80.00
	(a) Used for lime burning	
	(b) Dressed, carved and rough marble Slabs	Rs. 450.00
	(c) Marble chips, fine powder, khandas,	Rs. 80.00
	(d) Coarse powder of not more than plus 20 mash.	Rs. 80.00
4.	Bajri	Rs. 80.00
5.	Ordinary Sand/Stone Dust	Rs. 80.00
6.	Ordinary Soil/Shale	Rs. 60.00
7.	(a) Rough slab slate	Rs. 140.00
	(b) Slate	Rs. 340.00
	(c) Quartzite slate	Rs. 340.00
8.	Kankar, road metal, blast and rorri	Rs. 80.00



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9.	cut or dressed blocks of granite and traps/ basalt including rocks of other colours and shades (size 180x80x50 cms or more)	Rs. 500.00
10.	Brick earth	Rs. 5,000 per lac Bricks on pro-rata basis.
11.	All other minor mineral not herein specified	25% of the sale value at pit mouth."

Amendment of THIRD SCHEDULE 14. In the THIRD SCHEDULE of the said rules,-
(a) in PART A, for serial number 3, the following shall be substituted, namely:-

"3.	Other Minor Minerals	Amount equivalent to 60% of royalty of mineral reserves approved in Mining Plan on annual basis." ; and
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(b) in PART B, for the figure and sign "1,000", the figure and sign "25,000" shall be substituted.

Addition of Form ZB. 15. In the said rules after Form ZA, the following Form shall be added, namely:-

"[Form ZB]

[(See Rule 3(iii)]

PERMISSION FOR TRANSPORTATION OF CLAY/SOIL GENERATED
DURING DEVELOPMENT OF PLOT

To

Mining Officer,
District _____,
Himachal Pradesh.

Subject: Permission for transportation of clay/soil generated during development of plot.

Sir,

It is intimated that I, _____, S/o Sh. _____ R/o _____
_____ is having the registered Brick Kiln Unit/Manufacturing Unit vide



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राजपत्र, हिमाचल प्रदेश, 04 मार्च 2024 / 14 फाल्गुन, 1945

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WHEREAS, on the basis of facts and available records, the Commission is satisfied that **Sh. Pritam Dev**, has failed to lodge account of election expenses and has no good reason or justification for the failure to do so; and

NOW, THEREFORE, in pursuance of Section 10A of the Representation of the People Act, 1951, the Election Commission of India hereby declares **Sh. Pritam Dev, Village & Post Office Majhewali, Tehsil Rampur, Distt. Shimla, Himachal Pradesh-173021** and a contesting candidate in **66-Rampur (SC) Assembly Constituency** of the State of Himachal Pradesh in the General Election to the Legislative Assembly 2022 to be disqualified for being chosen as and for being a member of either House of the Parliament or the Legislative Assembly or the Legislative Council of a State or Union Territory for a period of three years from the date of this order.

By order,

SUJEET KUMAR MISHRA,
Secretary.

To

Sh. Pritam Dev,
Village & Post Office Majhewali,
Tehsil Rampur, Distt. Shimla,
Himachal Pradesh-173021.

INDUSTRIES DEPARTMENT

NOTIFICATION

Shimla-2, the 29th February, 2024

No. Ind-II(F)1-1/2023.—In supersession of all previous notifications issued on the subject, the Governor, Himachal Pradesh is pleased to notify Himachal Pradesh Mineral Policy, 2024 for regulation of mines and minerals in Himachal Pradesh as per enclosed **Annexure-I** with immediate effect.

By order,

R.D. NAZEEM
Principal Secretary (Inds.).

Annexure-I

HIMACHAL PRADESH MINERAL POLICY, 2024

This Policy is notified in accordance with the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 and powers conferred under section 15 and Section 23-C of the Mines and Minerals (Development and Regulation) Act, 1957.



Introduction:

Minerals are non-renewable natural resources essential for mankind and backbone of economic growth of any country. The progressive industrialization and infrastructural activities have led to increased demand resulting into large scale production of minerals. Although, mining and quarrying have been age old practices in Himachal Pradesh from Palaeolithic age as evidenced by the ancient temples and monuments and old workings for metallic minerals as reported in Chamba, Kullu and Shimla. But presently there is no prevalence of large scale mining activities in Himachal Pradesh, as it is not a mineral rich State. Almost all the existing mines are open cast and limited in aerial extent. The mining activities in Himachal Pradesh can be categorized under both large sector and small sector. The large sector comprises of major limestone projects for cement manufacturing and the small sector comprises mining of minor minerals like sand, stone, bajri, slates, shale, clay etc. which are basic building materials required to meet the infra structural development needs of the State.

1. Earlier Policy Guidelines:

The Government of Himachal Pradesh had earlier formulated a Mining Policy in the year 1986 which was later modified in the year 1998. Further the State Government formulated the River/Stream Bed Mining Policy Guidelines-2004. In the 2004 policy, the concept of preparation of Working-cum-Environment Management Plan was introduced for minor minerals. In addition to above, the Govt. had also notified the Policy Guidelines for Registration, Location, Installation and working of stone crusher in the State of H.P. on 11-08-2004. Thereafter, on 24-08-2013, the State notified the Himachal Pradesh Mineral Policy-2013 with an objective to ensure scientific and systematic mining and laid down the safeguards to be undertaken during mining for protection of public and private property and to regulate the mining activities in the State in a systematic and scientific manner.

2. Need of New Mineral policy for the State of Himachal Pradesh:

A decade has passed since the Himachal Pradesh Mineral policy-2013 was notified and during this period a number of significant changes in the mining sector have taken place which needs to be addressed. The central Government has notified National Mineral Policy-2019 with the objectives of transparency in grant of mineral concession, better regulation & enforcement, balanced social & economic growth and to encourage sustainable mining practices. Further, the Ministry of Environment, Forests and Climate Change (MoEF&CC) has issued Sustainable Sand Mining Management Guidelines-2016 & Enforcement & Monitoring Guidelines for Sand Mining-2020 which requires preparation of District Survey Report (DSR), which is an important initial step before grant of mineral concession/Letter of Intent. Further, the State of Himachal Pradesh has framed the Himachal Pradesh Minor Mineral (Concession) and Minerals, (Prevention of illegal mining, Transportation and Storage) Rules-2015 on 13-03-2015 wherein most of the provisions of earlier policy guidelines were incorporated. Thus, a need was felt to formulate a well defined futuristic Mineral Policy with an objective to develop and conserve the mineral resources of the State in consonance with the "National Mineral Policy-2019" and "Sand Mining Framework". This policy will meet the present challenges of the State while taking into consideration its difficult terrain where mining considerations are different when compared to other States. This policy will also help the State to meet the growing demand of minerals in the context of its rapid pace of economic development. This policy has been framed with the vision to enhance the revenue collection of the State while curbing the illegal mining activities.



3. Existing Acts and Rules:

The following Acts and Rules are in operation to regulate mining activities in the State:—

- (i) The Mines and Mineral (Development and Regulation), Act 1957
- (ii) The Mineral Concession Rules, 1960
- (iii) The Mineral Conservation and Development Rules, 2017
- (iv) The Minerals (Evidence of Mineral Contents) Rules, 2015
- (v) The Mineral (Auction) Rules, 2015
- (vi) The Mineral (Non-Exclusive Reconnaissance Permits) Rules, 2015
- (vii) The Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016.
- (viii) The Mines Rules, 1952
- (ix) The Metalliferous Mines Regulation, 2019
- (x) National Mineral Exploration Trust Rules, 2015
- (xi) Sustainable Sand Mining Management Guideline-2016
- (xii) Enforcement & Monitoring Guidelines for Sand Mining-2020
- (xiii) The Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015.
- (xiv) The Himachal Pradesh District Mineral Foundation Trust Rules, 2015

4. Mineral Resources:

Apart from the minor minerals like Sand, Stone, Bajri etc. the major minerals like Limestone, Dolomite, Gypsum, Magnesite, Barytes, Rock Salt etc. have been reported from various parts of Himachal Pradesh. However, except for limestone and Rock Salt, no other major mineral, which can be commercially exploited, has been reported in the State. Based on these limestone deposits, seven (7) mega cement units *i.e.* two in district Bilaspur (M/s ACC Ltd.), four in district Solan (M/s Gujarat Ambuja and M/s UltraTech Cements) and one in district Sirmour (M/s CCI Ltd.) are already in operation. In addition to above functional limestone blocks, there exists ten (10) major mineral blocks of limestone deposits. Out of the ten (10) limestone blocks, five (5) are under litigation in various courts and two (2) blocks are yet to be fully explored. So, in the present scenario, only three limestone mineral blocks *i.e.* Broh-Shind limestone deposit (Distt. Chamba), Kothi-Sal-Bag limestone deposit (Distt. Shimla) & Arki limestone deposit (Distt. Solan) are available for auction.

5. Commercially exploitable minerals found in various districts of the state:

District	Exploitable Minerals
Bilaspur	Limestone, dolomitic limestone, shale, brick earth, minor minerals like sand, stone & bajri.
Kangra	Roofing slate, brick earth, minor minerals like sand, stone & bajri.
Chamba	Limestone, roofing slate, magnesite & minor minerals like sand, stone & bajri.
Lahaul & Spiti	Antimony-ore, Gypsum & minor minerals like sand, stone & bajri.
Solan	Limestone, dolomitic limestone, shale, building stone & minor minerals like sand, stone & bajri.



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Una	Silica boulders & minor minerals like sand, stone & bajri
Mandi	Limestone, rock salt, & minor minerals like sand, stone & bajri
Hamirpur	Minor minerals like sand, stone & bajri
Shimla	Limestone, shale, quartzite & minor minerals like sand, stone & bajri.
Sirmaur	Limestone, barites, gypsum, shale, quartzite & minor minerals sand, stone & bajri.
Kullu	Roofing slate, quartzite crystal, mineral water, Semi precious stones & minor minerals like sand, stone & bajri.
Kinnaur	Gypsum & minor minerals like sand, stone & bajri

Based on the major minerals available in the State, seven (7) mega cement units of four (4) Cement Companies are functional. Apart from these, five (5) mini cement plants have also been set up in the State. Further, more than hundred lime based units like poultry feed, limestone powder, calcium carbonate, hydrated lime etc. have been set up in the State. Based on the minor minerals, about four hundred eight (408) stone crusher units, about fifteen (15) stone cutting and hollow block units have been operating in the State. The mining sector is providing direct employment to more than 12,500 persons and indirect employment to more than 45,000 persons in the State.

6. Royalty from Minerals:

The details of royalty realized in the state exchequer from 2013-14 to 2022-23 has been given below:—

Year	Major Mineral (i.e. Limestone, Barytes, Shale, Quartzite, Silica Sand)	Minor Mineral (i.e. Building Stone, Sand, Stone and Bajri, Shale, Slate)	Other Charges (i.e. fees, rent, penalties, compounding fee and other recoveries)	Total Royalty (in Cr.)
2013-2014	66.25	33.60	11.23	111.08
2014-2015	97.40	27.83	36.29	161.52
2015-2016	93.09	32.76	29.23	155.08
2016-2017	83.85	50.69	41.68	176.22
2017-2018	352.67	51.18	37.61	441.46
2018-2019	102.87	48.41	21.93	173.21
2019-2020	108.81	49.14	36.54	194.49
2020-2021	101.26	63.92	40.69	205.87
2021-2022	116.65	60.90	22.54	200.09
2022-2023	98.25	101.00	42.00	241.25

7. Objectives of the New Mineral Policy-2024:

- To explore mineral wealth of the State and to carry out its exploitation by adopting scientific and mechanical techniques with adequate safeguards to protect environment and ecology.



- b. To increase the employment opportunities in the mining sector, by granting sustainably adequate mineral concessions in the State.
- c. To take effective measures to curb illegal mining and leakages of revenue
- d. To prepare an integrated On-line portal for regulating the mining activities in a fair transparent manner.
- e. To promote value addition through promotion of processing units and mineral based industries in the State.
- f. To simplify the procedures and rules to make regulatory environment conducive to ease of doing business.
- g. To adhere to the orders/directions issued by the Hon'ble Apex Court, Hon'ble High Court, Hon'ble National Green Tribunal and other guidelines issued by the Ministry of Environment and Forest & Climate Change (MoEF&CC) Government of India, for exploitation of minor minerals.

8. Mineral Exploration:

The Geological Survey of India (GSI) and Geological Wing of the State are the two main agencies which conduct survey and exploration of minerals in the State apart from other organizations like Oil and Natural Gas Commission (ONGC), Atomic Mineral Directorate (AMD) etc., which undertakes exploration for specific minerals. However, in pursuance of the Mines and Minerals (Development and Regulation) Amendment Act 2015, the National Mineral Exploration Trust (NMET) has been set up *vide* gazette Notification No. G.S.R. 633 (E) dated 14-8-2015 and the National Mineral Exploration Trust Rules 2015 were also notified *vide* Gazette Notification No. G.S.R. 632 (E) dated 14-8-2015, with the prime objective of promoting mineral exploration in the country. The above amendment Act, 2015 prescribes payment to the NMET, a sum equivalent to 2% (Two percent) of the royalty to be paid by the lessee for the minerals listed in the Second Schedule of the Act. Mineral Exploration Corporation Limited (MECL), a PSU under the Ministry of Mines, Govt. of India has been designated as the nodal agency for carrying out exploration under NMET and a tripartite agreement among NMET, MECL and the respective State Government has been approved for implementation of the exploration projects. The trust supports regional and detailed mineral exploration in the country and also other activities as approved by the Governing Body to achieve its objectives.

The State of Himachal Pradesh has also started collecting an amount equivalent to two percent (2%) of royalty paid by holders of mining lease as per mandate of National Mineral Exploration Trust. For the utilization of the aforesaid fund, the department shall prepare proposals so that MECL could be engaged for mineral exploration in the State. Further, endeavour shall be made for prospecting of new minor mineral deposits of building stone and sand over the hill slopes to reduce the pressure on river/stream bed mining so as to protect the river eco-system. The State Geological Wing shall prioritize the mineral exploration projects and shall finalize the annual programme to maximize the revenue to the State.

9. Initiatives for Systematic and Scientific Mining:

With the vision to develop mineral resources in a systematic, scientific and sustainable manner, various provisions have been made in the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015. Following



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are the initiatives for systematic, scientific and sustainable mining as per the guidelines of Ministry of Environment, Forests & Climate Change (MoEF&CC), Government of India and "National Mineral Policy-2019" to meet out the growing demand of mineral in the State.

- a. **Preparation of District Survey Report.**— The Ministry of Environment, Forest and Climate Change (MoEF&CC) has issued Sustainable Sand Mining Management Guideline-2016 and also Enforcement & Monitoring Guidelines for Sand Mining-2020 which, *inter-alia* addresses the issues relating to regulation of sand mining in Country and provides detailed instructions for ensuring sustainable river sand mining. The guidelines emphasize on the preparation of District Survey Report (DSR) for each district. Usage of IT and IT enabled services for effective monitoring of the quantity of mined material and transportation is also a part of the guidelines issued by MoEF & CC, Govt. of India.

Accordingly, efforts have been made to adhere to the aforesaid guidelines for sustainable mining and prevention and mitigation of adverse impact on the environment. Further, all the potential mineral bearing sites in riverbeds have been identified and incorporated in the District Survey Reports of all the districts in the State as per the guidelines issued by the Ministry of Environment Forest and Climate Change, Govt. of India.

- b. **Inspection of area by the Joint Inspection Committee.**—After identification of the mineral bearing site, the area is inspected by the joint inspection committee headed by the concerned Sub Divisional Officer (c) alongwith members of other departments like Forest, Pollution Control Board, Jal Shakti Vibhag, Public Works department, Mining as per the procedure prescribed under Rule 10 of *ibid* Rules.
- c. **Concept of Mining Plan.**—To ensure systematic and scientific mining activities in the sanctioned area, mining plan is mandatory for grant of mineral concessions. Mining plan is prepared by the project proponent through a registered qualified person by taking into account the environmental, geological and other technical considerations. The provisions of progressive mine closure plan, final mine closure plan, financial assurance for the satisfactory compliance of the provisions of mining plan alongwith possible precautions to be taken for the protection of environment and control of pollution has been made in consonance with the guidelines circulated by the Ministry of Mines and Ministry of Environment, Forests and Climate Change (MoEF & CC), Government of India for mining of minor minerals including the riverbed mining and the draft rules circulated by the Indian Bureau of Mines pertaining to Minor Minerals (Conservation and Development) Rules-2010. To ensure that the proposals made in the mining plan are effectively implemented by the lease holder, concerned District Mining Officer shall make inspections at least twice a year and report to the Geological Wing headquartered at Shimla.
- d. **Appointment of technical person for implementation of Mining Plan.**—For the proper implementation of the proposals made in the mining plan and to ensure scientific mining, the mineral concession holder shall employ/retain a technical person as per the classification specified under Rule 55 of *ibid* Rules.
- e. **Mandatory provision for Environmental Clearance (EC).**—Extraction of minerals impacts other natural resources like land, water, air and forest. To



protect the environment from degradation and further for prevention and mitigation of adverse environmental effects due to mining, Environmental Clearance (EC) has been made mandatory for obtaining mineral concession. Also, as per the notification issued by Ministry of Environment, Forests and Climate Change (MoEF&CC) dated 20-03-2020, certain activities have been exempted from the requirement of Environment Clearance (EC). The State Government has already declared certain activities as non-mining activity and shall also identify and declare more activities which are required to be exempted in consonance with the *ibid* notification as non-mining activity.

f. **Safeguard for public utilities/infrastructure.**—For the safeguard of the public utility projects such as roads, bridges, water supply schemes, reservoirs, railway lines and other infrastructure of public importance, provisions/norms to keep mining activity at a safe distance from such sensitive areas has been made in the minor mineral rules. Apart from the provisions made in the rules, the policy shall also ensure the following:—

- (i) To protect the river banks, no mining shall be allowed upto a distance of five (5) meters from the banks of river or upto the distance as recommended by the joint inspection committee specified in the Rule 10 of the *ibid* Rules whichever is higher.
- (ii) No river/stream bed mining shall be allowed within seventy-five (75) meters from the periphery of soil conservation works, nursery plantation and check dams or within the distance as recommended by the joint inspection committee, whichever is more.
- (iii) No boulder/cobbles/hand broken road ballast shall be allowed to be transported outside the state without prior permission of the Govt. so as to reduce pressure on the mineral resources of the State as well as to protect the interest of mineral based industries functioning in the State.
- (iv) Every lease holder shall supply in advance, the registration numbers of vehicles engaged in transportation of mineral from mining area to his/her industrial unit. This would ensure checking of illegal mining and transportation.
- (v) Every lessee/contractor shall ensure that his labour does not involve in fish poaching.
- (vi) No blasting shall be allowed in the river/stream beds
- (vii) In case, any damage is caused to the village road used by the stone crusher owners for the transportation of mineral up to the main road, the stone crusher owners shall put efforts to maintain & strengthen the approach road leading towards the stone crusher from the main road up to a distance of 1000 meters & upto a distance of 100 meters from the T-junction in case of road other than village road. The crusher owner(s) shall also maintain the main road at T-junction upto a distance of 50 meters on either side.

The custodian departments shall be apprised about the safe distance as prescribed in the rules and shall be responsible to take action against the offender in case of any violation.



- g. **Registration of stone crusher working on the basis of road/tunnel muck in hydel/roads and other projects.**—In order to prevent the environmental degradation caused due to dumping of the waste generated during the construction of hydel projects, tunnels, roads, bridges, water supply schemes, reservoirs, railway lines and other infrastructure of public importance, the stone crushers shall be allowed to be installed on the basis of mineral/muck material generated during construction of such projects. Compliance of norms and distance parameters for the establishment of such stone crusher units shall be ensured by the concerned department before and during execution of the said project as provided in the rules. Permanent registration to run such stone crusher units shall be issued by the Geological Wing, Himachal Pradesh after obtaining certificate from the concerned department regarding compliance of all the distance norms and statutory requirements for such proposed stone crusher units. However, the permission to utilize the waste generated from the development activities shall be issued under Rule-33 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015.
- h. **Concept of Manufactured Sand (M-Sand) & Grit from hill slope.**—Although various rivers flowing in the State of Himachal Pradesh are rich in mineral sand, but due to growing demand and replenishment rate, the sand deposits are becoming insufficient to meet out the future demand of the market. The river systems of the State cannot be considered as the only source of sand. The conservation of water bodies is a paramount obligation of the State which is an essential resource for survival of mankind. Although, there is no alternate for water but there is an alternative for river sand in the form of Manufactured Sand (M-Sand). Manufactured Sand is produced by crushing the hard rock by using crusher, screener and by classifying methods to reduce it to the required size suitable for construction. The concept of Manufactured Sand is being adopted in other States due to scarcity of natural sand and the environmental issues related therewith. As such special emphasis shall be made in the State for hill slope mining to fulfil the future requirement of sand and grit. The stone crushers operating in the state shall also be encouraged to produce M-Sand. It shall reduce our dependence on the rivers for naturally occurring sand/grit and shall help in minimizing the problem of degradation of the river eco-system.
- i. **Auction of Private Lands.**—The cases where suitable private land is available for mining and the concerned surface right holders come forward to put their land for auction for mining purpose, the department shall conduct auction of such land for extraction of minerals with the consent of the land owners for which 80% of the annual bid amount shall be offered to the surface right holders to encourage the private participation for development and utilization of mineral resources available in the state.
- j. **Use of machinery for mining in riverbed.**—The present growth in the construction activities will require large quantity of construction materials. Previously, use of machinery for extraction of minerals in the river/stream bed was not allowed and mining was done manually as per prescribed rules. Also, the manual labourers engaged for mining were doing selective mining from the riverbeds leaving behind uneven riverbed levels which defeated the purpose of mineral conservation and systematic mining. Due to this haphazard mining coupled with shortage of experienced labourers, neither the goal of scientific mining nor the optimum lifting of the river borne material has been achieved.



Hence, in the interest of systematic, scientific and sustainable mining and to achieve the targeted production level of minerals to meet out the growing demand of minerals, the use of machinery for excavation in the riverbeds is needed. As such, provision shall be made in the rules to allow machinery of appropriate size and capacity for use in river/stream beds for mining purposes.

- k. Depth of mining in river/stream bed.**—As per existing provisions of rules, the extraction of minor mineral upto one (01) metre depth is allowed in the river/stream beds granted on mineral concession. However, in all adjoining States of Himachal Pradesh, excavation upto three (03) metres depth is allowed. The river/streams flowing in the State enter into adjoining states of Punjab, Haryana and Uttarakhand and transporting excess mineral from the riverbed of Himachal Pradesh to them causing huge loss to the State exchequer. Thus, to ensure optimum utilization of accumulated mineral resource in the river/stream beds of the State and to prevent erosion and transportation of minerals to the adjoining States, excavation depth prescribed in the rules need reappraisal in the interest of State. Thus, the relevant rules shall be amended to increase the depth of excavation upto two (02) meters in the river/stream beds granted on mineral concession.

10. Removal of sand and gravel from the agricultural fields and grass lands:

The removal of over accumulated sand and gravel from the private land which become uncultivable due to river capturing, shall be allowed to the land owner for a depth of two (02) meter. This process of removal of sand and gravel from such land will help the farmers to develop their land for agrarian purpose. The permission shall be granted on the recommendations of the joint inspection committee as specified in Rule-33 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 and the permission shall be issued by the competent authority as per Schedule –IV of the *ibid* Rules after payment of royalty and processing fees. The permission shall be issued after monsoon season subject to quantum of accumulation of sand and gravel in the agricultural fields and **grass lands**.

11. Dredging of riverbeds:

The unprecedented landslides, flash floods and cloud bursts in the State during the monsoon seasons lead to massive loss of life and property. Change in river courses due to cloud bursts and flash floods, a lot of material is accumulated in the riverbeds at various locations which further increase the chances of further damaging the riverbanks resulting into heavy loss to the infrastructure along the banks.

The mining wing after due approval and request from the District Disaster Management Authority/Revenue Authorities will quickly conduct the auctions of such over accumulated material after assessment by the Joint Inspection Committee constituted under Rule 10 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 to avoid any disaster like situation. This auctioned material shall be allowed to be crushed by any nearby stone crusher unit and may be treated as legal source of material. In case, there is requirement of forest clearance under Forest Conservation Act, 1980, the Forest Corporation, Himachal Pradesh shall be the Nodal Agency to obtain such clearances.

12. Welfare of mining affected areas:

For the socio-economic emancipation of the affected population and to ensure the appropriate relief and rehabilitation of the mining affected areas, a mechanism was required to be



evolved after careful assessment of the economic, cultural, environmental and social impact of mining in such areas. For this purpose, setting up of District Mineral Foundation Trusts (DMFTs) in all districts in the country affected by mining related operations is mandated by the Central Govt. through the Mines and Minerals (Development & Regulation) Amendment Act, (MMDR) 2015 by introducing section 9B prescribing the establishment of District Mineral Foundation Trust. Accordingly, the State of Himachal Pradesh has framed the Himachal Pradesh District Mineral Foundation Trust Rules- 2016 with the objective to work for the interest and benefit of persons and areas affected by mining related operations. The devolution of mining benefits under DMFT for inclusive and equitable development of project affected persons and areas are to be guided by the provisions of the "Pradhan Mantri Khanij Kshetra Kalyan Yojna" ("PMKKKY"). Hence, it shall be the endeavour of the State Government to monitor and review the implementation of schemes under DMFT and guidelines issued under "PMKKKY" for the benefit of areas and persons affected by mining related activities.

In addition to above, for the welfare of the local population of the affected areas, the mineral concession holder is also obligated to pay Rs. 5/- per tractor trolley and Rs. 10/- per truck on extraction and dispatch of sand, stone and bajri through the Mining Officer for the welfare of the concerned Gram Panchayat.

13. Charges in lieu of online services provided to the mineral concession holders:

Prior to the onset of the online services, mineral concession holders had to pay the printing charges to the department for the issuance of Transit Passes. In the year 2018, to prevent leakages of revenue and to ensure transparency, the department had launched an online system/portal for the generation of Transit Passes (W & X Forms). Apart from above, the mining lease applications are being also processed online on the department's web portal. Therefore, the mineral concession holders shall pay Rs. 5/- per metric tonne for the web services and Rs. 5/- for the promotion of electric vehicles in the State to develop the State as Green State alongwith an additional Milk Cess @ Rs. 2/- per metric tonne for the production of minor minerals from the mineral concession areas for the socio-economic emancipation of the State.

14. Processing charges:

While allowing the permission to use the minor mineral generated during construction of hydel projects, tunnels, roads, bridges, water supply schemes, reservoirs, railway lines, other infrastructure of public importance and development activities as specified in Rule-33 of *ibid* Rules, the department has to complete the entire process as required in the cases of grant of mineral concessions like processing of the application, joint inspection of the material etc. Hence, while allowing such permission, an additional processing charge equivalent to 75% of royalty payable on every tonne of mineral produced shall be realized from the permission holders.

15. Revision of parameter fixed for calculation of production of the Stone Crushers:

The royalty from the stone crusher units is being charged on the basis of actual production which is computed on the basis of consumption of electricity and other measures. A factor of seven (7) units of electricity consumption for production of one (1) metric tonne of grit/bajri is being taken into account for the calculation of royalty. This factor of seven (7) units per metric tonne was fixed way back in the year 2003-2004. With the advancement of technology and latest machinery being used in the stone crushers has resulted into higher production with less electricity/power consumption. Therefore, after careful consideration and inputs received from the field, the factor of seven (7) units is hereby revised to five (5) units of electricity for the production of one (1) metric tonne of grit/bajri for computing the production and royalty of stone crushers. Henceforth, the



production and royalty of all the stone crushers in the State shall be assessed and charged at the revised units of electricity/power consumption.

16. Measures to check illegal mining:

Over the years, in the State of Himachal Pradesh the infrastructural development activities such as construction of roads, buildings and other developmental projects has increased many folds which has led to higher demand of construction materials like sand, stone and bajri etc. The department has granted mineral concessions throughout the State to cater to the demand of minor minerals. A number of stone crusher units are functional based on these mineral concessions. It is also a matter of fact that the minor minerals *i.e.* sand, stone and bajri available in various parts of the riverbeds of the State is lying as an open wealth. The riverbeds falling in nine (9) districts of the State attract the provisions of Forest Conservation Act -1980. Thus, due to the stringent provisions of Forest Conservation Act-1980, mandatory requirement of environment clearance for the grant of mineral concession and the growing demand of mineral in the market, the mineral wealth of the State becomes susceptible to illegal mining. As such the incidents of illegal mining of minor minerals are reported from various parts of the State. In order to prevent illegal mining, transportation and storage of minerals effectively, following measures will be put in place through this Policy:

- (i) It has been experienced that most of the incidents of illegal mining are reported during night hours. Henceforth, no mining of minor minerals shall be allowed in the State between 8:00 P.M. to 5:00 A.M. however, there shall be no restriction for the transportation of finished goods during this period. Further, any tool, equipment, vehicle or any machinery used for mining purpose shall also not be allowed to be kept/parked within the mineral concession areas during this prohibited time period.
- (ii) As illegal mining leads to unscientific and haphazard extraction of minerals, therefore, emphasis shall be given to check the menace of illegal mining proactively. It has been noticed that illegal mining mostly takes place on Govt. land which mostly belongs to Revenue and Forest Department. Henceforth, there is a need for cohesive action by the custodian departments of such land from where this material is sourced. It would be the responsibility of such custodian departments to promptly initiate action to prevent illegal mining for which they have adequately been empowered under relevant act, rules and statutes.
- (iii) The concerned department and/or Mining Wing whose property is damaged or caused to be damaged by illegal mining shall lodge First Information Report (FIR) with police for damaging public property besides filing case of illegal extraction in the competent court of law.
- (iv) As per the provisions contained in the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015, no person/entity other than the exempted category in *ibid* rules can store the minor minerals without obtaining registration from the department. The dealer registration fee alongwith security shall be enhanced to make the registered dealers more responsible and accountable. Further, in order to discourage illegal storage/dumping of minor minerals, the penalty provisions shall be made more stringent and necessary amendments shall be made in the *ibid* rules.
- (v) The mineral concession holders will fix sign board at the conspicuous prominent places near concession area depicting all relevant details of mining lease like period of



permission, purpose of lease etc. for the information of general public. People including mining lessee will be encouraged to report cases of any illegal mining to concerned mining officer and other authorized officers for taking appropriate action as per law.

- (vi) For transportation of mineral the transit passes shall be issued through online mode. The finished product *i.e.* grit, sand etc. shall also be transported with online generated supplementary transit pass duly issued by the department.
- (vii) The unauthorized mineral seized during checking/raids shall be put to auction by the committee as per the procedure specified under Rule 28 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015.
- (viii) All the unauthorized roads/routes used for illegal mining shall be identified and accordingly be plugged with the help of police and district administration proactively.
- (ix) To review the complaints relating to illegal mining contact number of all the mining officers shall be displayed on the website of the department for speedy redressal of the complaints.
- (x) To encourage public participation and create public awareness about the ill effects of illegal mining on the environment and ecology, frequent interaction with the public representatives, opinion makers and stake holders at local level shall be undertaken by the department.
- (xi) Periodic interaction between the mineral concession holders and department shall be organized to redress the problems and issues pertaining to mining.
- (xii) In order to review the action taken by the duty holders to whom powers to check the illegal mining has been delegated, the Deputy Commissioners of the concerned districts shall hold quarterly review meetings and shall monitor the progress made regarding action taken. The report to this effect shall be submitted to the Government through Director of Industries.
- (xiii) Four (04) dedicated flying squads to check illegal mining in the border areas shall be constituted. These flying squads equipped with DRONES will conduct surprise raids in the areas vulnerable to illegal mining and take deterrent action against the offenders.
- (xiv) In order to check illegal mining activities effectively, the Government *vide* notification dated 11-03-1993 has constituted a Sub Divisional Level Flying Squad under the chairmanship of concerned Sub Divisional Officer (C) with Assistant Conservator of Forest and Deputy Superintendent of Police as its members. This flying squad shall carry out surprise raids in the areas vulnerable to illegal mining activities.
- (xv) The Govt. *vide* notification dated 01-12-2021 has delegated powers to twenty five (25) officers/officials of various categories of different departments like Industries, Revenue, Police and Forest to make complaints in writing in the court of competent jurisdiction regarding illegal mining/transportation of minerals. Such powers have also been delegated to Regional Transport Officers in their respective jurisdiction *vide* notification dated 19-9-2012. The above officials shall take effective steps to curb the illegal mining activities in their respective jurisdictions.



- (xvi) The Government. *vide* notification dated 01-12-2021 has also delegated powers to thirteen (13) Officers/officials of various departments like Police, Forest, Revenue, and Industries to seize any mineral raised or transported or caused to be raised or transported by any person without any lawful authority and further any mineral from any land and for that purpose uses any tool, equipment, vehicle or any other thing for this purpose. The above officials shall take effective steps to curb the illegal mining activities in their respective jurisdictions.
- (xvii) In order to avoid any mis-utilization of the Transit passes (W & X Forms), it shall be incumbent on the user agencies like HPPWD, NHAI, Jal Shakti Vibhag, HIMUDA and other such agencies, to ensure that the material is procured by the Contractor/Executing agencies from the legal mineral concession holder within a distance of 50 Kms (by road) and entertain only such transit passes for releasing payments etc. In case, the Contractor/Executing agencies submit transit passes of the legal source beyond a distance of 50 Kms (by road), such transit passes shall have to be authenticated/verified from the concerned Mining Officer prior to release of any payment.
- (xviii) Permission for the extraction of sand, stone and bajri etc. in the rivers, stream beds falling in the Government land is being granted through auction/tender. The earlier provision of the mineral policy of the State shall continue to the extent that neither auction shall be done nor mining lease for open sale of minerals shall be granted in border areas of Nalagarh sub-division and Kasauli Tehsil of district Solan, where there are chances of over exploitation of river/stream beds and illegal transportation of minerals outside the State.
- (xix) To prevent illegal transportation of mineral, the transit passes issued to every vehicle carrying mineral from other States should be properly checked at multipurpose check post/barriers established at inter-state boundaries. The State Govt. shall collect royalty/penalty amount from all those vehicles carrying processed or unprocessed minor minerals without requisite documents across the borders at the rate of Rs. 10/- per cubic feet and the Government may revise this rate through notification. Further, a confirmation receipt as prescribed by the department shall be issued to such vehicles. The district Solan shall be taken up for the pilot project for the above purpose.
- (xx) There are instances where the boundary pillars erected after demarcation relating to the concession area are shifted/removed/damaged leading to boundary disputes. Hence, the GPS co-coordinates of the boundaries of the land proposed for mineral concession shall be recorded with the help of revenue authorities at the time of joint inspection to avoid such boundary disputes in future. This shall also effectively curb illegal mining by the concession holders or others.

Conclusion:

This mining policy will guide the mining wing and other stakeholders to develop minerals in a systematic, scientific and sustainable manner. The basic intent of this policy is to mitigate adverse impact on environment and ecology along with meeting the demand of minerals in the State. This policy will help enhance revenue in the state exchequer and further augment the prosperity of the state and its people. The socio-economic emancipation of the state along with conservation of mineral resources will be the priority of this policy. In order to ensure regular and legal supply of minor minerals in the State and also to bring down the prices of construction materials, the mining wing, Deptt. of Industries shall endeavour to de-regulate and promote



12932

राजपत्र, हिमाचल प्रदेश, 04 मार्च 2024 / 14 फाल्गुन, 1945

development of minor minerals by granting adequate mineral concessions and stone crushers. This policy will be a guiding factor for the Geological Wing of the State in its future endeavours.

Note.—These policy guidelines are to be read with the statutory provisions in the relevant Acts & Rules, directions from the Hon'ble Courts and Tribunals from time to time and may be amended/changed by the competent authority.

हिमाचल प्रदेश चौदहवीं विधान सभा

अधिसूचना

दिनांक 04 मार्च, 2024

सं०: वि०स०-विधायन-समिति गठन/1-14/2018.—इस सचिवालय की समसंख्यक अधिसूचना दिनांक 18-01-2024 की निरन्तरता में अध्यक्ष, हिमाचल प्रदेश विधान सभा द्वारा समितियों के गठन में आंशिक परिवर्तन करते हुए निम्न सदस्यों को सभापति/सदस्य नामांकित किया है :—

1. विशेषाधिकार समिति

सदस्य का नाम	सभापति/सदस्य
डॉ० हंस राज, सदस्य के स्थान पर	श्री डी० एस० ठाकुर, सदस्य नामांकित किये
श्री रणवीर सिंह निक्का, सदस्य के स्थान पर	श्री पूर्ण चन्द ठाकुर, सदस्य नामांकित किये
श्री सुरेश कुमार, सदस्य के स्थान पर	श्री चन्द्र शेखर, सदस्य नामांकित किये
रिक्त स्थान	श्री नीरज नैय्यर, सदस्य नामांकित किये

2. स्थानीय निधि लेखा समिति

श्री डी० एस० ठाकुर, सदस्य के स्थान पर	डॉ० हंस राज, सदस्य नामांकित किये
श्री पूर्ण चन्द ठाकुर, सदस्य के स्थान पर	श्री रणवीर सिंह निक्का, सदस्य नामांकित किये

3. ग्रामीण नियोजन समिति

श्री चन्द्र शेखर, सदस्य के स्थान पर	रिक्त स्थान।
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हस्ता/—

सचिव,
हि० प्र० विधान सभा।

सामान्य प्रशासन विभाग
(गोपनीय और मन्त्रिमण्डल)

अधिसूचना

शिमला-171002, 1 मार्च, 2024

संख्या: जी.ए.डी.-सी-ए(3)2/2019-पार्ट-1.—हिमाचल प्रदेश के राज्यपाल, भारत के संविधान के अनुच्छेद 166 के खण्ड (3) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए, अधिसूचना संख्या जी.ए.डी.-सी-ए(3)2/2019, तारीख 10 दिसम्बर, 2021 में अधिसूचित और राजपत्र (ई-गजट), हिमाचल प्रदेश में



No.Udyog-Bhu(Regd.)JSW-Chamba-III
Government of Himachal Pradesh
Department of Industries
"Geological Wing"

Dated, Shimla-171009

2024

Order

Whereas, M/s JSW Energy (Kutehr) Ltd., Kutehr HEP (240 MW), Village Machhettar, P.O. Chanhoanta, Tehsil Bharmour, Distt. Chamba, Himachal Pradesh has applied to this department for grant of permission for use of material generated during the excavation work of tunneling activity of Kutehr Hydroelectric Project for the construction/concrete work of project after making grit in the existing stone crusher.

Whereas, the joint spot inspection of the area was conducted by the Joint Inspection Committee consisting Asstt. Engineer, HPPWD Garola, District Chamba, Tehsildar, Holi, Distt. Chamba, Mining Officer, Chamba on 14.07.2023. During the inspection of the site, it was observed by the Committee that the stacked material to the tune of 2,55,000 M.T. generated during the excavation work of tunneling activity of Kutehr Hydroelectric Project was found available/dumped at dumping site number 6A near Village Machhettar. The said quantity has been measured by the Assistant Engineer, Garola Sub-Division, H.P.PWD Garola, Distt. Chamba. The Committee found the material suitable for crushing purpose & other developmental activities and accordingly recommended the proposal for grant of permission for captive use after making grit in the installed stone crusher unit.


Whereas, the case was referred to the Govt. and the Govt. vide letter No. Ind-II (F) 6-19/2020, dated 16.03.2024 has conveyed the approval for use of the muck/material to the tune of 2,55,000 M.T. useable/serviceable material as recommended by the Committee in favour of the aforesaid Company for captive use of the HEP project after making grit in their existing stone crusher unit.

Hence, on the basis of the recommendations of the Committee and as per approval conveyed by the Govt, the permission to lift and use the material of approx. 2,55,000 M.T. is hereby accorded for a period of six months or till the material is exhausted whichever is earlier as per provisions contained in Rule 33 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of illegal mining, transportation and storage) Rules, 2015 for captive use only subject to paying the advance royalty and an additional amount



equivalent to 75% of royalty payable on every tonne of mineral as per Mining Policy, 2024, notified vide Notification dated 29.02.2024 for the permitted quantity at Mining Office, Chamba.

M/s JSW Energy (Kutchr) Ltd.,
Kutchr HEP (240 MW), Village Machhettar,
P.O. Chanhoanta, Tehsil Bharmour,
Distt. Chamba, Himachal Pradesh



State Geologist
Himachal Pradesh
Dated 04/4/2024

Endst. No. As above — 95

Copy to:-

The Mining Officer, Chamba, Distt. Chamba, H.P. w.r.t. letter No. Udyog/Bhu/CBA/JSW Energy Kuthehr HEP/319, dated 22.08.2023 for information and necessary action. He is directed to ensure the following conditions before according the permission.

- i. Prior to grant of permission, it shall be ensured that the material has been legally generated. Royalty charges & other applicable cess, taxes etc. are applicable as per the Himachal Pradesh Mining Policy, 2024 notified vide Notification No. Ind-II (F) 1-1/2023, dated 29.02.2024. It shall be ensured that company is not in an arrear with the department.
 - ii. During transportation & lifting of material from the said site, the Mining Officer will keep proper supervision to check any unlawful activity.
 - iii. If the permission holder is found indulge in illegal mining, the said permission may be suspended immediately.
 - iv. That any stage, if the permission holder is found guilty of misusing the permission, the same shall be withdrawn immediately.
 - v. The crusher owner shall not operate the stone crusher without having Permanent Registration.
 - vi. The permission shall be subject to compliance all the provisions provided under the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of illegal mining, Transportation and Storage) Rules, 2015.
 - vii. It may ensured that the above permitted material is only for captive use after making grit in their existing stone crusher unit and permission holder should not be sell material in open market.
2. **Registered:** The Superintending Engineer (AMP), Directorate of Energy, Govt. of Himachal Pradesh, Shanti Bhawan, Phase-III, Sector-6, New Shimla-171009 with a request to ensure that the permitted material is used for captive works only of HEP and all dues are paid regularly by the concerned Company. In case of any default or violation, the Principal Employer shall be held solely responsible.
 3. The Assistant Engineer, Garola Sub-Division, HPPWD Garola, District Chamba, H.P.
 4. The Tehsildar, Holi, District Chamba, H.P.


State Geologist
Himachal Pradesh



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Annexure 2



JSWEKL / Kutehr HEP/Mining/24-25/6612
4th June 2024
To,

JSW Energy (Kutehr) Limited

Kutehr HEP (240 MW)
Village: Machhetar, PO - Chanhouta,
Tehsil - Bhamour, District - Chamba
Himachal Pradesh Pin - 176309
CIN.: U40101HP2013PLC000345
Website : www.jsw.in

The Mining Officer,
District: Chamba
Himachal Pradesh

Sub: Regarding permission for use of Muck/debris to the tune of 2,55,000 M.T.
Ref: Your office letter no. Udyog / Bhu / Chamba /JSW /-43 dated 12-04-2024.

Dear Sir,

This has reference to your above-mentioned letter on the subject cited regarding permission for using muck/debris of 2,55,000 MT at Kutehr HEP.

In this regard, kindly find attached herewith the following Demand Draft pertaining to advance Royalty, TCS and Panchayat Tax against using minor minerals of 2,55,000 MT at Kutehr Hydroelectric Project.

Sr. No	Demand Draft in Favour of	Payment against	Amount	Amount in words	Details of DD
1	Mining Officer, Chamba	Advance Royalty	3,57,00,000/-	Rupees Three Crore Fifty seven lakh only	DD No. 074271 dtd 30.05.2024
2	Mining Officer, Chamba	Panchayat Tax	2,55,000/-	Rupees Two Lakh Fifty Five Thousand only	DD No. 074272 dtd 30.05.2024
3	Mining Officer, Chamba	TCS	7,35,420/-	Rupees Seven Lakh Thirty Five Thousand Four Hundred and Twenty only	DD No. 074273 dtd 30.05.2024

The details of calculation enclosed herewith as Annexure -A for your ready reference please.
Thanking you and assuring you of our best cooperation.

Yours faithfully
For JSW Energy (Kutehr) Ltd

[M.Y. Eswarappa]
Authorized Signatory

Encls:- As above (3 DD's and Annexure-A)

Copy to

- The State Geologist, Department of Industries, Geological Wing, Government of Himachal Pradesh, Shim la - 171001 ... for kind information please.



Part of O. P. Jindal Group

Regd. Office of JSW Energy Limited
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Phone : +91 22 4286 1000
Fax : +91 22 4286 3000
Website : www.jsw.in



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जायी कार्ड जारी भारतीय स्टेट बैंक
Demand Draft Branch, STATE BANK of India
कोड क्र. / CODE No: 13710
Tel No: 1895-225725

**मांगड्राफ्ट
DEMAND DRAFT**

Key: TAKDUV
Sr. No: 112179

3 0 0 5 2 0 2 4
D D M M Y Y Y Y

मांगे जानेपर MINING OFFICER CHAMBA *****
ON DEMAND PAY
Three Crore Fifty Seven Lakh Only

या उनके आदेश पर
OR ORDER

रुपये RUPEES

अदा करें ₹ 35700000.00

IOI 000519074271 Key: TAKDUV Sr. No: 112179
Name of Applicant JSW ENERGY KUTEHR LTD
KUTEHR

मूल्य प्राप्त / VALUE RECEIVED
35700001(3/8)

भारतीय स्टेट बैंक
STATE BANK OF INDIA
अदाकर्ता शाखा / DRAWEE BRANCH: CHAMBA (DIST. CHAMBA)
कोड क्र. / CODE No: 00626

VALID ONLY IF COMPUTER PRINTED

074271 0000020001 000519 16

जायी कार्ड जारी भारतीय स्टेट बैंक
Demand Draft Branch, STATE BANK of India
कोड क्र. / CODE No: 13710
Tel No: 1895-225725

**मांगड्राफ्ट
DEMAND DRAFT**

Key: RUCKOV
Sr. No: 893520

3 0 0 5 2 0 2 4
D D M M Y Y Y Y

मांगे जानेपर MINING OFFICER CHAMBA *****
ON DEMAND PAY
Two Lakh Fifty Five Thousand Only

या उनके आदेश पर
OR ORDER

रुपये RUPEES

अदा करें ₹ 255000.00

IOI 000519074272 Key: RUCKOV Sr. No: 893520
Name of Applicant JSW ENERGY KUTEHR LTD
KUTEHR

मूल्य प्राप्त / VALUE RECEIVED
255001(2/5)

भारतीय स्टेट बैंक
STATE BANK OF INDIA
अदाकर्ता शाखा / DRAWEE BRANCH: CHAMBA (DIST. CHAMBA)
कोड क्र. / CODE No: 00626

VALID ONLY IF COMPUTER PRINTED

074272 0000020001 000519 16

जायी कार्ड जारी भारतीय स्टेट बैंक
Demand Draft Branch, STATE BANK of India
कोड क्र. / CODE No: 13710
Tel No: 1895-225725

**मांगड्राफ्ट
DEMAND DRAFT**

Key: WECJAV
Sr. No: 863933

3 0 0 5 2 0 2 4
D D M M Y Y Y Y

मांगे जानेपर MINING OFFICER CHAMBA *****
ON DEMAND PAY
Seven Lakh Thirty Five Thousand Four Hundred and Twenty Only

या उनके आदेश पर
OR ORDER

रुपये RUPEES

अदा करें ₹ 735420.00

IOI 000519074273 Key: WECJAV Sr. No: 863933
Name of Applicant JSW ENERGY KUTEHR LTD
KUTEHR

मूल्य प्राप्त / VALUE RECEIVED
735421(7/6)

भारतीय स्टेट बैंक
STATE BANK OF INDIA
अदाकर्ता शाखा / DRAWEE BRANCH: CHAMBA (DIST. CHAMBA)
कोड क्र. / CODE No: 00626

VALID ONLY IF COMPUTER PRINTED

074273 0000020001 000519 16



Annexure-A

Kutehr HEP 240 MW

Sr. No	Description	Quantity (In MT)	Rate (Rs/MT)	Amount (In Rupees)	Remarks
1	Royalty Amount	2,55,000.00	80+60 = 140	3,57,00,000.00	
2	Panchayat Tax	2,55,000.00	1	2,55,000.00	
3	TCS @ 2.06% of royalty amount	= 35700000 * 2.06 %		7,35,420.00	

all for 2



No.Udyog-Bhu(Regd.)JSW-Chamba-III
Government of Himachal Pradesh
Department of Industries
"Geological Wing"

Dated, Shimla-171009

2024

Order

Whereas, M/s JSW Energy (Kutehr) Ltd., Kutehr HEP (240 MW), Village Machhettar, P.O. Chanhoanta, Tehsil Bharmour, Distt. Chamba, Himachal Pradesh has applied to this department for grant of permission for use of material generated during the excavation work of tunneling activity of Kutehr Hydroelectric Project for the construction/concrete work of project after making grit in the existing stone crusher.

Whereas, the joint spot inspection of the area was conducted by the Joint Inspection Committee consisting Asstt. Engineer, HPPWD Garola, District Chamba, Tehsildar, Holi, Distt. Chamba, Mining Officer, Chamba on 14.07.2023. During the inspection of the site, it was observed by the Committee that the stacked material to the tune of 2,55,000 M.T. generated during the excavation work of tunneling activity of Kutehr Hydroelectric Project was found available/dumped at dumping site number 6A near Village Machhettar. The said quantity has been measured by the Assistant Engineer, Garola Sub-Division, H.P.PWD Garola, Distt. Chamba. The Committee found the material suitable for crushing purpose & other developmental activities and accordingly recommended the proposal for grant of permission for captive use after making grit in the installed stone crusher unit.

Whereas, the case was referred to the Govt. and the Govt. vide letter No. Ind-II (F) 6-19/2020, dated 16.03.2024 has conveyed the approval for use of the muck/material to the tune of 2,55,000 M.T. useable/serviceable material as recommended by the Committee in favour of the aforesaid Company for captive use of the HEP project after making grit in their existing stone crusher unit.

Hence, on the basis of the recommendations of the Committee and as per approval conveyed by the Govt, the permission to lift and use the material of approx. 2,55,000 M.T. is hereby accorded for a period of six months or till the material is exhausted whichever is earlier as per provisions contained in Rule 33 of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of illegal mining, transportation and storage) Rules, 2015 for captive use only subject to paying the advance royalty and an additional amount



44D

equivalent to 75% of royalty payable on every tonne of mineral as per Mining Policy, 2024, notified vide Notification dated 29.02.2024 for the permitted quantity at Mining Office, Chamba.

M/s JSW Energy (Kutchr) Ltd.,
Kutchr HEP (240 MW), Village Machhetar,
P.O. Chanhoanta, Tehsil Bharmour,
Distt. Chamba, Himachal Pradesh

State Geologist
Himachal Pradesh
Dated 04/4/2024

Endst. No. As above — 95

Copy to:-

The Mining Officer, Chamba, Distt. Chamba, H.P. w.r.t. letter No. Udyog/Bhu/CBA/JSW Energy Kuthehr HEP/319, dated 22.08.2023 for information and necessary action. He is directed to ensure the following conditions before according the permission.

- i. Prior to grant of permission, it shall be ensured that the material has been legally generated. Royalty charges & other applicable cess, taxes etc. are applicable as per the Himachal Pradesh Mining Policy, 2024 notified vide Notification No. Ind-II (F) 1-1/2023, dated 29.02.2024. It shall be ensured that company is not in an arrear with the department.
 - ii. During transportation & lifting of material from the said site, the Mining Officer will keep proper supervision to check any unlawful activity.
 - iii. If the permission holder is found indulge in illegal mining, the said permission may be suspended immediately.
 - iv. That any stage, if the permission holder is found guilty of misusing the permission, the same shall be withdrawn immediately.
 - v. The crusher owner shall not operate the stone crusher without having Permanent Registration.
 - vi. The permission shall be subject to compliance all the provisions provided under the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of illegal mining, Transportation and Storage) Rules, 2015.
 - vii. It may ensured that the above permitted material is only for captive use after making grit in their existing stone crusher unit and permission holder should not be sell material in open market.
2. **Registered:** The Superintending Engineer (AMP), Directorate of Energy, Govt. of Himachal Pradesh, Shanti Bhawan, Phase-III, Sector-6, New Shimla-171009 with a request to ensure that the permitted material is used for captive works only of HEP and all dues are paid regularly by the concerned Company. In case of any default or violation, the Principal Employer shall be held solely responsible.
 3. The Assistant Engineer, Garola Sub-Division, HPPWD Garola, District Chamba, H.P.
 4. The Tehsildar, Holi, District Chamba, H.P.

State Geologist
Himachal Pradesh




Energy (Kutehr) Limited

Regd Off: Village – Machetar
PO – Chanhotra, Tehsil- Bharmour, District
Chamba, Himachal Pradesh, Pin- 176309
CIN No U40101HP2013PLC000345
Tel & Fax: 91-1899-220847

**Certified True Copy of the Resolution passed by the Finance Committee of
JSW Energy (Kutehr) Limited at its meeting held on 20th July, 2021**

Authorization in connection with the legal matters of the Company

“RESOLVED THAT in supersession of the previous resolution passed by the Board of Directors on 2nd November, 2020 and the authority vested in the Finance Committee by the Board of Directors at its meeting held on 2nd November, 2020 in this regard, the following persons:

Mr. Venkata Ramakumar Susarla, Chairman
Mr. Perveen Puri, Whole-time Director
Ms. Monica Chopra, Director
Mr. Sanjeev Kango, Company Secretary
Mr. Prashant Jain
Mr. Pritesh Vinay
Mr. Gyan Bhadra Kumar
Mr. Ravi Sabharwal
Mr. Kunal Mehta
Mr. Tushar Borse
Mr. Ritesh Parshad
Mr. C. R. Lakshman
Mr. Jyotiprakash Panda
Mr. Anurag Agarwal
Mr. I. D. Choudhary
Mr. Rajender Kumar Pirta
Mr. Sanjeev Kumar Mahajan
Mr. Tanuj Sharma

be and are hereby severally authorised for and on behalf of the Company, to:

1. sign, file, declare, affirm, etc. any returns, declarations, undertakings, etc. as may be required in connection with all statutory, taxation and legal matters of the Company.
2. institute, prosecute, defend, oppose, withdraw, appear, appeal, compromise, refer to arbitration, abandon, submit to judgement, proceed to judgement and execution or become non-suited in any legal proceedings and demands including matters on civil, criminal, labour, revenue, taxation, etc., generally or otherwise.




Energy (Kutehr) Limited

Regd Off: Village – Machetar
PO – Chanhota, Tehsil- Bharmour, District
Chamba, Himachal Pradesh, Pin- 176309
CIN No: U40101HP2013PLC000345
Tel & Fax: 91-1899- 220847

3. attend, to sign any petition, appeals, applications, agreements, forms, deeds and documents as may be required to be submitted / filed before Himachal Pradesh Electricity Regulatory Commission (HPERC) / Central Electricity Regulatory Commission (CERC) / Appellate Tribunal for Electricity (APTEL) / Supreme Court, etc. or any other Regulatory Body, as also for filing of any other matters connected or incidental thereto.
4. declare, swear and affirm all complaints, petitions, counter affidavits, complaints and other documents and to file indemnity bonds, guarantees, warrants, etc. as may be necessary.
5. appear before any Judge, Magistrate, Tribunal Member or other officer or authority empowered by law in any suit or proceedings or any other inquiry relating to the Company or in which the Company may be interested.
6. to accept services of notice or processes.
7. give security or indemnities for costs, to pay money into Court and to obtain payment of money lodged in Court and also in connection with any such legal proceedings or demand as aforesaid.
8. appoint pleaders and to sign and give warrants, vakalatnamas and other necessary authorities and such retainer and authorisation as may be necessary, from time to time.
9. delegate / confer all or any of the powers, authorities and liberties hereinabove vested, to any other person(s) / Consulting Service Agency / Advisors / Law Firm, by way of a Power of Attorney / Letter of Authority or any other mode if required; and to appoint any substitute or substitutes limited to any one or more purpose or purposes as they shall, from time to time, deem fit.

RESOLVED FURTHER THAT certified true copy of the aforesaid resolution under the signature of any one Director or the Company Secretary be forwarded to such persons or authorities as may be required."

Certified True Copy
For **JSW Energy (Kutehr) Limited**

Monica Chopra

Monica Chopra
Director
DIN: 05341124

