

BEFORE THE HON'BLE CENTRAL ELECTRICITY
REGULATORY COMMISSION, NEW DELHI

Petition No. _____/2025

Diary No. _____

In the matter of:

Petition for true up of capital cost & generation tariff for 2019-24 tariff period under Regulation 13 of the CERC (Terms and Conditions of Tariff) Regulations, 2019 AND determination of generation tariff for 2024-29 tariff period under Regulation 9(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2024, in respect of Karcham Wangtoo Hydro Electric Project (KW HEP)

And

In the matter of:

JSW Hydro Energy Limited
Sholtu Colony, P.O. Tapri
District Kinnaur 172104
Himachal Pradesh

...Petitioner

Versus

PTC India Limited
NBCC Tower,
15 Bhikaji Cama Place,
New Delhi -66

...Respondent & Others

VOLUME V

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S. R. Bhargave & Co.
Cost Accountants

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Form CRA-3**[Rule 6(4) of the Companies (cost records and audit) Rules, 2014]****FORM OF THE COST AUDIT REPORT**

We, S. R. Bhargave & Co. having been appointed as Cost Auditor(s) under Section 148 (3) of the Companies Act, 2013 (18 of 2013) of **JSW Hydro Energy Limited** having its registered office at **Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri, Sholtu - 172104**, Himachal Pradesh (hereinafter referred to as the company), have audited the Cost Records maintained at the Company under Section 148 of the said Act in compliance with cost auditing standards, in respect of the Generation of Electricity for the year ended **31st March 2020** maintained by the company and report, in addition to our observations and suggestions in Para 2.

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- ii. In our opinion, proper cost records, as per Rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the company in respect of products under reference.
- iii. In our opinion; proper returns adequate for the purpose of the Cost Audit have been received from the branches not visited by us.
- iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013, in the manner so required.
- v. In our opinion, the company has adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business.
- vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of products, cost of sales, margin and other information related to products under reference.
- vii. Detailed unit-wise and product/activity-wise cost statements and schedules there to in respect of the product groups/activities under reference of the company duly audited and certified by us are kept in the company.

**Indirect Taxes : Costing : Management Consultancy**3, Khushbu Apartments, S. No. 78/2, Plot No. 29, Bhusari Colony (L),
Off. Paud Road, Kurlrud, Pune - 411 038.

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S. R. Bhargave & Co.

Cost Accountants

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2 Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.

- Annexure to the Cost Audit Report is the responsibility of the Company's Management. Our audit including examining, on test basis, evidence supporting these statements to verify that these statements are free of material mis-statement. Our observations and suggestions are based on the information contained in these statements.
- Cost Auditing Standards – Ministry of Corporate Affairs Government of India has approved vide letter no 52/33/CAB/2013 dated 10/09/2015 following four cost Auditing Standards u/s 148(3) of The Companies Act, 2013 which have been made applicable by The Institute of Cost Accountants of India with effect from on or after 11/09/2015.

101- Planning an audit of Cost Statements

102- Cost Audit Documentation

103- Overall objectives of the independent cost auditor and the conduct of an audit in accordance with Cost Auditing Standards.

104-knowledge of business its processes and the business

Since the cost auditing process for the company was commenced after 11/09/2015 the above-mentioned standards have been considered. As per the generally accepted auditing principles and standards read with Guidance manual for audit Quality issued by the Quality Review Board of The Institute of Cost Accountants of India the matters relating to Audit Planning (CAS-101) Audit Documentation (CAS-102), Objectives (CAS-103) have been dealt with.

- The cost accounting records of the company are maintained as per Form CRA-1 prescribed in the Rules in accordance with the Generally Accepted Cost Accounting Principles and Cost Accounting Standards issued by The Institute of Cost Accountants of India to the extent these are found to be relevant and applicable. There has been no change in the system of cost accounting during the year under audit except as stated elsewhere.
- The turnover as per accounts duly reconciled GST Records as mentioned in Para A-4.
- Reconciliation of indirect taxes in Para D-6 are based on the periodical returns submitted by the company to various authorities and prima facie reviewed by us.
- The Capacity details shown in Para B-1 in respect of the power generated are provided by the management.



Indirect Taxes | Costing | Management Consultancy

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Cost Accountants

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- Normal price and basis adopted to determine the normal price as shown in Para D-5 are as provided by the management.
- The cost accounting system of the Company is adequate to control and correctly determine the cost of generation, cost of sales, sales realization and margin of the product under reference. System of inventory valuation is fair and proper in accordance with normally accepted accounting principles.
- All facts mentioned in this report were brought to the notice of the management, discussed with them and then incorporated in the report.

Suggestion measures for improvement of performance, cost control and cost reduction

- The management, executives and staff members extended full co-operation in conducting the Cost Audit for which we are thankful to them.

For S. R. Bhargave & Co.
Cost Accountants



SPGandhi

CMA Sachin Prashant Gandhi

Partner F-23379

Firm Registration Number- 000218



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ANNEXURE TO THE COST AUDIT REPORT

PART A

1. General Information:	
1 CIN or Foreign Company Registration Number:	U40101HP2014PLC000681
2 Name of the company:	JSW Hydro Energy Limited
3 Address of registered office or of principle place of business in Indian of the company:	Sholtu colony, P.O. Tapri , Dist. Kinnaur , Himachal Pradesh 172104
4 Address of corporate office company:	JSW Centre , Bandra Kurla Complex, Bandra (East), Mumbai -400051
5 E-mail address of company:	Sanjeev.kango@jsw.in
6 Date of start of reporting of financial year:	01/04/2019
7 Date of end of reporting of financial year:	31/03/2020
8 Date of start of previous financial year:	01/04/2018
9 Date of end of previous financial year:	31/03/2019
10 Level of rounding used in cost statements	Crores
11 Reporting currency of entity:	INR
12 Whether Indian Accounting Standards are applicable to the company	Yes
13 Number of cost auditor(s) for reporting period	One
14 Date of Board of Directors' meeting in which the Annexure to the cost audit report were approved:	30-07-2020
15 Whether cost auditors report has been qualified or has any reservations or contains adverse remarks:	No
16 Explanation of company to every reservation or qualification of cost auditors	No
17 Consolidated observations or suggestions of all cost auditors:	Yes
18 Whether company has related party transactions for sale or purchase of goods or services:	Yes



Annexure To Cost Audit Report		
PART A		
	2.General Details Of Cost Auditors	
1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor:	Firm
3	Firm's Registration Number:	000218
4	Name of cost auditor/cost auditors firm	S. R. Bhargave & Co
5	PAN of cost auditor/cost auditors firm	ABMFS2156E
6	Address of cost auditor/cost auditors firm	3,Khushbu Apartments , S. No. 78, Bhusari Colony (L),Paud Road, Kothrud,Pune- 411038. (Maharashtra)
7	Email Id of cost auditor/cost auditors firm	sanjaybhargave@bhargaves.com
8	Membership Number of Member Signing Report	23379
9	Name of Member Signing Report	Sachin Prashant Gandhi
10	Name(s) of Product(s) or Service(s) With CETA Heading	2716
11	SRN number of Form CRA-2	H63825251
12(a)	Number of audit committee meeting(s) during the year for which Cost Auditor was invited	one
12(b)	Number of Audit Committee meetings attended by the Cost Auditor during the year.	Nil
13	Date of Signing Cost Audit Report & Annexure by Cost Auditor	30-07-2020
14	Place of Signing Cost Audit Report & Annexure by Cost Auditor	Pune



ANNEXURE TO THE COST AUDIT REPORT						
PART-A						
4. Product/Service Details (For The Company As A Whole)						
Sl No.	Name of each Product(s) / Service(s)	UMO	CETA Chapter Heading (wherever applicable)	Whether Covered under Cost Audit (Yes/No)	(Rupees in Crore) Net Operational Revenue(Net of Taxes Duties etc.)	
					Current Year	Previous year
1	Electrical Energy	Mus	2716 0000	Yes	1,236.01	1,217.82
2	Lease Income			No	27.69	26.15
3	Scrap Sale				0.01	0.38
	Manufactured Product or Service				1,263.71	1,244.35
	<u>Other Operating Incomes of Company</u>				-	
	Total Operating Incomes of Company					-
	<u>Other Incomes of company</u>				11.57	31.40
	Total revenue as per financial accounts				1,275.27	1,275.74
	Extra ordinary income, if any				-	-
	Total revenue Including Extra ordinary income, if any				1,275.27	1,275.74
	Turnover as per Excise / Service tax/ GST records				1,597.55	1,477.46



ANNEXURE TO THE COST AUDIT REPORT

PART B

For Manufacturing Sector

1. Quantitative Information

(for each product with CETA Heading separately)

Name of the Company

JSW Hydro Energy Limited

CETA Heading

2716 0000

Sl No.	Particulars	Unit	Current Year	Previous Year
1	<u>Available Capacity</u>			
(a)	Installed Capacity	MW	1,300.00	1,300.00
(b)	Capacity enhanced during the year, if any			
(c)	Capacity available through leasing arrangements, if any			
(d)	Capacity available through loan license / third parties			
(e)	Total available Capacity		1,300.00	1,300.00
2	<u>Actual Production</u>			
(a)	Self manufactured	Mus	5,999.86	5,244.28
(b)	Produced under leasing arrangements	Mus	-	-
(c)	Produced on loan license / by third parties on job work	Mus	-	-
(d)	Total Production	Mus	5,999.86	5,244.28
3	Production as per Excise Records	Mus	5,999.86	5,244.28
4	Capacity Utilization (in-house)	%	52.54%	46.05%
5	<u>Stock Purchased for Trading</u>			
(a)	Domestic Purchase Of finished Goods	Mus	-	-
(b)	Imports Of finished Goods	Mus	-	-
(c)	Total Finished Goods Purchases		-	-
6	<u>Stock & Other Adjustments</u>			
(a)	Change in Stock of Finished Goods =(Inc) /Dec	Mus	-	-
(b)	Self / Captive Consumption (incl. samples etc.)	Mus	46.81	40.63
(c)	Other Quantitative Adjustments, if any (Free Power sale etc.)	Mus	714.37	624.45
(d)	Total Adjustments		761.17	665.08
7	Total Available Quantity for Sale [2(d) + 5(c) - 6(d)]		5,238.69	4,579.20
8	<u>Actual Sales</u>			
(a)	Domestic Sales of product (manufacturing)	Mus	5,238.69	4,579.20
(b)	Domestic Sales of product (trading)	Mus	-	-
(c)	Export Sale of product (manufacturing)	Mus	-	-
(d)	Export Sale of product (trading)	Mus	-	-
(e)	Total Quantity Sold		5,238.69	4,579.20



ANNEXURE TO THE COST AUDIT REPORT

PART B

2. ABRIDGED COST STATEMENT (for each product With CETA Heading separately)

Name of product Electrical Energy
CETA Heading 2716 0000
Unit Of Measure Mus

	Production	Finished Goods Purchased	Finished Stock Adjustments	Captive Consumption	Other Adjustments	Quantity Sold
Current Year	5,999.86	-	-	46.81	714.37	5,238.69
Previous Year	5,244.28	-	-	40.63	624.45	4,579.20

(Rupees in Crore)

Sl No.	Particulars	Current Year		Previous Year	
		Amount (Rs./Crs)	Rate per units(Rs.)	Amount (Rs./Crs)	Rate per units(Rs.)
1	Materials Consumed (Specify details As Per Para B(2A))				
a)	Indigenous Purchased	-	-	-	-
b)	Imported	-	-	-	-
c)	Self Manufactured / Produced	-	-	-	-
2	Process Materials/Chemicals (Specify)	-	-	-	-
a)		-	-	-	-
3	Utilities (Specify details As Per Para B(2B))	4.27	0.01	4.22	0.01
4	Direct Employees Cost	16.11	0.03	15.78	0.03
5	Direct Expenses	2.87	0.00	2.71	0.01
6	Consumable Stores & Spares	18.53	0.03	12.64	0.02
7	Repairs & Maintenance	39.59	0.07	40.65	0.08
8	Quality Control Expenses	-	-	-	-
9	Research & Development Expenses	-	-	-	-
10	Technical know-how Fee / Royalty, if any	0.04	0.00	0.09	0.00
11	Depreciation/Amortization	432.93	0.72	431.24	0.82
12	Other Production Overheads	32.27	0.05	36.13	0.07
13	Industry Specific Operating Expenses(Specify Details As Per Para B(2C))	-	-	-	-
14	Total (1 to 13)	546.62	0.91	543.46	1.04
15	Add/Less: Work-in-Progress Adjustments				
a)	Add : Opening WIP	-	-	-	-
b)	Less : Closing WIP	-	-	-	-
16	Less: Credits for Recoveries, if any	-	-	-	-
17	Primary Packing Cost	-	-	-	-
18	Cost of Production/Operations (14 + 15 to 17)	546.62	0.91	543.46	1.04
19	Cost Of Finished Goods Purchased	-	-	-	-
20	Total Cost Of Production And Purchases(18+19)	546.62	0.91	543.46	1.04
21	Increase/Decrease in Stock of Finished Goods				
a)	Add : Opening Finished Goods	-	-	-	-
b)	Less : Closing Finished Goods	-	-	-	-
22	Less: Self/Captive Consumption (incl. Samples, etc.)	4.26	-	4.21	-
23	Other Adjustments (if any)	-	-	-	-
24	Cost of Production/Operation of Goods Sold (20 + 21 to 23)	542.36	1.04	539.25	1.18
25	Administrative Overheads	48.83	0.09	64.32	0.14
26	Secondary Packing Cost	-	-	-	-
27	Selling & Distribution Overheads	-	-	-	-
28	Cost Of Sales Before Interest(24 to 27)	591.19	1.13	603.57	1.32
29	Interest & Financing Charges	550.00	1.05	611.66	1.34
30	Cost of Sales (28+29)	1,141.19	2.18	1,215.23	2.65
31	Net Sales Realization (Net of Taxes and Duties)	1,236.01	2.36	1,217.82	2.66
32	Margin [Profit/(Loss) as per Cost Accounts] (31-30)	94.82	0.18	2.59	0.01

ANNEXURE TO THE COST AUDIT REPORT									
PART B									
2A. Details Of Material Consumed									
Name of Product		Electrical Energy							
CETA Headings		2716 0000							
Sl.No.	Description Of Material	Category	UOM	Current Year			Previous Year		
				Quantity	Rate Per Unit	Amount	Quantity	Rate Per Unit	Amount
1		Indigenous Purchased			-			-	
2		Indigenous Purchased			-			-	
3		Indigenous Purchased			-			-	
	Total			-	-	-	-	-	-
1		Imported			-			-	
2		Imported			-			-	
3		Imported			-			-	
	Total			-	-	-	-	-	-
1		Self Manufactured / Produced			-			-	
2		Self Manufactured / Produced			-			-	
3		Self Manufactured / Produced			-			-	
	Total			-	-	-	-	-	-
Category: Indigenous/ Imported/ Manufactured									

Grand Total



ANNEXURE TO THE COST AUDIT REPORT								
PART B								
2B. Details Of Utilities Consumed								
Name Of Product			Electrical Energy					
CETA Headings			2716 0000 (Rupees in Crore)					
Sl.No.	Description Of Material	UOM	Current Year			Previous Year		
			Quantity	Rate Per Unit	Amount	Quantity	Rate Per Unit	Amount
1	Auxiliary Power - Generation - turbines	Mus	46.81	0.91	4.27	40.63	1.04	4.22
	Total				4.27			4.22



ANNEXURE TO THE COST AUDIT REPORT

PART D

1. Product And Service Profitability Statement (For audited product/ services)

(Rupees in Crore)

Sl.No.	Particulars	Current Year			Previous Year		
		Sales (Rs.)	Cost Of Sales (Rs.)	Margin (Rs.)	Sales (Rs.)	Cost Of Sales (Rs.)	Margin (Rs.)
1	Electrical Energy	1,236.01	1,141.19	94.82	1,217.82	1,215.23	2.59



**ANNEXURE TO THE COST AUDIT REPORT
PART D**

2 PROFIT RECONCILIATION
(for the company as a whole)

(Rupees in Crore)

SI No	Particulars	Current Year	Previous Year
1	<u>Profit or Loss as per Cost Accounting Records</u>		
(a)	For the audited product(s)/ Service(s)	94.82	2.60
(b)	For the un-audited product(s)/ Services	27.69	26.15
(c)	Total Profit / (Loss) as per Cost Accounting Records	122.50	28.75
2	<u>Add: Incomes not considered in cost accounts:</u>		
(a)	Interest Income on Bank deposits	2.40	2.44
(b)	Interest Income on other financial assets	0.01	13.21
(c)	Net Gain on sale of investments	6.33	9.45
(d)	Insurance Claim	-	-
(e)	Miscellaneous income	0.59	0.68
(f)	Sale of Carbon credit	2.07	1.02
(g)	Provision No Longer Required Written Back	0.17	4.45
(h)	Sundry Credit Balances Written back	-	0.13
(i)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.01	-
(g)	Impact of IND-AS not considered in cost record-Net	-	-
(j)	Net gain on foreign currency transaction *	0.00	0.00
	Sub-total of Income not Considered	11.57	31.39
3	<u>Less: Expenses not considered in cost accounts:</u>		
(a)	Miscellaneous receivable balance written off	-	0.83
(b)	Donations And Charities (80G)	5.00	0.15
(c)	Net loss / (gain) on foreign currency transactions net off Derivative gain/loss	-	0.01
(d)	Notice Pay	(0.01)	(0.01)
(e)	One time Special Allowance	0.55	0.47
(f)	Voluntary Retirement Scheme	2.84	-
(g)	Provision For Doubtful Debts	18.89	-
(h)	Intrest other	-	-
	Sub-total of Expenses not Considered	27.27	1.45
4	Difference in Valuation of stock between financial accounts and cost accounts		
5	Other adjustments, if any		
6	Profit or Loss as per Financial Accounts(excluding other comprehensive income for companies following Ind-AS)	106.80	58.68

* Less than 1 lakh



ANNEXURE TO THE COST AUDIT REPORT
PART D

3 VALUE ADDITION AND DISTRIBUTION OF EARNINGS
(for the company as a whole)

(Rupees in Crore)

Sl No	Particulars	Current Year	Previous Year
	<u>Value Addition:</u>		
1	Revenue from Operations	1,263.71	1,244.35
2	Less: Taxes and other duties	-	-
3	Net Sales	1,263.71	1,244.35
4	Add: Export Incentives	-	-
5	Add: Closing Finished Stock and WIP	-	-
	Less: Opening Finished Stock and WIP	-	-
	Sub-total	1,263.71	1,244.35
6	Less: <u>Cost of bought out inputs</u>		
(a)	Cost of Materials Consumed	-	-
(b)	Process Materials / Chemicals	-	-
(c)	Consumption of Stores & Spares	18.58	13.02
(d)	Utilities (e.g. power & fuel)	4.81	5.30
(e)	Others, if any	81.34	105.98
	Total Cost of bought out inputs	104.73	124.31
7	Value Added	1,158.97	1,120.04
8	Add: <u>Income from any other sources</u>	11.57	31.40
9	Add: <u>(i) Exceptional and Extra Ordinary income</u> <u>(ii) Other Comprehensive Income, if any</u>	-	-
10	Earnings available for distribution	1,170.54	1,151.44
	<u>Distribution of Earnings to:</u>		
	1 Employees as salaries & wages, retirement benefits, etc.	51.43	46.20
	2 Shareholders as dividend	-	-
	3 Company as retained funds	522.30	511.72
	4 Government as taxes (specify)	19.49	(19.70)
	5 Exceptional and Extra Ordinary Expenses	-	-
	6 Others, if any (specify)	577.31	613.21
	Total distribution of earnings	1,170.54	1,151.44



ANNEXURE TO THE COST AUDIT REPORT

PART D

4 FINANCIAL POSITION AND RATIO ANALYSIS

(for the company as a whole)

(Rupees in Crore)

Sl No	Particulars	Units	Current Year	Previous Year
A.	<u>Financial Position</u>			
1	Share Capital	Rs/Crore	1,250.05	1,250.05
2	Reserves & Surplus	Rs/Crore	589.32	501.15
3	Long term borrowings	Rs/Crore	5,140.30	5,809.77
4	(a) Gross Fixed Assets	Rs/Crore	7,652.51	7,638.79
	(b) Net Fixed Assets	Rs/Crore	7,145.15	7,537.60
5	(a) Total Current Assets	Rs/Crore	594.03	424.93
	(b) Less: Current Liabilities & Provisions	Rs/Crore	1,076.11	682.73
	(c) Net Current Assets	Rs/Crore	(482.08)	(257.80)
6	Capital Employed	Rs/Crore	8,181.84	8,690.37
7	Net Worth	Rs/Crore	1,839.37	1,751.20
B.	<u>Financial Performance</u>			
1	Value Added	Rs/Crore	1,158.97	1,120.04
2	Net revenue from operations of company	Rs/Crore	1,263.71	1,244.35
3	Profit before Tax (PBT)	Rs/Crore	106.80	58.68
C.	<u>Profitability Ratios</u>			
	PBT to Capital Employed (B3/A6)	%	1.31	0.68
	PBT to Net Worth (B3/A7)	%	5.81	3.35
	PBT to Value Added (B3/B1)	%	9.22	5.24
	PBT to Net revenue from operations(B3/B2)	%	8.45	4.72
D.	<u>Other Financial Ratios</u>			
	Debt-Equity Ratio	%	279.46	331.76
	Current Assets to Current Liabilities	%	55.20	62.24
	Valued Added to Net Revenue from Operations	%	91.71	90.01
E.	<u>Working Capital Ratios</u>			
1	Raw Materials Stock to Consumption	Months	-	-
2	Stores & Spares to Consumption	Months	7.25	10.33
3	Finished Goods Stock to Cost of Sales	Months	-	-



**ANNEXURE TO THE COST AUDIT REPORT
PART D**

5 RELATED PARTY TRANSACTIONS
(for the company as a whole)

(Rupees in Crore)

Sl No	Name & Address of the Related Party	Name of product or Service	Nature of Transaction (Sale, Purchase, etc.)	Quantity	Transfer Price	Amount	Normal Price	Basis adopted to determine the Normal Price
1	JSW Steel Limited	Steel	Purchases	355.66	4.63	1.64	4.63	Comparable uncontrolled price method
2	JSW Steel Limited	Reimbursement of Expenses	Service Rendered			1.42	1.42	Comparable uncontrolled price method
3	JSW Energy Limited	Reimbursement of Expenses	Service Rendered			3.83	3.83	Comparable uncontrolled price method
4	JSW Realty Infrastructure Pvt	Reimbursement of Expenses	Service Rendered			0.00	0.00	Comparable uncontrolled price method
5	JSW Power Trading Company Limited	Sale of Power	Sale	4.63	0.29	1.34	1.34	Comparable uncontrolled price method
6	JSW Power Trading Company Limited	Open access & Other Expense	Service Rendered			0.02	0.02	Comparable uncontrolled price method
7	JSW IP Holdings Private Limited	Advertisement/Sponsorship/Branding expense	Service Received			3.72	3.72	Comparable uncontrolled price method
8	JayPee Private ITI	Reimbursement of Expenses	Service Rendered			0.29	0.29	Comparable uncontrolled price method
9	Jindal Vidya Mandir	Reimbursement of Expenses	Service Rendered			0.50	0.50	Comparable uncontrolled price method
10	JSW Global Business solution Limited	Shared Services & Other servi	Service Rendered			2.99	2.99	Comparable uncontrolled price method
11	JSW Foundation	Reimbursement of Expenses	Service Rendered			1.17	1.17	Comparable uncontrolled price method
12	Jankalyan Electroral Trust	Donation / CSR Expenses	Service Rendered			5.00	5.00	Comparable uncontrolled price method
13	JSW Energy (Kutehr) Limited	Sale of Fixed Assets/other	Sale	3.00	0.04	0.11	0.11	Comparable uncontrolled price method



D-6. Reconciliation of Indirect Taxes (for the Company as a whole)

Particulars		Taxable Value/ Assessable Value	Excise Duty/ VAT, CST, Cess etc./ Other State Taxes, if any	Goods & Services Tax			
				CGST	SGST / UTGST	IGST	Cess and Others
				Rs.	Rs.	Rs.	Rs.
Sl. No.	Duties/Taxes Payable						
	Excise Duty						
1	Domestic						
2	Export						
3	Stock Transfers (Net)						
4	Others, if any						
5	Total Excise Duty (1 to 4)	-	-	-	-	-	-
6	VAT, CST, Cess etc.						
7	Other State Taxes, if any						
	Goods & Services Tax						
8	Outward Taxable Supplies (other than zero rated, Nil	3.72	-	0.08	0.08	0.34	-
9	Outward Taxable Supplies (zero rated)	0.71	-	-	-	-	-
10	Inward Supplies (liable to Reverse Charge)	3.47	-	0.30	0.30	0.02	-
11	Other Outward Supplies (Nil Rated, Exempted)	1,593.12	-	-	-	-	-
12	Non-GST Outward Supplies						
13	Total (8 to 12)	1,601.02	-	0.37	0.37	0.36	-
14	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	1,601.02	-	0.37	0.37	0.36	-
	Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]						
	Input Tax Credit Utilised						
15	CGST/ CENVAT						
16	SGST / UTGST/ VAT						
17	IGST						
18	Cess						
19	Transitional Credit						
20	Others, if any, specify						
21	Total Input Tax Credit Utilised (15 to 20)	-	-	-	-	-	-
22	Payment through Cash Ledger			0.37	0.37	0.36	
23	Total Duties/Taxes Paid (21 + 22)	-	-	0.37	0.37	0.36	-
	Difference between Taxes Paid and Payable (14- 23)	-	-	0.00	0.00	0.00	-
24	Interest/Penalty/Fines Paid						

Note: GST figures are compiled from GSTR 3B filed during the FY 2019-20. GSTR 9 and GSTR 9C for the FY 2019-20 is not yet finalized, hence the figures reported in D (6) may differ from Annual Return and relevant GST records.

For S. R. BHARGAVE & Co.

Cost Accountants

Firm Registration No. 000218

epgandhi
CMA Sachin P. Gandhi

Partner (F-23379)

Place : Mumbai

Date : 30/07/2020



For JSW Hydro Energy Limited

Director

DIN Number

Place : Mumbai

Date : 30/07/2020

For JSW Hydro Energy Limited

Secretary / Director

Membership/ DIN Number

Place : Mumbai

Date : 30/07/2020



JSW Hydro Energy Limited

**COST
AUDIT
REPORT
2020-21**

**Kishore Bhatia & Associates
Cost Accountants**



FORM-CRA 3

[Pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014]

FORM OF THE COST AUDIT REPORT

We **Kishore Bhatia & Associates** having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of **JSW Hydro Energy Ltd** having its registered office at **Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri, Sholtu, Kinnaur, Himachal Pradesh** (hereinafter referred to as the company), have audited Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of **Electricity** for the **Financial Year 2020-21** maintained by the Company and report, in addition to my observations and suggestions in para 2

Management's Responsibility for the Cost Records

The Company is responsible for preparation of the Cost Records that give a true and fair view of the Cost Sheets & Annexures to the Cost Audit Report in accordance with the Generally Accepted Cost Accounting Principles, including the Cost Accounting Standards as per the Companies (Cost Records & Audit) Rules, 2014 read with its amendments. This responsibility also includes maintenance of adequate cost accounting records in accordance with the provisions of the Act and the Rules for preventing and detecting frauds and other irregularities; selection and application of appropriate Cost accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the cost records, relevant to the preparation and presentation of the Annexures to the Cost Audit Report that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these Cost Records based on our audit.

We have taken into consideration the provisions of the Act, the Cost Accounting and Auditing Standards and the matters which are required to be included in the Cost Audit Report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Cost Auditing as specified under section 148(3) of the Act. Those Standards required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the cost records are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the cost records. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the cost records, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the cost records that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on whether the Company has in place an adequate internal financial controls system and the operating effectiveness of such controls.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the cost records.

Report on the Legal and Regulatory Requirements

As required by the Companies (Cost Records and Audit) Rules, 2014 read with its amendments we report as under:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- ii. In our opinion, proper cost records, as per rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the Company in respect of the products/services under reference
- iii. In our opinion, proper returns adequate for the purpose of the cost audit have been received from the branches not visited by us
- iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required.
- v. In our opinion the company has a adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business
- vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of the products/rendering of services, cost of sales, margin and other information relating to the products/services under reference.
- vii. Detailed unit-wise and product/service-wise cost statements and schedules thereto in respect of the product/service under reference of the company are duly audited and certified by us are kept in the company.

2. Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit
None

COVID-19 Related Additional Disclosures

A. Impact of COVID19 Lockdown on the Operations of the Company

The Company engages in Generation of Electricity from its Hydro power plants located at Karcham and Baspa in Himachal Pradesh. Since the Company's activities form part of essential services its operations were not impacted during the lockdown phase for FY 2020-21. Hence, there are no significant COVID-19 related costs which are excluded from Cost Audit.

B. Comment on the Physical Visit to the Company Locations

A formal National Lockdown was announced by the Central Government from 24th March 2020 in successive phases. This has resulted into serious restrictions on travel during FY 2020-21. We have not visited the Head Office, but we have received the relevant data / information / record / returns from the branches not visited by us.



C. Audit using Online Auditing Method / Techniques

In light of the restrictions in physical movement and visits to the company offices, the Company has provided all the data / information / records as required by us for the purpose of our Audit using e-data sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio / Video Conferencing, etc.

In this respect, we have followed the 'Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling' issued by The Institute of Cost Accountants of India to the extent relevant and applicable.

D. Online Verification of the Document / Records / Statements & Assurance about the accuracy and authenticity of the same

Due to the phase wise Lockdown imposed by Central / State Governments and the resulting travel restrictions, it was not possible to physically visit the Company and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records / documents / statements received by us through electronic media. We have also received Management Representation Letters where ever necessary. Using such techniques, we have ensured reasonable assurance that the information / record / statements provided to us are free from material misstatement and adhere to the relevant standards.

In this respect, we have also followed the 'Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling' issued by The Institute of Cost Accountants of India to the extent relevant and applicable

E. Formation / Expression of Opinion

We have carried out the Audit Process using Online Mode subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

Dated: this 29th day of July 2021 at Mumbai

**HARSH
KISHORE
BHATIA**

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Harsh Bhatia

Partner

Kishore Bhatia & Associates

Membership Number ~ 31166

UDIN: 2131166A1BR9O5MAO4



PART A - 1. GENERAL INFORMATION

1	Corporate identity number or foreign company registration number	U40101HP2014PLC000681
2	Name of company	JSW Hydro Energy Limited
3	Address of registered office or of principal place of business in India of company	Sholtu colony, P.O. Tapri, Dist. Kinnaur, Himachal Pradesh 172104
4	Address of corporate office of company	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051
5	Email address of company	vrushali.karnik@jsw.in
6	Date of start of reporting period	1st April 2020
7	Date of end of reporting period	31st March 2021
8	Date of start of first previous financial year	1st April 2019
9	Date of end of first previous financial year	31st March 2020
10	Level of rounding used in cost statements	Crores
11	Whether Indian Accounting Standards are applicable to the company	Yes
12	Number of cost auditor(s) for reporting period	One
13	Date of board of directors meeting in which annexure to cost audit report was approved	29th July 2021
14	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	None
16	Consolidated observations or suggestions of all cost auditors	Normal Price (D5) & basis adopted to determine the normal price are as provided by the Management and have not been verified/audited by us. Reconciliation of Indirect Taxes for the company as a whole (Para D6) are Prima facie reviewed by us, but detailed Audit of the same has not been carried out by us. Previous Years Figures are as audited by the Previous Auditor
17	Whether company has Related Party Transaction for Sales or Purchase of goods or services	Yes

PART A - 2. GENERAL DETAILS OF COST AUDITOR

1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Firm
3	Firm's registration number	00294
4	Name of cost auditor / cost auditor's firm	Kishore Bhatia & Associates
5	Permanent account number of cost auditor / cost auditor's firm	AALFK4838P
6	Address of cost auditor or cost auditor's firm	701/702, D-Wing, 7th Floor, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai - 400 086
7	Email id of cost auditor or cost auditor's firm	hbhatia@kishorebhatia.com
8	Membership number of member signing report	31166
9	Name of member signing report	Harsh Kishore Bhatia
10	Name(s) of product(s) or service(s) with CETA heading	Electricity (27160000)
11	SRN number of Form CRA-2	R41965609
12(a)	Number of audit committee meeting(s) during the year for which Cost Auditor was invited	Zero
12(b)	Number of audit committee meeting(s) attended by cost auditor during year	Zero
13	Date of signing cost audit report and annexure by cost auditor	29th July 2021
14	Place of signing cost audit report and annexure by cost auditor	Mumbai

Date: 29th July 2021

Place: Mumbai

Harsh Bhatia
PartnerKishore Bhatia & Associates
Membership Number - 31166**HARSH
KISHORE
BHATIA**Digitally signed by HARSH
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PART A - 3. COST ACCOUNTING POLICY

(1)	<p>Briefly describe the cost accounting policy adopted by the company and its adequacy or otherwise to determine correctly the cost of production / operation, Cost of Sales , Sales Realisation and margin of the product(s) / service(s) under reference separately for each product(s)/Service(s). The policy shall cover , inter alia, the following area :</p>
	<p>The Cost Accounting Policy of the Company is:</p> <ol style="list-style-type: none"> 1) To ensure that cost records, inventory valuation and cost of sales measurement comply with GACAP (Generally Accepted Cost Accounting Principles) and CAS (Cost Accounting Standards). 2) To ensure that product costs are accurate and developed consistently so as to enable reliable profit-by-product reporting and well-informed decisions about product pricing. 3) To ensure that cost accounting practices are in harmony with governing laws and best practices in the industry.
(a)	<p>Disclosure regarding identification of cost centres, cost objects and cost drivers</p>
	<p>Cost Centers are properly identified. All costs are predominantly collected cost center wise. Following are the major cost centers.</p> <p>Generation</p> <p>Power House cost center:</p> <ol style="list-style-type: none"> a) Power House Others b) Transformer c) EOT, LIFT d) GIS e) PLCC System f) HVAC System g) SCADA System h) DACS & PLC System i) Diesel DG Sys-PH j) Maint. DG Sys-PH k) Generator & Auxiliaries l) Reactors m) Unit Protection Sys n) Feeder Protection Sys o) POTHEAD YARD p) PH-ILLUMINATIONS q) PH-Gas-Insulated SG r) Power House Others s) Runner & Under Water Part t) ESP, HOIST, VFD, EOT u) Gas Insulated SG (GIS)
	<p>Dam/ Barrage Cost center:</p> <ol style="list-style-type: none"> a) Maintenance Roads & Bridges b) Civil- DAM c) O&M-DAM d) O&M-Barrage <p>Service Cost Centres:</p> <ol style="list-style-type: none"> a) Maintenance DG Sys-Dam b) Maintenance DG- Srg shft & In c) Mech Workshop Kakastal d) Turbine & Auxiliaries e) Cooling Water Sys f) MECH-COMMON g) Mech-TG-Cap Overhaul h) Transmission Line 22KV i) Ele-Capital Overhaul j) Civil- Power House k) Camp Maintenance Kuppa l) Mech Workshop Kuppa



	<p>Admin Cost centre:</p> <ul style="list-style-type: none"> a) Admin - Plant b) CSR c) Finance & Accounts d) Human Resource e) Secretarial f) Legal g) Shimla Office h) House Keeping i) safety j) Security k) Temple <p>The Company provides operation and maintenance services. For this purpose costs are recorded separately and profitability of services is worked out separately.</p>
(b)	<p>Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components</p> <p>MATERIALS: Main materials for power generation is water which is available free of cost. Only spares and consumables are being procured for Repair & maintenance. Each purchased item is classified into local and imported at the time of receipt. In case of goods domestically procured, freight and other incidental charges, and in case of imported goods, CIF value, Custom Duty, Dock Charges, Clearing & Forwarding Expenses and other incidental charges in respect of imported materials are charged directly to the respective items while recording the landed cost. Since no GST is payable on Electricity, the company is not availing ITC on any inputs. On receipts of goods, goods receipt note (GRN) is prepared and on confirmation from user Department, the material is accounted.</p> <p>EMPLOYEE COST: The Company maintains department wise record of each employee. Wage sheets / payroll are prepared on the basis of records maintained by the Human Resource Department. Disbursement of salary & wages is done on a monthly basis. Employee costs are booked cost centre wise. Employee cost includes salaries, allowances, non-monetary benefits and other benefits under defined contribution plans such as provident fund, etc.</p> <p>UTILITIES: Separate Cost Centers for different types of utilities have been created and costs are collected accordingly. Power Generally, the Unit meets its power requirements through its own generated electricity. This is termed as Auxiliary consumption and shown separately.</p> <p>REPAIR & MAINTENANCE: Separate Cost Centers for Electrical, Mechanical and Civil Maintenance are created. Cost Center-wise details of Depreciation, Employee Cost, Consumables, etc are worked out.</p> <p>RESEARCH & DEVELOPMENT: The scope of Research and Development in the product segment is not material.</p> <p>OVERHEADS: Indirect expenses are properly analyzed with respect to their nature and use and are classified accordingly into Works overheads, Administration Overheads, and Selling & Distribution overheads. Finance cost is accounted separately.</p>
(c)	<p>Disclosure regarding accounting, allocation and absorption of overheads</p> <p>Indirect Expenses are properly analyzed w.r.t. their nature and use, and same is classified accordingly into Works Overheads, Administration Overheads, and Selling & Distribution Overheads. Depreciation and Finance Cost are accounted separately.</p>
(d)	<p>Disclosure regarding accounting for depreciation or amortization</p>



	<p>Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.</p> <p>Amortisation 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.</p> <p>Assets held under Service concession arrangement are amortised 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.</p> <p>Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.</p> <p>Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.</p>
(e)	<p>Disclosure regarding accounting for by products, joint products and scraps or wastage etc.</p> <p>No by products are generated during the process of generation of electricity</p>
(f)	<p>Disclosure regarding basis of inventory valuation</p> <p>Cost of Inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, loose tools are stated at lower of weighted average cost and net realizable value.</p>
(g)	<p>Disclosure regarding methodology for valuation of Inter-Unit/inter company and Related Party Transaction</p> <p>Valuation of Related Party Transactions is at Arms Length Price as provided by the Management</p>
(h)	<p>Disclosure regarding treatment of abnormal and non-recurring costs including classification of other non-cost items</p> <p>Abnormal and Non-recurring costs including other non-cost items are treated as items of reconciliation in the Cost Records. These items are excluded from the Cost of production, Cost of sales and Margin of individual product group.</p>
(i)	<p>Disclosure regarding other relevant cost accounting policy adopted by the Company</p> <p>None</p>
(2)	<p>Briefly specify the changes, if any, made in the cost accounting policy for the product(s)/ service(s) under audit during the current financial year as compared to the previous financial year.</p> <p>Previous Years figures have been regrouped wherever necessary</p>
(3)	<p>Observation of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.</p> <p>The Company has a well versed system of preparing detailed budget termed as annual business plan. Actual performance is monitored on regular basis. Any variance with the budget is analyzed and explained. Suitable corrective actions are taken for deviation, if any.</p>



PART B - 1. QUANTITATIVE INFORMATION (For each Product with CETA heading Separately)

Name of product		Electrical Energy	
CETA heading		2716 0000	
Unit of measurement		KWH	
Sr	Particulars	2020-21	2019-20
1	Available Capacity		
(a)	Installed Capacity	11,41,92,00,000	11,41,92,00,000
(b)	Capacity enhanced during the year, if any	(3,12,00,000)	
(c)	Capacity available through leasing arrangements , if any		
(d)	Capacity available through loan license / third parties		
(e)	Total available Capacity	11,38,80,00,000	11,41,92,00,000
2	Actual Production		
(a)	Self manufactured	5,67,25,33,060	5,99,98,63,880
(b)	Produced under leasing arrangements		
(c)	Produced on loan license / by third parties on job work		
(d)	Total Production	5,67,25,33,060	5,99,98,63,880
3	Production as per Excise / GST Records	5,67,25,33,060	5,99,98,63,880
4	Capacity Utilization (In-house)	49.68%	52.54%
5	Finished Goods Purchased		
(a)	Domestic Purchase of Finished Goods		
(b)	Imports of Finished Goods		
(c)	Total Finished Goods Purchased		
6	Stock and Other Adjustments		
(a)	Change in stock of Finished Goods		
(b)	Self / Captive Consumption (incl. samples etc.)	4,36,54,480	4,68,07,784
(c)	Other Quantitative Adjustments, if any (wastage etc.)	(67,54,65,673)	(71,43,66,240)
(d)	Total Adjustment	(71,91,20,153)	(76,11,74,024)
7	Total Available Quantity for Sale [2(d)+ 5(c) + 6(d)]	4,95,34,12,907	5,23,86,89,856
8	Actual Sales		
(a)	Domestic Sales of Product	4,95,34,12,907	5,23,86,89,856
(b)	Domestic Sales of Traded Product		
(c)	Export Sale of Products		
(d)	Export Sale Traded products		
(e)	Total Quantity Sold	4,95,34,12,907	5,23,86,89,856

Note:

Reduction in Capacity shown represents change in Capacity due to Previous Year having 366 days (being a leap year) and Current Year having 365 days



PART B - 2. ABRIDGED COST STATEMENT [for each product with CETA heading Separately]									
Name of Product		Electrical Energy							
CETA Heading		2716 0000							
Unit of measurement		KWH							
Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustment	Quantity Sold			
2020-21	5,67,25,33,060	-	-	4,36,54,480	(67,54,65,673)	4,95,34,12,907			
2019-20	5,99,98,63,880	-	-	4,68,07,784	(71,43,66,240)	5,23,86,89,856			

Sno	Particulars	2020-21		Rate per Unit (Rs.)	2019-20		Rate per Unit (Rs.)
		Amount (Rs Crores)			Amount (Rs Crores)		
1	Material Consumed (Specify details as per Para 2A)	-	-	-	-	-	-
2	Process Materials/ Chemicals	-	-	-	-	-	-
3	Utilities (Specify details as per 2B)	4.13	0.01	4.27	16.11	0.03	0.01
4	Direct Employees	20.96	0.04	2.87	18.53	0.03	0.03
5	Direct Expenses	-	-	-	39.59	0.07	-
6	Consumable Stores and Spares	20.67	0.04	-	-	-	-
7	Repairs and Maintenance	30.65	0.05	-	-	-	-
8	Quality Control Expenses	-	-	-	-	-	-
9	Research and Development Expenses	-	-	-	-	-	-
10	Technical Knowhow Fee / Royalty	0.06	0.00	0.04	0.04	0.00	0.00
11	Depreciation / Amortization	442.05	0.78	432.93	32.27	0.05	0.72
12	Other Production Overheads	21.96	0.04	-	-	-	-
13	Industry Specific Operating Expenses (Specify details as per Para 2C)	-	-	-	-	-	-
14	Total (1 to 13)	540.47	0.95	546.62	546.62	0.91	0.91
15	Increase/Decrease in work-in-progress	-	-	-	-	-	-
16	Less: Credits for Recoveries, if any	-	-	-	-	-	-
17	Primary Packing Cost	-	-	-	-	-	-
18	Cost of Production / Operations (14+15 to 17)	540.47	0.95	546.62	546.62	0.91	0.91
19	Cost of Finished Goods Purchased	-	-	-	-	-	-
20	Total Cost of Production and Purchases (18+19)	540.47	0.95	546.62	546.62	0.91	0.91
21	Increase/Decrease in Stock of Finished Goods	-	-	-	-	-	-
22	Less: Self/Captive Consumption (incl. Samples, etc.)	4.13	-	4.26	-	-	-
23	Other Adjustments (if any)	-	-	-	-	-	-
24	Cost of production / operations of Product Sold (20 + 21 to 23)	536.34	1.08	542.36	542.36	1.04	1.04
25	Administrative Overheads	56.13	0.11	48.83	48.83	0.09	0.09
26	Secondary Packing Cost	-	-	-	-	-	-
27	Selling and Distribution Overheads	-	-	-	-	-	-
28	Cost of Sales before Interest (24 to 27)	592.47	1.20	591.19	591.19	1.13	1.13
29	Finance Charges and Financing Charges	451.36	0.91	550.00	550.00	1.05	1.05
30	Cost of Sales (28 to 29)	1,043.83	2.11	1,141.19	1,141.19	2.18	2.18
31	Net Sales Realization (Net of Taxes and Duties)	1,222.62	2.47	1,263.69	1,263.69	2.41	2.41
32	Margin [(Profit/Loss) as per Cost Accounts] (31-30)	178.79	0.36	122.50	122.50	0.23	0.23



2A. Details of Materials Consumed						
Name of Product		Electrical Energy				
CETA heading		2716 0000				
Sr	Description of material	Imp./local /captive	Unit	2020-21		2019-20
				Quantity	Rate (Rs)	Amount (Rs Crores)
a						
b						
c						
d						
e						
f						
g						
h						
i						
Total Cost of Material Consumed						-

2B. Details of Utilities Consumed						
Name of Product		Electrical Energy				
CETA heading		2716 0000				
Sr No	Description of utilities Consumed	Unit	2020-21		2019-20	
			Quantity	Rate (Rs)	Amount (Rs Crores)	Amount (Rs Crores)
a	Auxiliary Power -Generation - turbines	Mus	44	9,45,946	4.13	9,11,327
b						4.27
c						
d						
e						
Total Utility					4.13	4.27

2C. Details of Industry Specific Operating Expenses			
Name of Product		Electrical Energy	
CETA heading		2716 0000	
Sr No	Description of industry specific operating expenses	2020-21 Amount	2019-20 Amount
a			
b			
c			
d			
Total Industry specific operating expenses		-	-



PART D - 1. PRODUCT AND SERVICE PROFITABILITY STATEMENT (for audited products/services)

Sr	Particulars	FY 20-21 (Rs Crores)			FY 19-20 (Rs Crores)		
		Sales	Cost of Sales	Margin	Sales	Cost of Sales	Margin
1	Electrical Energy	1,222.62	1,043.83	178.79	1,263.69	1,141.19	122.50
	Total	1,222.62	1,043.83	178.79	1,263.69	1,141.19	122.50



PART D - 2. PROFIT RECONCILIATION (for the company as a whole)

Sr	Particulars	2020-21 (Rs Crores)	2019-20 (Rs Crores)
1	Profit or loss as per Cost Accounts		
	(a) For the audited Product(s) / Service(s) :	178.79	122.50
	(b) For the unaudited product(s) / Service(s) :	-	-
2	Add : Incomes not considered in cost accounts (specify details)		
a)	Interest Income on Bank deposits	2.18	2.40
b)	Interest Income on other financial assets	3.46	0.01
c)	Net Gain on sale of investments	12.04	6.33
d)	Miscellaneous income	0.86	0.59
e)	Sale of Carbon credit	2.09	2.07
f)	Provision No Longer Required Written Back	18.00	0.17
g)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.05	0.01
h)	Net gain on foreign currency transaction	-	0.00
	Total Incomes not considered in cost accounts	38.66	11.57
3	Less : Expenses not considered in cost accounts (specify details)		
a)	Donations And Charities (80G)	3.05	5.00
b)	Property ,Plant and equipment written off	5.11	-
c)	Notice Pay	-	(0.01)
d)	One time Special Allowance	-	0.55
e)	Voluntary Retirement Scheme	1.07	2.84
f)	Provision For Doubtful Debts	-	18.89
g)	Net gain on foreign currency transaction	0.00	-
	Total Expenses not considered in cost accounts	9.23	27.27
4	Difference in Valuation of stock between Financial accounts & Cost accounts		
5	Other adjustments , if any		
6	Profit (loss) as per Financial Accounts (excluding other comprehensive Income for companies following Ind AS)	208.22	106.80



PART D - 3. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

Sr	Particulars	2020-2021 (Rs Crores)	2019-2020 (Rs Crores)
A	Value Addition:		
1	Revenue from Operations	1,222.62	1,263.69
2	Less: Taxes and other duties		
3	Net Revenue from Operations	1,222.62	1,263.69
4	Add : Export Incentives		
5	Add/ Less: Adjustment in Stocks		
6	Less : Cost of bought out inputs		
(a)	Cost of materials consumed	-	-
(b)	Process materials/ chemicals	-	-
(c)	Consumption of Stores and Spares	20.83	18.58
(d)	Utilities (e.g. Power and Fuel)	4.54	4.81
(e)	Other, If any	521.17	632.49
	Total cost of bought out inputs	546.54	655.88
7	Value added	676.08	607.81
8	Add: income from any other sources	38.85	11.58
9	Add: (i) Exceptional and Extra Ordinary income	-	-
	(ii) Other Comprehensive Income, if any	(0.08)	(0.45)
10	Earnings available for distribution	714.85	618.94
B	Distribution of Earnings to:		
1	Employees as salaries and wages, retirement benefits, Etc.	54.58	51.43
2	Shareholders as dividend		-
3	Company as Retained Funds	591.83	521.85
4	Government as taxes (specify)	59.22	18.39
5	Exceptional & Extra Ordinary Expenses, if any		-
6	Other, If any (Specify)	9.23	27.27
7	Total distribution of earnings	714.85	618.94



PART D - 4. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

Sr	Particulars	Unit	2020-2021 (Rs Crores)	2019-2020 (Rs Crores)
A	<u>Financial position</u>			
1	Share capital	Rs.	1,250.05	1,250.05
2	Reserves and surplus	Rs.	738.51	589.32
3	Long-term borrowings	Rs.	4,838.08	5,140.30
4	(a) Gross assets	Rs.	8,658.32	7,652.51
	(b) Net assets	Rs.	6,740.08	7,145.15
5	(a) Current assets	Rs.	825.93	594.03
	(b) Less :Current liabilities	Rs.	917.06	1,076.11
	(c) Net current assets	Rs.	(91.13)	(482.08)
6	Capital Employed	Rs.	6,656.01	8,181.84
7	Net worth	Rs.	1,988.56	1,839.37
B	<u>Financial performance</u>			
1	Value added	Rs.	676.08	607.81
2	Net Revenue from Operations of Company	Rs.	1,222.62	1,263.69
3	Profit before Tax (PBT)	Rs.	208.22	106.80
C	<u>Profitability ratios</u>			
1	Profit before tax to capital employed (B3/A6)	%	3%	1%
2	Profit before tax to net worth (B3/A7)	%	10%	6%
3	Profit before tax to Value Added (B3/B4)	%	31%	18%
4	Profit before tax to Net Revenue from Operations (B3/B2)	%	17%	8%
D	<u>Other Financial Ratios</u>			
1	Debt equity ratio	%	243%	279%
2	Current assets to current liabilities	%	90%	55%
3	Value added to Net Revenue from Operations	%	55%	48%
E	<u>Working capital ratios</u>			
1	Raw materials stock to consumption	Months	0.00	0.00
2	Stores and spares to consumption	Months	6.65	14.62



PART D - 5. RELATED PARTY TRANSACTION (for the company as a whole)

Sr	Name of the Related Party	Identification of Related Party	Name of the Product / Service	Nature of Transaction (Sale, Purchase etc.)	Quantity	Transfer Price (Rs)	Amount (Rs Crores)	Normal Price (Rs)	Basis adopted to determine the Normal Price
1	JSW Paints Limited	U24200MH2016PTC273511	Sanitizer	Purchase of Goods		3,00,000	0.03	3,00,000	Any Other Method
2	JSW Steel Limited	L27102MH1994PLC152925	Reimbursement of Expenses	Service Received		1,44,00,000	1.44	1,44,00,000	Any Other Method
3	JSW Energy Limited	L74999MH1994PLC077041	Reimbursement of Expenses	Service Received		4,43,00,000	4.43	4,43,00,000	Any Other Method
4	JSW Power Trading Company Limited	U40101MH2011PLC212214	Open access & Other Expenses	Service Received		2,00,084	0.02	2,00,084	Any Other Method
5	JSW IP Holdings Private Limited	U74999MH2014PTC253122	Advertisement/Sponsorship/Branding expense	Service Received		3,60,00,000	3.60	3,60,00,000	Any Other Method
6	JayPee Private ITI	AAAT11900C	Reimbursement of Expenses	Service Received		19,00,000	0.19	19,00,000	Any Other Method
7	Jindal Vidya Mandir	AAAT11900C	Reimbursement of Expenses	Service Received		39,00,000	0.39	39,00,000	Any Other Method
8	JSW Global Business solution Limited	U74120MH2000PLC129020	Shared Services & Other services	Service Received		2,02,00,000	2.02	2,02,00,000	Any Other Method
9	JSW Foundation	AAAT10601J	Donation Paid	Service Received		3,00,00,000	3.00	3,00,00,000	Any Other Method



PART D - 6. RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Sr	Particulars	Total Taxable/ Assesable Value (Rs Crores)	Excise duty/VAT/CST, Cess (Rs Crores)	CGST (Rs Crores)	SGST/UTGST (Rs Crores)	Goods and Service Tax IGST (Rs Crores)	Cess (Rs Crores)
	Duties/Taxes Payable						
1	Excise Duty						
2	Domestic						
3	Export						
4	Stock Transfers (Net)						
5	Others, if any						
6	Total Excise Duty (1 to 4)						
7	VAT, CST, Cess etc						
8	Other State Taxes, if any						
9	Goods and Service Tax						
10	Outward Taxable Supplies (other than zero rated, if any)	6.21		0.18	0.18	0.50	
11	Outward Taxable Supplies (zero rated)						
12	Inward Supplies (liable to Reverse Charge)	2.04		0.13	0.13	0.02	
13	Other Outward Supplies (Nil Rated, Exempted)	1,608.34					
14	Non-GST Outward Supplies						
15	Total GST Payable (8 to 12)	1,616.58		0.31	0.31	0.52	
16	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	1,616.58		0.31	0.31	0.52	
17	Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]						
18	GST - Input Tax Credit Utilized						
19	CGST / CENVAT						
20	SGST / UTGST / VAT						
21	IGST						
22	Cess						
23	Transitional Credit						
24	Others, if any, specify						
25	Total Input Tax Credit Utilised (15 to 20)						
26	Payment through Cash Ledger			0.31	0.31	0.52	
27	Total Duties/Taxes Paid (21 + 22)			0.31	0.31	0.52	
28	Difference between Taxes Paid and Payable (14 - 23)						
29	Interest/Penalty/Fines Paid						

Digitally signed by HARSH KISHORE BHATIA, DN: cn=HARSH KISHORE BHATIA, c=IN, o=JSW Hydro Energy Limited, email=h.bhatia@jsw.com, Date: 2021.07.29 18:17:05.30

HARSH KISHORE BHATIA
Partner

Kishore Bhatia & Associates
Cost Accountants

Date: 29th July 2021
Place: Mumbai

Director/Secretary

For JSW Hydro Energy Limited
Director

Din Number
Date: 29th July 2021



JSW Hydro Energy Limited

**COST
AUDIT
REPORT
2021-2022**

**Kishore Bhatia & Associates
Cost Accountants**



FORM-CRA 3

[Pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014]

FORM OF THE COST AUDIT REPORT

We Kishore Bhatia & Associates having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of JSW Hydro Energy Ltd having its registered office at Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri, Sholtu, Kinnaur, Himachal Pradesh (hereinafter referred to as the company), have audited Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of Electricity for the Financial Year 2021-22 maintained by the Company and report, in addition to my observations and suggestions in para 2

Management's Responsibility for the Cost Records

The Company is responsible for preparation of the Cost Records that give a true and fair view of the Cost Sheets & Annexures to the Cost Audit Report in accordance with the Generally Accepted Cost Accounting Principles, including the Cost Accounting Standards as per the Companies (Cost Records & Audit) Rules, 2014 read with its amendments. This responsibility also includes maintenance of adequate cost accounting records in accordance with the provisions of the Act and the Rules for preventing and detecting frauds and other irregularities; selection and application of appropriate Cost accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the cost records, relevant to the preparation and presentation of the Annexures to the Cost Audit Report that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these Cost Records based on our audit.

We have taken into consideration the provisions of the Act, the Cost Accounting and Auditing Standards and the matters which are required to be included in the Cost Audit Report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Cost Auditing as specified under section 148(3) of the Act. Those Standards required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the cost records are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the cost records. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the cost records, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the cost records that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on whether the Company has in place an adequate internal financial controls system and the operating effectiveness of such controls.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the cost records.

Report on the Legal and Regulatory Requirements

As required by the Companies (Cost Records and Audit) Rules, 2014 read with its amendments we report as under:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- ii. In our opinion, proper cost records, as per rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the Company in respect of the products/services under reference
- iii. In our opinion, proper returns adequate for the purpose of the cost audit have been received from the branches not visited by us
- iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required.
- v. In our opinion the company has a adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business
- vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of the products/rendering of services, cost of sales, margin and other information relating to the products/services under reference.
- vii. Detailed unit-wise and product/service-wise cost statements and schedules thereto in respect of the product/service under reference of the company are duly audited and certified by us are kept in the company.

2. Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit
Impact of COVID19 Lockdown on the Operations of the Company - The Company engages in Generation of Electricity from its Hydro power plants located at Karcham and Baspa in Himachal Pradesh. Since the Company's activities form part of essential services its operations were not impacted during the lockdown phase for FY 2021-22. Hence, there are no significant COVID-19 related costs which are excluded from Cost Audit.

Dated: this 20th day of July 2022 at Mumbai

Harsh Bhatia
 Partner
 Kishore Bhatia & Associates
 Membership Number - 31166
 UDIN: 2231166A1A50EFFFU7



PART A - 1. GENERAL INFORMATION

1	Corporate identity number or foreign company registration number	U40101HP2014PLC000581
2	Name of company	JSW Hydro Energy Limited
3	Address of registered office or of principal place of business in India of company	Sholtu colony, P.O. Tapri, Dist. Kinnaur, Himachal Pradesh 172104
4	Address of corporate office of company	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051
5	Email address of company	vrushali.kamlik@jsw.in
6	Date of start of reporting period	1st April 2021
7	Date of end of reporting period	31st March 2022
8	Date of start of first previous financial year	1st April 2020
9	Date of end of first previous financial year	31st March 2021
10	Level of rounding used in cost statements	Crores
11	Whether Indian Accounting Standards are applicable to the company	Yes
12	Number of cost auditor(s) for reporting period	One
13	Date of board of directors meeting in which annexure to cost audit report was approved	20th July 2022
14	Whether cost auditor's report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	None
16	Consolidated observations or suggestions of all cost auditors	Normal Price (D5) & basis adopted to determine the normal price are as provided by the Management and have not been verified/audited by us. Reconciliation of Indirect Taxes for the company as a whole (Para D5) are Prima facie reviewed by us, but detailed Audit of the same has not been carried out by us.
17	Whether company has Related Party Transaction for Sales or Purchase of goods or services	Yes

PART A - 2. GENERAL DETAILS OF COST AUDITOR

1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Firm
3	Firm's registration number	00294
4	Name of cost auditor / cost auditor's firm	Kishore Bhatia & Associates
5	Permanent account number of cost auditor / cost auditor's firm	AALFK4838P
6	Address of cost auditor or cost auditor's firm	701/702, D-Wing, 7th Floor, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai - 400 086
7	Email id of cost auditor or cost auditor's firm	hbhatia@kishorebhatia.com
8	Membership number of member signing report	31165
9	Name of member signing report	Harsh Kishore Bhatia
10	Name(s) of product(s) or service(s) with CETA heading	Electricity (27160000)
11	SRN number of Form CRA-2	T32106502
12(a)	Number of audit committee meeting(s) during the year for which Cost Auditor was invited	Zero
12(b)	Number of audit committee meeting(s) attended by cost auditor during year	Zero
13	Date of signing cost audit report and annexure by cost auditor	10th July 2022
14	Place of signing cost audit report and annexure by cost auditor	Mumbai

Date: 20th July 2022

Place: Mumbai

Wshat
 Harsh Bhatia
 Partner
 Kishore Bhatia & Associates
 Membership Number - 31165



PART A - 3. COST ACCOUNTING POLICY

- (1) Briefly describe the cost accounting policy adopted by the company and its adequacy or otherwise to determine correctly the cost of production / operation, Cost of Sales, Sales Realisation and margin of the product(s) / service(s) under reference separately for each product(s)/Service(s). The policy shall cover, inter alia, the following area :

The Cost Accounting Policy of the Company is:

- 1) To ensure that cost records, inventory valuation and cost of sales measurement comply with GACAP (Generally Accepted Cost Accounting Principles) and CAS (Cost Accounting Standards).
- 2) To ensure that product costs are accurate and developed consistently so as to enable reliable profit-by-product reporting and well-informed decisions about product pricing.
- 3) To ensure that cost accounting practices are in harmony with governing laws and best practices in the industry.

- (a) Disclosure regarding identification of cost centres, cost objects and cost drivers

Cost Centers are properly Identified. All costs are predominantly collected cost center wise. Following are the major cost centers.

Generation

Power House cost center:

- a) Power House Others
- b) Transformer
- c) EOT, LIFT
- d) GIS
- e) PLCC System
- f) HVAC System
- g) SCADA System
- h) DACS & PLC System
- i) Diesel DG Sys-PH
- j) Maint. DG Sys-PH
- k) Generator & Auxiliaries
- l) Reactors
- m) Unit Protection Sys
- n) Feeder Protection Sys
- o) POTHEAD YARD
- p) PH-ILLUMINATIONS
- q) PH-Gas-Insulated SG
- r) Power House Others
- s) Runner & Under Water Part
- t) ESP, HOIST, VFD, EOT
- u) Gas Insulated SG (GIS)

Dam/ Barrage Cost center:

- a) Maintenance Roads & Bridges
- b) Civil- DAM
- c) O&M-DAM
- d) O&M-Barrage

Service Cost Centres:

- a) Maintenance DG Sys-Dam
- b) Maintenance DG- Srg shift & In
- c) Mech Workshop Kakastal
- d) Turbine & Auxiliaries
- e) Cooling Water Sys
- f) MECH-COMMON
- g) Mech-TG-Cap Overhaul
- h) Transmission Line 22KV
- i) Ele-Capital Overhaul
- j) Civil- Power House
- k) Camp Maintenance Kuppa
- l) Mech Workshop Kuppa



Admin Cost centre:

- a) Admin - Plant
- b) CSR
- c) Finance & Accounts
- d) Human Resource
- e) Secretarial
- f) Legal
- g) Shimla Office
- h) House Keeping
- i) safety
- j) Security
- k) Temple

The Company provides operation and maintenance services. For this purpose costs are recorded separately and profitability of services is worked out separately.

- (b) Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components

MATERIALS:

Main materials for power generation is water which is available free of cost. Only spares and consumables are being procured for Repair & maintenance. Each purchased item is classified into local and imported at the time of receipt. In case of goods domestically procured, freight and other incidental charges, and In case of imported goods, CIF value, Custom Duty, Dock Charges, Clearing & Forwarding Expenses and other incidental charges in respect of imported materials are charged directly to the respective items while recording the landed cost. Since no GST is payable on Electricity, the company is not availing ITC on any inputs. On receipts of goods, goods receipt note (GRN) is prepared and on confirmation from user Department, the material is accounted.

EMPLOYEE COST:

The Company maintains department wise record of each employee. Wage sheets / payroll are prepared on the basis of records maintained by the Human Resource Department. Disbursement of salary & wages is done on a monthly basis. Employee costs are booked cost centre wise.

Employee cost includes salaries, allowances, non-monetary benefits and other benefits under defined contribution plans such as provident fund, etc.

UTILITIES:

Separate Cost Centers for different types of utilities have been created and costs are collected accordingly.

Power

Generally, the Unit meets its power requirements through its own generated electricity. This is termed as Auxiliary consumption and shown separately.

REPAIR & MAINTENANCE:

Separate Cost Centers for Electrical, Mechanical and Civil Maintenance are created. Cost Center-wise details of Depreciation, Employee Cost, Consumables, etc are worked out.

RESEARCH & DEVELOPMENT:

The scope of Research and Development in the product segment is not material.

OVERHEADS:

Indirect expenses are properly analyzed with respect to their nature and use and are classified accordingly into Works overheads, Administration Overheads, and Selling & Distribution overheads. Finance cost is accounted separately.

- (c) Disclosure regarding accounting, allocation and absorption of overheads

Indirect Expenses are properly analyzed w.r.t. their nature and use, and same is classified accordingly into Works Overheads, Administration Overheads, and Selling & Distribution Overheads. Depreciation and Finance Cost are accounted separately.

- (d) Disclosure regarding accounting for depreciation or amortization



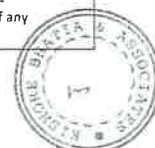
Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.

Amortisation 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 Service concession arrangement are amortised 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.

Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.

Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

- (e) Disclosure regarding accounting for by products, joint products and scraps or wastage etc.
No by products are generated during the process of generation of electricity
- (f) Disclosure regarding basis of Inventory valuation
Cost of Inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, loose tools are stated at lower of weighted average cost and net realizable value.
- (g) Disclosure regarding methodology for valuation of Inter-Unit/Inter company and Related Party Transaction
Valuation of Related Party Transactions is at Arms Length Price as provided by the Management
- (h) Disclosure regarding treatment of abnormal and non-recurring costs including classification of other non-cost items
Abnormal and Non-recurring costs including other non-cost items are treated as items of reconciliation in the Cost Records. These items are excluded from the Cost of production, Cost of sales and Margin of individual product group.
- (i) Disclosure regarding other relevant cost accounting policy adopted by the Company
As mentioned in the Audited Financial Statement for FY 2021-22, The Company has recognized revenue of Rs 665.35 crore by writing back true up payable pursuant to an order of Central Electricity Regulatory Commission for true up of the Tariff. This has been shown under Sales in the Cost Audit Report
- (2) Briefly specify the changes, if any, made in the cost accounting policy for the product(s)/ service(s) under audit during the current financial year as compared to the previous financial year.
None
- (3) Observation of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.
The Company has a well versed system of preparing detailed budget termed as annual business plan. Actual performance is monitored on regular basis. Any variance with the budget is analyzed and explained. Suitable corrective actions are taken for deviation, if any



PART B - 1. QUANTITATIVE INFORMATION (For each Product with CETA heading Separately)

Name of product		Electrical Energy	
CETA heading		2716 0000	
Unit of measurement		KWH	
Sr	Particulars	2021-2022	2020-2021
1	Available Capacity		
(a)	Installed Capacity	11,38,80,00,000	11,38,80,00,000
(b)	Capacity enhanced during the year, if any	28,51,20,000	
(c)	Capacity available through leasing arrangements, if any		
(d)	Capacity available through loan license / third parties		
(e)	Total available Capacity	11,67,31,20,000	11,38,80,00,000
2	Actual Production		
(a)	Self manufactured	5,56,38,33,950	5,67,25,33,060
(b)	Produced under leasing arrangements		
(c)	Produced on loan license / by third parties on job work		
(d)	Total Production	5,56,38,33,950	5,67,25,33,060
3	Production as per Excise / GST Records	5,56,38,33,950	5,67,25,33,060
4	Capacity Utilization (In-house)	47.66%	49.81%
5	Finished Goods Purchased		
(a)	Domestic Purchase of Finished Goods		
(b)	Imports of Finished Goods		
(c)	Total Finished Goods Purchased		
6	Stock and Other Adjustments		
(a)	Change in stock of Finished Goods		
(b)	Self / Captive Consumption (incl. samples etc.)	4,35,41,370	4,36,54,480
(c)	Other Quantitative Adjustments, if any (wastage etc.)	(66,42,18,257)	(67,54,65,673)
(d)	Total Adjustment	(70,77,59,627)	(71,91,20,153)
7	Total Available Quantity for Sale [2(d)+ 5(c) + 6(d)]	4,85,60,74,323	4,95,34,12,907
8	Actual Sales		
(a)	Domestic Sales of Product	4,85,60,74,323	4,95,34,12,907
(b)	Domestic Sales of Traded Product		
(c)	Export Sale of Products		
(d)	Export Sale Traded products		
(e)	Total Quantity Sold	4,85,60,74,323	4,95,34,12,907

Note: 45MW increase in capacity was operational from 11.07.2021, hence proportionate increase has been shown for FY 2021-22



PART B - 2. ABBREVED COST STATEMENT (for each product with CEFA heading sponsored)									
Name of Product CEFA Heading Unit of measurement Year 2021-2022 2020-2021									
	Production	Finished Goods Purchased	Finished Stock Adjustment	Capitive Consumption	Other Adjustment	Quantity Sold			
	5,56,18,39,950			4,35,41,170	(66,42,18,257)	4,85,60,74,323			
	5,67,79,33,060			4,35,54,680	(87,54,85,671)	4,95,44,32,907			
Electrical Energy 2716 0000 KWH									
Sno	Particulars	2021-2022 Amount (Rs Crores)	Rate per Unit (Rs.)	2020-2021 Amount (Rs Crores)	Rate per Unit (Rs.)				
1	Material Consumed (Specify details as per Para 2A)								
2	Process Materials/ Chemicals								
3	Utilities (Specify details as per 2B)	4.24	0.01	4.13	0.01				
4	Direct Employees	28.08	0.05	20.96	0.04				
5	Direct Expenses								
6	Consumable Stores and Spares	15.85	0.03	20.67	0.04				
7	Repairs and Maintenance	38.71	0.07	30.65	0.05				
8	Quality Control Expenses								
9	Research and Development Expenses								
10	Technical Knowhow Fee / Royalty	0.10	0.00	0.05	0.00				
11	Operation / Amortisation	484.87	0.78	442.05	0.78				
12	Other Production Overheads	24.01	0.04	21.95	0.04				
13	Industry Specific Operating Expenses (Specify details as per Para 2C)								
14	Total (1 to 13)	545.86	0.98	540.47	0.95				
15	Increase/Decrease in work-in-progress								
16	Less: Credits for Recoveries, if any								
17	Primary Packing Cost								
18	Cost of Production / Operations (14+15 to 17)	545.86	0.98	540.47	0.95				
19	Cost of Finished Goods Purchased								
20	Total Cost of Production and Purchases (18+19)	545.86	0.98	540.47	0.95				
21	Increase/Decrease in Stock of Finished Goods								
22	Less: Self/Captive Consumption (incl. Samples, etc.)	4.24		4.13					
23	Other Adjustments (if any)								
24	Cost of production / operations of Product Sold (20 + 21 to 23)	541.62	1.12	536.34	1.08				
25	Administrative Overheads								
26	Secondary Packing Cost	59.92	0.12	56.13	0.11				
27	Selling and Distribution Overheads								
28	Cost of Sales before Interest (24 to 27)	601.54	1.24	592.47	1.20				
29	Finance Charges and Financing Charges	501.35	1.03	451.36	0.91				
30	Cost of Sales (28 to 29)	1,102.89	2.27	1,043.83	2.11				
31	Net Sales Realisation (Net of Taxes and Duties)	1,456.31	3.82	1,222.62	2.47				
32	Margin [(Profit/Loss) as per Cost Accounts] (31-30)	753.42	1.55	178.79	0.36				



7A. Details of Materials Consumed		Electrical Energy 2716 0000			
Name of Product CETA heading		2021-2022		2020-2021	
Sr	Description of material	Imp/Local /Capitive	Unit	Quantity	Amount (Rs Crores)
a					
b					
c					
d					
e					
f					
g					
h					
i					
Total Cost of Material Consumed					

7B. Details of Utilities Consumed		Electrical Energy 2715 0000			
Name of Product CETA heading		2021-2022		2020-2021	
Sr No	Description of utilities Consumed	Unit	Quantity	Rate (Rs)	Amount (Rs Crores)
a	Auxiliary Power-Generation	MWh	45.54	9,73,460	
b	turbines			4.24	4.13
c					
d					
e					
Total Utility				4.24	4.13

7C. Details of Industry Specific Operating Expenses		Electrical Energy 2716 0000	
Name of Product CETA heading		2020-2021 Amount	
Sr No	Description of Industry specific operating expenses	2020-2021 Amount	
a			
b			
c			
d			
Total Industry specific operating expenses			



PART D - 1. PRODUCT AND SERVICE PROFITABILITY STATEMENT (for audited products/services)							
(Rs. In Crores)							
Sr	Particulars	2021-2022		2020-2021			
		Sales	Cost of Sales	Margin	Sales	Cost of Sales	Margin
1	Electrical Energy	1,856.31	1,102.89	753.42	1,222.62	1,043.83	178.79
	Total	1,856.31	1,102.89	753.42	1,222.62	1,043.83	178.79



PART D - 2. PROFIT RECONCILIATION (for the company as a whole)

		(Rs. In Crores)	
Sr	Particulars	2021-2022	2020-2021
1	Profit or loss as per Cost Accounts		
	(a) For the audited Product(s) / Service(s) :	753.42	178.79
	(b) For the unaudited product(s) / Service(s) :		
2	Add : Incomes not considered in cost accounts (specify details)		
a)	Interest Income on Bank deposits	1.98	2.18
b)	Interest Income on other financial assets	29.71	3.46
c)	Net Gain on sale of investments	21.83	12.04
d)	Miscellaneous income	1.12	0.86
e)	Sale of Carbon credit	-	2.09
f)	Provision No Longer Required Written Back	-	18.00
g)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	0.05	0.05
h)	Net gain on foreign currency transaction	0.04	-
	Total Incomes not considered in cost accounts	54.74	38.66
3	Less : Expenses not considered in cost accounts (specify details)		
a)	CSR Expenses	2.50	3.05
b)	Property, Plant and equipment written off	1.08	5.11
c)	Notice Pay	-	-
d)	One time Special Allowance	-	-
e)	Voluntary Retirement Scheme	0.12	1.07
f)	Provision For Doubtful Debts	-	-
g)	Revaluation Gain/Loss on foreign currency transaction	0.66	0.00
	Total Expenses not considered in cost accounts	4.36	9.23
4	Difference in Valuation of stock between Financial accounts & Cost accounts		
5	Other adjustments, if any		
6	Profit (loss) as per Financial Accounts (excluding other comprehensive Income for companies following Ind AS)	803.79	208.22



PART D - 3. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

(Rs. In Crores)

Sr	Particulars	2021-2022	2020-2021
A	Value Addition:		
1	Revenue from Operations	1,856.31	1,222.62
2	Less: Taxes and other duties		
3	Net Revenue from Operations	1,856.31	1,222.62
4	Add : Export incentives		
5	Add/ Less: Adjustment in Stocks		
6	Less : Cost of bought out inputs		
(a)	Cost of materials consumed		
(b)	Process materials/ chemicals		
(c)	Consumption of Stores and Spares	17.19	20.83
(d)	Utilities (e.g. Power and Fuel)	3.64	4.54
(e)	Other, if any	584.72	521.17
	Total cost of bought out inputs	605.55	546.54
7	Value added	1,250.76	676.08
8	Add: income from any other sources	56.08	38.85
9	Add: (i) Exceptional and Extra Ordinary income		
	(ii) Other Comprehensive Income, If any	(125.27)	(0.08)
10	Earnings available for distribution	1,181.57	714.85
B	Distribution of Earnings to:		
1	Employees as salaries and wages, retirement benefits, Etc.	62.91	54.58
2	Shareholders as dividend		
3	Company as Retained Funds	973.25	591.83
4	Government as taxes (specify)	141.05	59.22
5	Exceptional & Extra Ordinary Expenses, if any		
6	Other, if any (Specify)	4.36	9.23
7	Total distribution of earnings	1,181.57	714.85



PART D - 4. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)				
(Rs. In Crores)				
Sr	Particulars	Unit	2021-2022	2020-2021
A	Financial position			
1	Share capital	Rs.	1,250.05	1,250.05
2	Reserves and surplus	Rs.	1,279.12	738.51
3	Long-term borrowings	Rs.	4,682.95	4,838.08
4	(a) Gross assets	Rs.	8,667.61	8,658.32
	(b) Net assets	Rs.	6,313.98	6,740.08
5	(a) Current assets	Rs.	1,938.52	825.93
	(b) Less :Current liabilities	Rs.	1,131.78	917.06
	(c) Net current assets	Rs.	806.74	(91.13)
6	Capital Employed	Rs.	6,884.83	6,656.01
7	Net worth	Rs.	2,529.17	1,988.56
B	Financial performance			
1	Value added	Rs.	1,250.76	676.08
2	Net Revenue from Operations of Company	Rs.	1,856.31	1,222.62
3	Profit before Tax (PBT)	Rs.	803.79	208.22
C	Profitability ratios			
1	Profit before tax to capital employed (B3/A6)	%	12%	3%
2	Profit before tax to net worth (B3/A7)	%	32%	10%
3	Profit before tax to Value Added (B3/B4)	%	64%	31%
4	Profit before tax to Net Revenue from Operations (B3/B2)	%	43%	17%
D	Other Financial Ratios			
1	Debt equity ratio	%	185%	243%
2	Current assets to current liabilities	%	171%	90%
3	Value added to Net Revenue from Operations	%	67%	55%
E	Working capital ratios			
1	Raw materials stock to consumption	Months	0.00	0.00
2	Stores and spares to consumption	Months	9.02	6.65



PART D - 5. RELATED PARTY TRANSACTION (for the company as a whole)

Sr	Name of the Related Party	Identification of Related Party	Name of the Product / Service	Nature of Transaction (Sale, Purchase etc.)	Quantity	Transfer Price (Rs)	Amount (Rs Crores)	Normal Price (Rs)	Basic adopted to determine the Normal Price
1	JSW Energy Limited	L24999MH1994PLC072611	Expenses Reimbursable to	Service Received		6,25,54,757	6.26	6,25,54,757	Any Other Method
2	JSW Power Trading Company Limited	U40301MH2012PLC222214	Sale of Power/Compensation	Sale of Goods	1,29,50,000	5.94	7.93	5.94	Any Other Method
3	JSW Power Trading Company Limited	U40301MH2012PLC222214	Open Access & Other Expenses	Service Received		1,41,600	0.01	1,41,600	Any Other Method
4	JSW Steel Limited	L27102MH1994PLC157325	Purchase of Steel from	Purchase of Goods	19.85	66,914	0.13	66,914	Any Other Method
5	JSW Steel Limited	L27102MH1994PLC157325	Reimbursement of Expenses	Service Received		1,50,98,822	1.51	1,50,98,822	Any Other Method
6	JSW Steel Holdings Private Limited	U74999MH2014PLC253122	Advertisement/ Sponsorship/ Branding expense	Service Received		3,03,10,047	3.03	3,03,10,047	Any Other Method
7	Jindal Vijaya Mandu	AAAT11900C	Reimbursement of Expenses	Service Received		25,14,086	0.25	25,14,086	Any Other Method
8	JayPec Private Ltd	AAAT11900C	Reimbursement of Expenses	Service Received		21,33,904	0.21	21,33,904	Any Other Method
9	JSW Global Business solution Limited	U74120MH2000PLC25020	Shared Services & Other services	Service Received		2,20,76,912	2.21	2,20,76,912	Any Other Method
10	JSW Foundation	AAAT0501J	Donation Paid	Service Received		2,50,25,000	2.50	2,50,25,000	Any Other Method
11	JSW Paints Limited	U24200MH2016PLC273511	Sanitizer	Purchase of Goods	800	160	0.01	160	Any Other Method



PART D - E. RECONCILIATION OF INDIRECT TAXES [for the company as a whole]

Sr	Particulars	Total Taxable/ Assessable Value		duty/VAT/CST/Cess		CGST		SGST/UTGST		Goods and Service Tax IGST		Cess	
		(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)	(Rs. Crores)
Duties/Taxes Payable													
1	Excise Duty												
2	Domestic												
3	Export												
4	Stock Transfers (Net)												
5	Others, If any												
6	Total Excise Duty (1 to 4)												
7	VAT, CST, Cess etc												
8	Other State Taxes, If any												
Goods and Service Tax													
9	Outward Taxable Supplies (other than zero rated, f	44.48		-		0.22		0.22				6.74	
10	Outward Taxable Supplies (zero rated)	8.90		-		-		-				-	
11	Inward Supplies (liable to Reverse Charge)	70.45		-		0.11		0.11				12.45	
12	Other Outward Supplies (Nil Rated, Exempted)	1,592.02		-		0.00		0.00				0.00	
13	Non-GST Outward Supplies	-		-		-		-				-	
14	Total GST Payable (8 to 12)	1,715.85		-		0.33		0.33				19.19	
15	Total GST Payable (5 + 6 + 7 + 13)	1,715.85		-		0.33		0.33				19.19	
Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]													
GST - Input Tax Credit Utilized													
16	CGST / CENVAT					0.00		0.00				-	
17	SGST / UTGST / VAT					0.03		0.01				0.00	
18	IGST												
19	Cess												
20	Transitional Credit												
21	Others, if any, strictly												
22	Total Input Tax Credit Utilized (16 to 20)					0.04		0.02				0.00	
23	Payment through Cash Ledger					0.29		0.31				19.19	
24	Total Duties/Taxes Paid (21 + 22)					0.33		0.33				19.19	
Difference between Taxes Paid and Payable (14 - 23)													
25	Interest/Penalty/Fines Paid												

For JSW Hydro Energy Limited
Director

Director/Secretary

KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS
701/702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nashik Road, Vidyapeeth (West),
Mumbai-400 068.
Regn. No.: 00294

Harsh Bhatia
Partner
Kishore Bhatia & Associates
Cost Accountants
Date: 20th July 2022
Place: Mumbai

Membership/Ordin Number
Date: 20th July 2022

Ordin Number
Date: 20th July 2022



JSW Hydro Energy Limited

**COST
AUDIT
REPORT
2022-2023**

**Kishore Bhatia & Associates
Cost Accountants**



FORM-CRA 3

[Pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014]

FORM OF THE COST AUDIT REPORT

We **Kishore Bhatia & Associates** having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of **JSW Hydro Energy Ltd** having its registered office at **Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri, Sholtu, Kinnaur, Himachal Pradesh** (hereinafter referred to as the company), have audited Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of **Electricity** for the **Financial Year 2022-23** maintained by the Company and report, in addition to my observations and suggestions in para 2

Management's Responsibility for the Cost Records

The Company is responsible for preparation of the Cost Records that give a true and fair view of the Cost Sheets & Annexures to the Cost Audit Report in accordance with the Generally Accepted Cost Accounting Principles, including the Cost Accounting Standards as per the Companies (Cost Records & Audit) Rules, 2014 read with its amendments. This responsibility also includes maintenance of adequate cost accounting records in accordance with the provisions of the Act and the Rules for preventing and detecting frauds and other irregularities; selection and application of appropriate Cost accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the cost records, relevant to the preparation and presentation of the Annexures to the Cost Audit Report that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these Cost Records based on our audit.

We have taken into consideration the provisions of the Act, the Cost Accounting and Auditing Standards and the matters which are required to be included in the Cost Audit Report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Cost Auditing as specified under section 148(3) of the Act. Those Standards required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the cost records are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the cost records. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the cost records, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the cost records that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on whether the Company has in place an adequate internal financial controls system and the operating effectiveness of such controls.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the cost records.

Report on the Legal and Regulatory Requirements

As required by the Companies (Cost Records and Audit) Rules, 2014 read with its amendments we report as under:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- ii. In our opinion, proper cost records, as per rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the Company in respect of the products/services under reference
- iii. In our opinion, proper returns adequate for the purpose of the cost audit have been received from the branches not visited by us
- iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required.
- v. In our opinion the company has a adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business
- vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of the products/rendering of services, cost of sales, margin and other information relating to the products/services under reference.
- vii. Detailed unit-wise and product/service-wise cost statements and schedules thereto in respect of the product/service under reference of the company are duly audited and certified by us are kept in the company.

2. Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit
 None

Dated: this 13th July 2023 at Mumbai

H Bhatia
Harsh Bhatia
 Partner
Kishore Bhatia & Associates
 Membership Number – 31166
 UDIN: 2331166A1H0QD38DNE



PART A - 1. GENERAL INFORMATION

1	Corporate identity number or foreign company registration number	U40101HP2014PLC000681
2	Name of company	JSW Hydro Energy Limited
3	Address of registered office or of principal place of business in India of company	Sholtu colony, P.O. Tapri, Dist. Kinnaur, Himachal Pradesh 172104
4	Address of corporate office of company	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051
5	Email address of company	vrushali.karnik@jsw.in
6	Date of start of reporting period	1st April 2022
7	Date of end of reporting period	31st March 2023
8	Date of start of first previous financial year	1st April 2021
9	Date of end of first previous financial year	31st March 2022
10	Level of rounding used in cost statements	Crores
11	Whether Indian Accounting Standards are applicable to the company	Yes
12	Number of cost auditor(s) for reporting period	One
13	Date of board of directors meeting in which annexure to cost audit report was approved	13th July 2023
14	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	None
16	Consolidated observations or suggestions of all cost auditors	Normal Price (D5) & basis adopted to determine the normal price are as provided by the Management and have not been verified/audited by us. Reconciliation of Indirect Taxes for the company as a whole (Para D6) are Prima facie reviewed by us, but detailed Audit of the same has not been carried out by us.
17	Whether company has Related Party Transaction for Sales or Purchase of goods or services	Yes

PART A - 2. GENERAL DETAILS OF COST AUDITOR

1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Firm
3	Firm's registration number	00294
4	Name of cost auditor / cost auditor's firm	Kishore Bhatia & Associates
5	Permanent account number of cost auditor / cost auditor's firm	AALFK4838P
6	Address of cost auditor or cost auditor's firm	701/702, D-Wing, 7th Floor, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai - 400 086
7	Email id of cost auditor or cost auditor's firm	hbhatia@kishorebhatia.com
8	Membership number of member signing report	31166
9	Name of member signing report	Harsh Kishore Bhatia
10	Name(s) of product(s) or service(s) with CETA heading	Electricity (27160000)
11	SRN number of Form CRA-2	F02662005
12(a)	Number of audit committee meeting(s) during the year for which Cost Auditor was invited	One
12(b)	Number of audit committee meeting(s) attended by cost auditor during year	One
13	Date of signing cost audit report and annexure by cost auditor	13th July 2023
14	Place of signing cost audit report and annexure by cost auditor	Mumbai

Date: 13th July 2023

Place: Mumbai

Harsh Bhatia
Partner
Kishore Bhatia & Associates
Membership Number - 31166

**KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS**

701/702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nathani Road, Vidyavihar (West),
Mumbai-400 086.

Regn. No.: 00294



PART A - 3. COST ACCOUNTING POLICY

(1)	<p>Briefly describe the cost accounting policy adopted by the company and its adequacy or otherwise to determine correctly the cost of production / operation, Cost of Sales, Sales Realisation and margin of the product(s) / service(s) under reference separately for each product(s)/Service(s). The policy shall cover, inter alia, the following area :</p>
	<p>The Cost Accounting Policy of the Company is:</p> <ol style="list-style-type: none"> 1) To ensure that cost records, inventory valuation and cost of sales measurement comply with GACAP (Generally Accepted Cost Accounting Principles) and CAS (Cost Accounting Standards). 2) To ensure that product costs are accurate and developed consistently so as to enable reliable profit-by-product reporting and well-informed decisions about product pricing. 3) To ensure that cost accounting practices are in harmony with governing laws and best practices in the industry.
(a)	<p>Disclosure regarding identification of cost centres, cost objects and cost drivers</p>
	<p>Cost Centers are properly identified. All costs are predominantly collected cost center wise. Following are the major cost centers.</p> <p>Generation</p> <p>Power House cost center:</p> <ol style="list-style-type: none"> a) Power House Others b) Transformer c) EOT, LIFT d) GIS e) PLCC System f) HVAC System g) SCADA System h) DACS & PLC System i) Diesel DG Sys-PH j) Maint. DG Sys-PH k) Generator & Auxiliaries l) Reactors m) Unit Protection Sys n) Feeder Protection Sys o) POTHEAD YARD p) PH-ILLUMINATIONS q) PH-Gas-Insulated SG r) Power House Others s) Runner & Under Water Part t) ESP, HOIST, VFD, EOT u) Gas Insulated SG (GIS)
	<p>Dam/ Barrage Cost center:</p> <ol style="list-style-type: none"> a) Maintenance Roads & Bridges b) Civil- DAM c) O&M-DAM d) O&M-Barrage <p>Service Cost Centres:</p> <ol style="list-style-type: none"> a) Maintenance DG Sys-Dam b) Maintenance DG- Srg shft & In c) Mech Workshop Kakastal d) Turbine & Auxiliaries e) Cooling Water Sys f) MECH-COMMON g) Mech-TG-Cap Overhaul h) Transmission Line 22KV i) Ele-Capital Overhaul j) Civil- Power House k) Camp Maintenance Kuppa l) Mech Workshop Kuppa



	<p>Admin Cost centre:</p> <p>a) Admin - Plant b) CSR c) Finance & Accounts d) Human Resource e) Secretarial f) Legal g) Shimla Office h) House Keeping i) safety j) Security k) Temple</p> <p>The Company provides operation and maintenance services. For this purpose costs are recorded separately and profitability of services is worked out separately.</p>
(b)	<p>Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components</p> <p>MATERIALS: Main materials for power generation is water which is available free of cost. Only spares and consumables are being procured for Repair & maintenance. Each purchased item is classified into local and imported at the time of receipt. In case of goods domestically procured, freight and other incidental charges, and in case of imported goods, CIF value, Custom Duty, Dock Charges, Clearing & Forwarding Expenses and other incidental charges in respect of imported materials are charged directly to the respective items while recording the landed cost. Since no GST is payable on Electricity, the company is not availing ITC on any inputs. On receipts of goods, goods receipt note (GRN) is prepared and on confirmation from user Department, the material is accounted.</p> <p>EMPLOYEE COST: The Company maintains department wise record of each employee. Wage sheets / payroll are prepared on the basis of records maintained by the Human Resource Department. Disbursement of salary & wages is done on a monthly basis. Employee costs are booked cost centre wise. Employee cost includes salaries, allowances, non-monetary benefits and other benefits under defined contribution plans such as provident fund, etc.</p> <p>UTILITIES: Separate Cost Centers for different types of utilities have been created and costs are collected accordingly. Power Generally, the Unit meets its power requirements through its own generated electricity. This is termed as Auxiliary consumption and shown separately.</p> <p>REPAIR & MAINTENANCE: Separate Cost Centers for Electrical, Mechanical and Civil Maintenance are created. Cost Center-wise details of Depreciation, Employee Cost, Consumables, etc are worked out.</p> <p>RESEARCH & DEVELOPMENT: The scope of Research and Development in the product segment is not material.</p> <p>OVERHEADS: Indirect expenses are properly analyzed with respect to their nature and use and are classified accordingly into Works overheads, Administration Overheads, and Selling & Distribution overheads. Finance cost is accounted separately.</p>
(c)	<p>Disclosure regarding accounting, allocation and absorption of overheads</p> <p>Indirect Expenses are properly analyzed w.r.t. their nature and use, and same is classified accordingly into Works Overheads, Administration Overheads, and Selling & Distribution Overheads. Depreciation and Finance Cost are accounted separately.</p>
(d)	<p>Disclosure regarding accounting for depreciation or amortization</p>



	<p>Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.</p> <p>Amortisation 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.</p> <p>Assets held under Service concession arrangement are amortised 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.</p> <p>Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.</p> <p>Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.</p>
(e)	<p>Disclosure regarding accounting for by products, joint products and scraps or wastage etc.</p> <p>No by products are generated during the process of generation of electricity</p>
(f)	<p>Disclosure regarding basis of inventory valuation</p> <p>Cost of Inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, loose tools are stated at lower of weighted average cost and net realizable value.</p>
(g)	<p>Disclosure regarding methodology for valuation of Inter-Unit/inter company and Related Party Transaction</p> <p>Valuation of Related Party Transactions is at Arms Length Price as provided by the Management</p>
(h)	<p>Disclosure regarding treatment of abnormal and non-recurring costs including classification of other non-cost items</p> <p>Abnormal and Non-recurring costs including other non-cost items are treated as items of reconciliation in the Cost Records. These items are excluded from the Cost of production, Cost of sales and Margin of individual product group.</p>
(i)	<p>Disclosure regarding other relevant cost accounting policy adopted by the Company</p> <p>As mentioned in the Audited Financial Statement for FY 2021-22, The Company has recognized revenue of Rs 665.35 crore by writing back trueing up payable pursuant to an order of Central Electricity Regulatory Commission for trueing up of the Tariff. This has been shown under Sales in the Cost Audit Report</p>
(2)	<p>Briefly specify the changes, if any, made in the cost accounting policy for the product(s)/ service(s) under audit during the current financial year as compared to the previous financial year.</p> <p>None</p>
(3)	<p>Observation of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.</p> <p>The Company has a well versed system of preparing detailed budget termed as annual business plan. Actual performance is monitored on regular basis. Any variance with the budget is analyzed and explained. Suitable corrective actions are taken for deviation, if any.</p>



PART B - 1. QUANTITATIVE INFORMATION (For each Product with CETA heading Separately)

Name of product	Electrical Energy
CETA heading	2716 0000
Unit of measurement	KWH

Sr	Particulars	2022-2023	2021-2022
1	Available Capacity		
(a)	Installed Capacity	11,67,31,20,000	11,38,80,00,000
(b)	Capacity enhanced during the year, if any	10,90,80,000	28,51,20,000
(c)	Capacity available through leasing arrangements , if any		
(d)	Capacity available through loan license / third parties		
(e)	Total available Capacity	11,78,22,00,000	11,67,31,20,000
2	Actual Production		
(a)	Self manufactured	5,63,67,53,690	5,56,38,33,950
(b)	Produced under leasing arrangements		
(c)	Produced on loan license / by third parties on job work		
(d)	Total Production	5,63,67,53,690	5,56,38,33,950
3	Production as per Excise / GST Records	5,63,67,53,690	5,56,38,33,950
4	Capacity Utilization (In-house)	47.84%	47.66%
5	Finished Goods Purchased		
(a)	Domestic Purchase of Finished Goods		
(b)	Imports of Finished Goods		
(c)	Total Finished Goods Purchased	-	-
6	Stock and Other Adjustments		
(a)	Change in stock of Finished Goods		
(b)	Self / Captive Consumption (incl. samples etc.)	4,16,43,159	4,35,41,370
(c)	Other Quantitative Adjustments, if any (wastage etc.)	(67,33,74,605)	(66,42,18,257)
(d)	Total Adjustment	(71,50,17,764)	(70,77,59,627)
7	Total Available Quantity for Sale [2(d)+ 5(c) + 6(d)]	4,92,17,35,926	4,85,60,74,323
8	Actual Sales		
(a)	Domestic Sales of Product	4,92,17,35,926	4,85,60,74,323
(b)	Domestic Sales of Traded Product		
(c)	Export Sale of Products		
(d)	Export Sale Traded products		
(e)	Total Quantity Sold	4,92,17,35,926	4,85,60,74,323

Note: 45MW increase in capacity was operational from 11.07.2021, hence proportionate increase has been shown for FY 2021-22 and balance has been shown during FY 2022-23



PART B - 2. ABRIDGED COST STATEMENT (for each product with CETA heading separately)						
Name of Product		Electrical Energy				
CETA Heading		2716 0000				
Unit of measurement		KWH				
Year	Production	Finished Goods Purchased	Finished Stock Adjustment	Captive Consumption	Other Adjustment	Quantity Sold
2022-2023	5,63,67,55,660	-	-	4,16,43,159	(67,33,74,605)	4,92,17,35,926
2021-2022	5,56,38,38,950	-	-	4,35,41,370	(66,42,18,257)	4,85,60,74,323

Sno	Particulars	2022-2023		2021-2022	
		Amount (Rs Crores)	Rate per Unit (Rs.)	Amount (Rs Crores)	Rate per Unit (Rs.)
1	Material Consumed (Specify details as per Para 2A)	-	-	-	-
2	Process Materials/ Chemicals	-	-	-	-
3	Utilities (Specify details as per 2B)	-	-	4.24	0.01
4	Direct Employees	47.28	0.08	28.08	0.05
5	Direct Expenses	-	-	-	-
6	Consumable Stores and Spares	19.09	0.02	15.85	0.03
7	Repairs and Maintenance	27.55	0.05	38.71	0.07
8	Quality Control Expenses	-	-	-	-
9	Research and Development Expenses	-	-	-	-
10	Technical Knowhow Fee / Royalty	-	-	0.10	0.00
11	Depreciation / Amortisation	485.11	0.77	434.87	0.78
12	Other Production Overheads	29.25	0.05	24.01	0.04
13	Industry Specific Operating Expenses (Specify details as per Para 2C)	-	-	-	-
14	Total (1 to 13)	556.36	0.99	545.86	0.98
15	Increase/Decrease in work-in-progress	-	-	-	-
16	Less: Credits for Recoveries, if any	-	-	-	-
17	Primary Packing Cost	-	-	-	-
18	Cost of Production / Operations (14+15 to 17)	556.36	0.99	545.86	0.98
19	Cost of Finished Goods Purchased	-	-	-	-
20	Total Cost of Production and Purchases (18+19)	556.36	0.99	545.86	0.99
21	Increase/Decrease in Stock of Finished Goods	-	-	-	-
22	Less: Self/Captive Consumption (Incl. Samples, etc.)	4.08	-	4.24	-
23	Other Adjustments (if any)	-	-	-	-
24	Cost of production / operations of Product Sold (20 + 21 to 23)	552.28	1.12	541.62	1.12
25	Administrative Overheads	-	-	-	-
26	Secondary Packing Cost	72.83	0.15	59.92	0.12
27	Selling and Distribution Overheads	-	-	-	-
28	Cost of Sales before Interest (24 to 27)	625.11	1.27	601.54	1.24
29	Finance Charges and Financing Charges	391.31	0.80	501.35	1.03
30	Cost of Sales (28 to 29)	1,016.42	2.07	1,102.89	2.27
31	Net Sales Realization (Net of Taxes and Duties)	1,328.23	2.70	1,856.31	3.82
32	Margin [(Profit/Loss) as per Cost Accounts] (31-30)	311.81	0.63	753.42	1.55



2A. Details of Materials Consumed				Electrical Energy			
Name of Product				2716 0000			
CETA heading							
Sr	Description of material	Imp/local /captive	Unit	2022-2023		2021-2022	
				Quantity	Rate (Rs)	Quantity	Rate (Rs)
					Amount (Rs Crores)		Amount (Rs Crores)
a							
b							
c							
d							
e							
f							
g							
h							
i							
j							
Total Cost of Material Consumed							

2B. Details of Utilities Consumed				Electrical Energy			
Name of Product				2716 0000			
CETA heading							
Sr No	Description of utilities Consumed	Unit	Quantity	2022-2023		2021-2022	
				Quantity	Rate (Rs)	Quantity	Rate (Rs)
					Amount (Rs Crores)		Amount (Rs Crores)
a	Auxiliary Power -Generation *	Mus	41.64		9,79,784		9,79,460
b	turbines				4.08		4.24
c							
d							
e							
Total Utility					4.08		4.24

2C. Details of Industry Specific Operating Expenses				
Name of Product		Electrical Energy		
CETA heading		2716 0000		
Sr No	Description of industry specific operating expenses	2022-2023 Amount	2021-2022 Amount	
a				
b				
c				
d				



PART D - 1. PRODUCT AND SERVICE PROFITABILITY STATEMENT (for audited products/services)						
(Rs. In Crores)						
Sr	Particulars	2022-2023			2021-2022	
		Sales	Cost of Sales	Margin	Sales	Cost of Sales
1	Electrical Energy	1,328.23	1,016.42	311.81	1,856.31	1,102.89
	Total	1,328.23	1,016.42	311.81	1,856.31	1,102.89
						753.42



PART D - 2. PROFIT RECONCILIATION (for the company as a whole)

(Rs. In Crores)

Sr	Particulars	2022-2023	2021-2022
1	Profit or loss as per Cost Accounts		
	(a) For the audited Product(s) / Service(s) :	311.81	753.42
	(b) For the unaudited product(s) / Service(s) :	-	-
2	Add : Incomes not considered in cost accounts (specify details)		
a)	Interest Income on Bank deposits	12.47	1.98
b)	Interest Income on other financial assets	3.39	29.71
c)	Net Gain on sale of investments	28.82	21.83
d)	Miscellaneous income	1.61	1.12
e)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	-	0.05
f)	Net gain on foreign currency transaction	0.01	0.04
	Total Incomes not considered in cost accounts	46.30	54.74
3	Less : Expenses not considered in cost accounts (specify details)		
a)	CSR Expenses	7.47	2.50
b)	Property ,Plant and equipment written off	0.00	1.08
c)	Bad Debt Written Off	7.76	-
d)	Foreign Exchange Fluctuations	0.03	-
e)	Voluntary Retirement Scheme	0.66	0.12
f)	Revaluation Gain/Loss on foreign currency transaction	10.13	0.66
	Total Expenses not considered in cost accounts	26.05	4.36
4	Difference in Valuation of stock between Financial accounts & Cost accounts		
5	Other adjustments , if any		
6	Profit (loss) as per Financial Accounts (excluding other comprehensive Income for companies following Ind AS)	332.06	803.79



PART D - 3. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

(Rs. In Crores)

Sr	Particulars	2022-2023	2021-2022
A	Value Addition:		
1	Revenue from Operations	1,328.23	1,856.31
2	Less: Taxes and other duties		
3	Net Revenue from Operations	1,328.23	1,856.31
4	Add : Export incentives		
5	Add/ Less: Adjustment in Stocks		
6	Less : Cost of bought out inputs		
(a)	Cost of materials consumed		
(b)	Process materials/ chemicals		
(c)	Consumption of Stores and Spares	14.30	17.19
(d)	Utilities (e.g. Power and Fuel)	3.75	3.64
(e)	Other, If any	479.76	584.72
	Total cost of bought out inputs	497.81	605.55
7	Value added	830.42	1,250.76
8	Add: income from any other sources	47.50	56.08
9	Add: (i) Exceptional and Extra Ordinary income		
	(ii) Other Comprehensive Income, if any	312.63	(125.27)
10	Earnings available for distribution	1,190.55	1,181.57
B	Distribution of Earnings to:		
1	Employees as salaries and wages, retirement benefits, Etc.	83.46	62.91
2	Shareholders as dividend		
3	Company as Retained Funds	1,023.03	973.25
4	Government as taxes (specify)	58.02	141.05
5	Exceptional & Extra Ordinary Expenses, if any		
6	Other, If any (Specify)	26.05	4.36
7	Total distribution of earnings	1,190.55	1,181.57



PART D - 4. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

(Rs. In Crores)

Sr	Particulars	Unit	2022-2023	2021-2022
A Financial position				
1	Share capital	Rs.	1,250.05	1,250.05
2	Reserves and surplus	Rs.	1,871.02	1,279.12
3	Long-term borrowings	Rs.	4,628.31	4,682.95
4	(a) Gross assets	Rs.	8,677.51	8,667.61
	(b) Net assets	Rs.	5,887.57	6,313.98
5	(a) Current assets	Rs.	1,165.64	1,938.52
	(b) Less :Current liabilities	Rs.	831.46	1,131.78
	(c) Net current assets	Rs.	334.18	806.74
6	Capital Employed	Rs.	6,671.23	6,884.83
7	Net worth	Rs.	3,121.07	2,529.17
B Financial performance				
1	Value added	Rs.	830.42	1,250.76
2	Net Revenue from Operations of Company	Rs.	1,328.23	1,856.31
3	Profit before Tax (PBT)	Rs.	332.06	803.79
C Profitability ratios				
1	Profit before tax to capital employed (B3/A6)	%	5%	12%
2	Profit before tax to net worth (B3/A7)	%	11%	32%
3	Profit before tax to Value Added (B3/B4)	%	40%	64%
4	Profit before tax to Net Revenue from Operations (B3/B2)	%	25%	43%
D Other Financial Ratios				
1	Debt equity ratio	%	148%	185%
2	Current assets to current liabilities	%	140%	171%
3	Value added to Net Revenue from Operations	%	63%	67%
E Working capital ratios				
1	Raw materials stock to consumption	Months	0.00	0.00
2	Stores and spares to consumption	Months	10.88	9.02



PART D - 5. RELATED PARTY TRANSACTION (for the company as a whole)

Sr	Name of the Related Party	Identification of Related Party	Name of the Product / Service	Nature of Transaction (Sale, Purchase etc.)	Quantity	Transfer Price (Rs)	Amount (Rs Crores)	Normal Price (Rs)	Basis adopted to determine the Normal Price
1	JSW Energy Limited	L74999MH1994PLC077041	Net Expenses Reimbursable Paid	Service Received		9,47,32,905	9.47	9,47,32,905	Any Other Method
2	JSW Energy (Kutehr) Limited	U40101HP2013PLC000345	Sale of Stores & Spares / Materials / Fixed Assets / Services	Sale of Goods	1.00	14,54,946	0.15	14,54,946	Any Other Method
3	JSW Power Trading Company Limited	U40101MH2011PLC212214	Sale of Power/Compensation	Sale of Goods	8,49,90,000	5.66	48.14	5.66	Any Other Method
4	JSW Power Trading Company Limited	U40101MH2011PLC212214	Net Expenses Reimbursable Paid	Service Received		1,41,600	0.01	1,41,600	Any Other Method
5	JSW Steel Limited	L27102MH1994PLC152925	Purchase of Steel from	Purchase of Goods	88.865	70,141	0.62	70,141	Any Other Method
6	JSW Steel Limited	L27102MH1994PLC152925	Net Expenses Reimbursable Paid	Service Received		88,46,566	0.88	88,46,566	Any Other Method
7	JSW IP Holdings Private Limited	U74999MH2014PTC253122	Advertisement/Sponsorship/Brand/ing expense	Service Received		3,35,71,708	3.36	3,35,71,708	Any Other Method
8	Jindal Vidya Mandir	AAATJ1900C	Net Expenses Reimbursable Paid	Service Received		12,56,537	0.13	12,56,537	Any Other Method
9	JayPee Private ITI	AAATJ1900C	Net Expenses Reimbursable Paid	Service Received		12,56,537	0.13	12,56,537	Any Other Method
10	JSW Global Business solution Limited	U74120MH2000PLC129020	Shared Services & Other services	Service Received		2,40,46,694	2.40	2,40,46,694	Any Other Method
11	JSW Foundation	AAATJ0601J	Donation Paid	Service Received		7,47,00,000	7.47	7,47,00,000	Any Other Method
12	JSW Foundation	AAATJ0601J	Net Expenses Reimbursable from	Service Rendered		7,68,075	0.08	7,68,075	Any Other Method



PART D - 6. RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Sr	Particulars	Total Taxable/ Assessable Value (Rs Crores)	CGST duty/VAT/CST, Cess and Other Cst etc. (Rs Crores)	CGST (Rs Crores)	SGST/UTGST (Rs Crores)	IGST (Rs Crores)	Cess (Rs Crores)
	Duties/Taxes Payable						
	Excise Duty						
1	Domestic						
2	Export						
3	Stock Transfers (Nat)						
4	Others, if any						
5	Total Excise Duty (1 to 4)						
6	VAT, CST, Cess etc						
7	Other State Taxes, if any						
	Goods and Service Tax						
8	Outward Taxable Supplies (other than zero rated, F)	20.94		0.12	0.12	3.50	
9	Outward Taxable Supplies (zero rated)						
10	Inward Supplies (liable to Reverse Charge)	10.83		0.08	0.08	1.75	
11	Other Outward Supplies (Nil Rated, Exempted)	1,410.96					
12	Non-GST Outward Supplies						
13	Total GST Payable (8 to 12)	1,442.74		0.20	0.20	5.25	
14	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	1,442.74		0.20	0.20	5.25	
	Duties / Taxes paid (by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be)						
	GST - Input Tax Credit Utilized						
15	CGST / CENVAT			0.00			
16	SGST / UTGST / VAT				0.00		
17	IGST			0.00		1.44	
18	Cess						
19	Transitional Credit						
20	Others, if any, specify						
21	Total Input Tax Credit Utilized (15 to 20)			0.01	0.00	1.44	
22	Payment through Cash Ledger			0.19	0.19	3.81	
23	Total Duties/Taxes Paid (21 + 22)			0.20	0.20	5.25	
	Difference between Taxes Paid and Payable (14 - 23)						
24	Interest/Penalty/Fines Paid						

W. Shal's

Hash Bhatia

Partner

Kishore Bhatia & Associates

Cost Accountants

Date: 13th July 2023

Place: Mumbai



Director/Secretary

Director

Gyanendra K.

Membership/ Din Number

Date: 13th July 2023

ACS 59939

Date: 13th July 2023



KISHORE BHATIA & ASSOCIATES

COST ACCOUNTANTS

701/702, D-Wing, 7th Floor,

Neelkanth Business Park,

Nathani Road, V. V. Nagar (West),

Mumbai-400 086.

Regn. No.: 00294

PART D - 6. RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Sr	Particulars	Total Taxable/ Assessable Value (Rs Crores)	EXCISE duty/VAT/CST, Cess etc. (Rs Crores)	Goods and Service Tax				Cess (Rs Crores)
				CGST (Rs Crores)	SGST/UTGST (Rs Crores)	IGST (Rs Crores)		
	Duties/Taxes Payable							
	Excise Duty							
1	Domestic							
2	Export							
3	Stock Transfers (Net)							
4	Others, if any							
5	Total Excise Duty (1 to 4)							
6	VAT, CST, Cess etc							
7	Other State Taxes, if any							
	Goods and Service Tax							
8	Outward Taxable Supplies (other than zero rated, Nil Rated, Exempted)	20.94		0.12	0.12	3.50		
9	Outward Taxable Supplies (zero rated)							
10	Inward Supplies (liable to Reverse Charge)	10.83		0.08	0.08	1.75		
11	Other Outward Supplies (Nil Rated, Exempted)	1,410.96						
12	Non-GST Outward Supplies							
13	Total GST Payable (8 to 12)	1,442.74		0.20	0.20	5.26		
14	Total Duties / Taxes Payable (5 + 6 + 7 + 13)	1,442.74		0.20	0.20	5.26		
	Duties/ Taxes paid [by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be]							
	GST - Input Tax Credit Utilized							
15	CGST / CENVAT			0.00				
16	SGST / UTGST / VAT				0.00			
17	IGST			0.00		1.44		
18	Cess							
19	Transitional Credit							
20	Others, if any, specify							
21	Total Input Tax Credit Utilized (15 to 20)			0.01	0.00	1.44		
22	Payment through Cash Ledger			0.19	0.19	3.81		
23	Total Duties/Taxes Paid (21 + 22)			0.20	0.20	5.26		
	Difference between Taxes Paid and Payable (14 - 23)							
24	Interest/Penalty/Fines Paid							

Wshatia

Harsh Bhatia
Partner

Kishore Bhatia & Associates

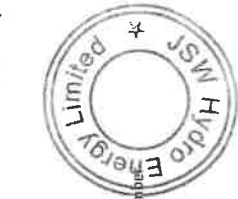
Cost Accountants

Date: 13th July 2023

Place: Mumbai

For JSW Hydro Energy Limited
Director

Director/Secretary



03620109

Din Number

Date: 13th July 2023

KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS701702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nathani Road, Jyeshthar (West),
Mumbai-400 086.

Regn. No.: 00294

JSW Hydro Energy Limited

**COST
AUDIT
REPORT
2023-2024**

**Kishore Bhatia & Associates
Cost Accountants**



FORM-CRA 3

[Pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014]

FORM OF THE COST AUDIT REPORT

We Kishore Bhatia & Associates having been appointed as Cost Auditors under section 148(3) of the Companies Act, 2013 (18 of 2013) of JSW Hydro Energy Ltd having its registered office at Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri, Sholtu, Kinnaur, Himachal Pradesh (hereinafter referred to as the company), have audited Cost Records maintained under section 148 of the said Act, in compliance with the cost auditing standards, in respect of Electricity for the Financial Year 2023-24 maintained by the Company and report, in addition to my observations and suggestions in para 2

Management's Responsibility for the Cost Records

The Company is responsible for preparation of the Cost Records that give a true and fair view of the Cost Sheets & Annexures to the Cost Audit Report in accordance with the Generally Accepted Cost Accounting Principles, including the Cost Accounting Standards as per the Companies (Cost Records & Audit) Rules, 2014 read with its amendments. This responsibility also includes maintenance of adequate cost accounting records in accordance with the provisions of the Act and the Rules for preventing and detecting frauds and other irregularities; selection and application of appropriate Cost accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the cost records, relevant to the preparation and presentation of the Annexures to the Cost Audit Report that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these Cost Records based on our audit.

We have taken into consideration the provisions of the Act, the Cost Accounting and Auditing Standards and the matters which are required to be included in the Cost Audit Report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Cost Auditing as specified under section 148(3) of the Act. Those Standards required that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the cost records are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the cost records. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the cost records, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the cost records that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on whether the Company has in place an adequate internal financial controls system and the operating effectiveness of such controls.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the cost records.

Report on the Legal and Regulatory Requirements

As required by the Companies (Cost Records and Audit) Rules, 2014 read with its amendments we report as under:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- ii. In our opinion, proper cost records, as per rule 5 of the Companies (Cost Records and Audit) Rules, 2014 have been maintained by the Company in respect of the products/services under reference
- iii. In our opinion, proper returns adequate for the purpose of the cost audit have been received from the branches not visited by us
- iv. In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 2013 in the manner so required.
- v. In our opinion the company has a adequate system of internal audit of cost records which to our opinion is commensurate to its nature and size of its business
- vi. In our opinion, information, statements in the annexure to this cost audit report gives a true and fair view of the cost of production of the products/rendering of services, cost of sales, margin and other information relating to the products/services under reference.
- vii. Detailed unit-wise and product/service-wise cost statements and schedules thereto in respect of the product/service under reference of the company are duly audited and certified by us are kept in the company.

2. Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit
None

Dated: this 17th July 2024 at Mumbai

Harsh
Harsh Bhatia
Partner
Kishore Bhatia & Associates
Membership Number - 31166
UDIN: 2431166A1L7W0PCD31

KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS

701/702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nathani Road, Vidyavihar (West),
Mumbai-400 086.

Regn. No.: 00294



PART A - 1. GENERAL INFORMATION

1	Corporate Identity number or foreign company registration number	U40101HP2014PLC000681
2	Name of company	JSW Hydro Energy Limited
3	Address of registered office or of principal place of business in India of company	Sholbu colony, P.O. Tapri, Dist. Kinnaur, Himachal Pradesh 172104
4	Address of corporate office of company	JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai-400051
5	Email address of company	vrushali.karnik@jsw.in
6	Date of start of reporting period	1st April 2023
7	Date of end of reporting period	31st March 2024
8	Date of start of first previous financial year	1st April 2022
9	Date of end of first previous financial year	31st March 2023
10	Level of rounding used in cost statements	Crores
11	Whether Indian Accounting Standards are applicable to the company	Yes
12	Number of cost auditor(s) for reporting period	One
13	Date of board of directors meeting in which annexure to cost audit report was approved	17th July 2024
14	Whether cost auditors report has been qualified or has any reservations or contains adverse remarks	No
15	Consolidated qualifications, reservations or adverse remarks of all cost auditors	None
16	Consolidated observations or suggestions of all cost auditors	Normal Price (DS) & basis adopted to determine the normal price are as provided by the Management and have not been verified/audited by us. Reconciliation of Indirect Taxes for the company as a whole (Para D5) are Prima facie reviewed by us, but detailed Audit of the same has not been carried out by us.
17	Whether company has Related Party Transaction for Sales or Purchase of goods or services	Yes

PART A - 2. GENERAL DETAILS OF COST AUDITOR

1	Whether cost auditor is lead auditor	Yes
2	Category of cost auditor	Firm
3	Firm's registration number	00294
4	Name of cost auditor / cost auditor's firm	Kishore Bhatia & Associates
5	Permanent account number of cost auditor / cost auditor's firm	AALFK4838P
6	Address of cost auditor or cost auditor's firm	701/702, D-Wing, 7th Floor, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai - 400 086
7	Email id of cost auditor or cost auditor's firm	hbhatia@kishorebhatia.com
8	Membership number of member signing report	31166
9	Name of member signing report	Harsh Kishore Bhatia
10	Name(s) of product(s) or service(s) with CETA heading	Electricity (27160000)
11	SRN number of Form CRA-2	F6229S837
12(a)	Number of audit committee meeting(s) during the year for which Cost Auditor was invited	One
12(b)	Number of audit committee meeting(s) attended by cost auditor during year	One
13	Date of signing cost audit report and annexure by cost auditor	17th July 2024
14	Place of signing cost audit report and annexure by cost auditor	Mumbai

Date: 17th July 2024

Place: Mumbai

Kishore Bhatia
 Harsh Bhatia
 Partner
 Kishore Bhatia & Associates
 Membership Number - 31166

KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS

701/702, D-Wing, 7th Floor,
 Neelkanth Business Park,
 Nathani Road, Vidyavihar (West),
 Mumbai-400 086

Regn. No.: 00294



PART A - 3. COST ACCOUNTING POLICY

(1)

Briefly describe the cost accounting policy adopted by the company and its adequacy or otherwise to determine correctly the cost of production / operation, Cost of Sales, Sales Realisation and margin of the product(s) / service(s) under reference separately for each product(s)/Service(s). The policy shall cover, inter alia, the following area :

The Cost Accounting Policy of the Company is:

- 1) To ensure that cost records, inventory valuation and cost of sales measurement comply with GACAP (Generally Accepted Cost Accounting Principles) and CAS (Cost Accounting Standards).
- 2) To ensure that product costs are accurate and developed consistently so as to enable reliable profit-by-product reporting and well-informed decisions about product pricing.
- 3) To ensure that cost accounting practices are in harmony with governing laws and best practices in the industry.

(a)

Disclosure regarding identification of cost centres, cost objects and cost drivers

Cost Centers are properly identified. All costs are predominantly collected cost center wise. Following are the major cost centers.

Generation

Power House cost center:

- a) Power House Others
- b) Transformer
- c) EOT, LIFT
- d) GIS
- e) PLCC System
- f) HVAC System
- g) SCADA System
- h) DACS & PLC System
- i) Diesel DG Sys-PH
- j) Maint. DG Sys-PH
- k) Generator & Auxiliaries
- l) Reactors
- m) Unit Protection Sys
- n) Feeder Protection Sys
- o) POTHEAD YARD
- p) PH-ILLUMINATIONS
- q) PH-Gas-Insulated SG
- r) Power House Others
- s) Runner & Under Water Part
- t) ESP, HOIST, VFD, EOT
- u) Gas Insulated SG (GIS)

Dam/ Barrage Cost center:

- a) Maintenance Roads & Bridges
- b) Civil- DAM
- c) O&M-DAM
- d) O&M-Barrage

Service Cost Centres:

- a) Maintenance DG Sys-Dam
- b) Maintenance DG- Srg shift & In
- c) Mech Workshop Kakastal
- d) Turbine & Auxiliaries
- e) Cooling Water Sys
- f) MECH-COMMON
- g) Mech-TG-Cap Overhaul
- h) Transmission Line 22KV
- i) Ele-Capital Overhaul
- j) Civil- Power House
- k) Camp Maintenance Kuppa
- l) Mech Workshop Kuppa



Admin Cost centre:

- a) Admin - Plant
- b) CSR
- c) Finance & Accounts
- d) Human Resource
- e) Secretarial
- f) Legal
- g) Shimla Office
- h) House Keeping
- i) safety
- j) Security
- k) Temple

The Company provides operation and maintenance services. For this purpose costs are recorded separately and profitability of services is worked out separately.

(b) Disclosure regarding accounting for material cost including packing materials, stores and spares, employee cost, utilities and other relevant cost components

MATERIALS:

Main materials for power generation is water which is available free of cost. Only spares and consumables are being procured for Repair & maintenance. Each purchased item is classified into local and Imported at the time of receipt. In case of goods domestically procured, freight and other incidental charges, and in case of Imported goods, CIF value, Custom Duty, Dock Charges, Clearing & Forwarding Expenses and other incidental charges in respect of imported materials are charged directly to the respective items while recording the landed cost. Since no GST is payable on Electricity, the company is not availing ITC on any inputs. On receipts of goods, goods receipt note (GRN) is prepared and on confirmation from user Department, the material is accounted.

EMPLOYEE COST:

The Company maintains department wise record of each employee. Wage sheets / payroll are prepared on the basis of records maintained by the Human Resource Department. Disbursement of salary & wages is done on a monthly basis. Employee costs are booked cost centre wise.

Employee cost includes salaries, allowances, non-monetary benefits and other benefits under defined contribution plans such as provident fund, etc.

UTILITIES:

Separate Cost Centers for different types of utilities have been created and costs are collected accordingly.

Power

Generally, the Unit meets its power requirements through its own generated electricity. This is termed as Auxiliary consumption and shown separately.

REPAIR & MAINTENANCE:

Separate Cost Centers for Electrical, Mechanical and Civil Maintenance are created. Cost Center-wise details of Depreciation, Employee Cost, Consumables, etc are worked out.

RESEARCH & DEVELOPMENT:

The scope of Research and Development in the product segment is not material.

OVERHEADS:

Indirect expenses are properly analyzed with respect to their nature and use and are classified accordingly into Works overheads, Administration Overheads, and Selling & Distribution overheads. Finance cost is accounted separately.

(c) Disclosure regarding accounting, allocation and absorption of overheads

Indirect Expenses are properly analyzed w.r.t. their nature and use, and same is classified accordingly into Works Overheads, Administration Overheads, and Selling & Distribution Overheads. Depreciation and Finance Cost are accounted separately.

(d) Disclosure regarding accounting for depreciation or amortization



	<p>Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the useful life, rate and residual value notified for accounting purposes by CERC Tariff regulation 2014.</p> <p>Amortisation 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.</p> <p>Assets held under Service concession arrangement are amortised 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.</p> <p>Post 100% tie up of Karcham Wangtoo HEP from 1st April 2018 with state discoms, The company provided depreciation on tangible assets as per the provisions of Part B of Schedule II of the Companies Act, 2013 based on the rates, useful life and residual value notified for accounting purposes by CERC Tariff regulation 2014. Earlier company was providing depreciation based on technical evaluation of useful life and residual value as per the provision of part A of schedule II of the companies act 2013.</p> <p>Depreciation is being calculated annually based on straight line method and at rates specified below which are as per CERC Tariff regulation 2014. Provided that the remaining depreciable value as on 31st March of the year closing after a period of twelve years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.</p>
(e)	<p>Disclosure regarding accounting for by products, joint products and scraps or wastage etc.</p> <p>No by products are generated during the process of generation of electricity</p>
(f)	<p>Disclosure regarding basis of inventory valuation</p> <p>Cost of Inventories Includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, loose tools are stated at lower of weighted average cost and net realizable value.</p>
(g)	<p>Disclosure regarding methodology for valuation of Inter-Unit/inter company and Related Party Transaction</p> <p>Valuation of Related Party Transactions is at Arms Length Price as provided by the Management</p>
(h)	<p>Disclosure regarding treatment of abnormal and non-recurring costs including classification of other non-cost items</p> <p>Abnormal and Non-recurring costs including other non-cost items are treated as items of reconciliation in the Cost Records. These items are excluded from the Cost of production, Cost of sales and Margin of individual product group.</p>
(i)	<p>Disclosure regarding other relevant cost accounting policy adopted by the Company</p> <p>As mentioned in the Audited Financial Statement for FY 2021-22, The Company has recognized revenue of Rs 665.35 crore by writing back true up payable pursuant to an order of Central Electricity Regulatory Commission for true up of the Tariff. This has been shown under Sales in the Cost Audit Report</p>
(2)	<p>Briefly specify the changes, if any, made in the cost accounting policy for the product(s)/ service(s) under audit during the current financial year as compared to the previous financial year.</p> <p>None</p>
(3)	<p>Observation of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.</p> <p>The Company has a well versed system of preparing detailed budget termed as annual business plan. Actual performance is monitored on regular basis. Any variance with the budget is analyzed and explained. Suitable corrective actions are taken for deviation, if any.</p>



PART A - A. PRODUCT/SERVICE DETAILS (For the company as a whole)					
Sr	Name of product(s) or Service(s)	UOM	CETA chapter headings (Whenver applicable)	Whether Covered under Cost Audit (Yes/No)	(Rs. In Crores)
					Net Operational Revenue (net of taxes, duties etc)
					2023-2024
					2022-2023
1	Electrical Energy	KWH	2716 0000	Yes	1,370.03
					1,328.23
	Total Net Operational Revenue of Manufactured Product or Service				
	Other Operating Incomes of the Company				1,370.03
	Total Operating Incomes of Company				1,328.23
	Other Income of company				149.44
	Total Revenue as per Financial Accounts				1,519.47
	(I) Exceptional and Extra Ordinary Income				
	(II) Other Comprehensive Income, if any				
	Total Revenue Including Exceptional, Extra Ordinary & Other Comprehensive Income, if any				312.63
	Turnover as per Excise / GST Records				1,419.05
					1,252.62
					1,431.90

Note: Explain the difference, if any, between Turnover as per Annual Accounts & Turnover as per Excise / GST records

- 1) Other Income, part of Finance Turnover, but not Included under Turnover as per GST Records
- 2) Rebates, True-up provision and such other entries which are part of Finance Turnover but not part of GST Records



PART B - 1. QUANTITATIVE INFORMATION (For each Product with CETA heading Separately)

Name of product		Electrical Energy	
CETA heading		2716 0000	
Unit of measurement		KWH	

Sr	Particulars	2023-2024	2022-2023
1	Available Capacity		
(a)	Installed Capacity	11,81,44,80,000	11,67,31,20,000
(b)	Capacity enhanced during the year, if any		10,90,80,000
(c)	Capacity available through leasing arrangements , if any		
(d)	Capacity available through loan license / third parties		
(e)	Total available Capacity	11,81,44,80,000	11,78,22,00,000
2	Actual Production		
(a)	Self manufactured	4,94,91,39,440	5,63,67,53,690
(b)	Produced under leasing arrangements		
(c)	Produced on loan license / by third parties on job work		
(d)	Total Production	4,94,91,39,440	5,63,67,53,690
3	Production as per Excise / GST Records	4,94,91,39,440	5,63,67,53,690
4	Capacity Utilization (In-house)	41.89%	47.84%
5	Finished Goods Purchased		
(a)	Domestic Purchase of Finished Goods		
(b)	Imports of Finished Goods		
(c)	Total Finished Goods Purchased		
6	Stock and Other Adjustments		
(a)	Change In stock of Finished Goods		
(b)	Self / Captive Consumption (incl. samples etc.)	3,63,55,576	4,16,43,159
(c)	Other Quantitative Adjustments, if any (wastage etc.)	(63,73,63,385)	(67,33,74,605)
(d)	Total Adjustment	(67,37,18,961)	(71,50,17,764)
7	Total Available Quantity for Sale [2(d)+ 5('c) + 6(d)]	4,27,54,20,479	4,92,17,35,926
8	Actual Sales		
(a)	Domestic Sales of Product	4,27,54,20,479	4,92,17,35,926
(b)	Domestic Sales of Traded Product		
(c)	Export Sale of Products		
(d)	Export Sale Traded products		
(e)	Total Quantity Sold	4,27,54,20,479	4,92,17,35,926



PART B - 2. Abridged Cost Statement (for each product with CETA heading separately)						
Name of Product CETA Heading		Electrical Energy				
Unit of measurement		KWH				
Year		2716 0000				
2023-2024	Production	Finished Goods Purchased	Finished Stock Adjustment	Capitive Consumption	Other Adjustment	Quantity Sold
2022-2023	4,94,91,39,140			3,63,55,576	(63,75,63,385)	4,27,54,20,479
	5,63,67,53,690			4,16,75,159	(67,33,74,693)	4,92,17,95,926

Sno	Particulars	2023-2024		Rate per Unit (Rs.)	2022-2023	
		Amount (Rs Crores)	Rate per Unit (Rs.)		Amount (Rs Crores)	Rate per Unit (Rs.)
1	Material Consumed (Specify details as per Para 2A)					
2	Process Materials/ Chemicals					
3	Utilities (Specify details as per 2B)					
4	Direct Employees	4.13	0.01		4.08	0.01
5	Direct Expenses	49.72	0.10		47.28	0.08
6	Consumable Stores and Spares					
7	Repairs and Maintenance	12.92	0.03		13.09	0.02
8	Quality Control Expenses	27.89	0.06		27.55	0.05
9	Research and Development Expenses					
10	Technical Knowhow Fee / Royalty					
11	Depreciation / Amortization	435.44	0.88		433.11	0.77
12	Other Production Overheads	36.03	0.07		26.25	0.05
13	Industry Specific Operating Expenses (Specify details as per Para 2C)					
14	Total (1 to 13)	566.12	1.14		556.35	0.99
15	Increase/Decrease in work-in-progress					
16	Less: Credits for Recoveries, if any					
17	Primary Packing Cost					
18	Cost of Production / Operations (14+15 to 17)	566.12	1.14		556.35	0.99
19	Cost of Finished Goods Purchased					
20	Total Cost of Production and Purchases (18+19)	566.12	1.14		556.35	0.99
21	Increase/Decrease in Stock of Finished Goods					
22	Less: Self/Captive Consumption (incl. Samples, etc.)	4.13			4.08	
23	Other Adjustments (if any)					
24	Cost of production / operations of Product Sold (20 + 21 to 23)	561.99	1.31		552.28	1.12
25	Administrative Overheads	80.99	0.19		72.83	0.15
26	Secondary Packing Cost					
27	Selling and Distribution Overheads					
28	Cost of Sales before Interest (24 to 27)	642.98	1.50		625.11	1.27
29	Finance Charges and Funding Charges	270.62	0.63		391.31	0.60
30	Cost of Sales (28 to 29)	913.60	2.14		1,016.42	2.07
31	Net Sales Realization (Net of Taxes and Duties)	1,270.03	3.20		1,328.23	2.70
32	Margin (Gross/loss) as per Cost Accounts (24-30)	457.03	1.07		911.81	0.63



2A. Details of Materials Consumed									
Name of Product		Electrical Energy 2716 0000							
CETA heading		2023-2024				2022-2023			
Sr	Description of material	Imp/local /captive	Unit	Quantity	Rate (Rs)	Amount (Rs Crores)	Quantity	Rate (Rs)	Amount (Rs Crores)
a									
b									
c									
d									
e									
f									
g									
h									
i									
j									
Total Cost of Material Consumed									

2b. Details of Utilities Consumed									
Name of Product			Electrical Energy 2716 0000						
CETA heading			2023-2024			2022-2023			
Sr No	Description of utilities Consumed		Unit	Quantity	Rate (Rs)	Amount (Rs Crores)	Quantity	Rate (Rs)	Amount (Rs Crores)
a	Auxiliary Power Generation - turbines		Mus	85.98	11,36,154	4.13	41.84	9,78,784	4.08
b									
c									
d									
e									
Total Utility						4.13			4.08

2C. Details of Industry Specific Operating Expenses						
Name of Product		Electrical Energy				
CETA heading		2716 0000				
Sr No	Description of industry specific operating expenses	2023-2024 Amount	2022-2023 Amount			
a						
b						
c						
d						
Total industry specific operating expenses						



PART D - 1. PRODUCT AND SERVICE PROFITABILITY STATEMENT (for audited products/services)							
		(Rs. In Crores)					
Sr	Particulars	2023-2024			2022-2023		
		Sales	Cost of Sales	Margin	Sales	Cost of Sales	Margin
1	Electrical Energy	1,370.03	913.00	457.03	1,328.23	1,016.42	311.81
	Total	1,370.03	913.00	457.03	1,328.23	1,016.42	311.81



PART D - 2. PROFIT RECONCILIATION (for the company as a whole)			
(Rs. In Crores)			
Sr	Particulars	2023-2024	2022-2023
1	Profit or loss as per Cost Accounts		
	(a) For the audited Product(s) / Service(s) :	457.03	311.81
	(b) For the unaudited product(s) / Service(s) :	-	-
2	Add : Incomes not considered in cost accounts (specify details)		
a)	Interest Income on Bank deposits	17.62	12.47
b)	Interest Income on other financial assets	2.93	1.31
c)	Net Gain on sale of investments	36.68	28.82
d)	Miscellaneous Income	2.18	1.61
e)	Net Gain on disposal of property, plant and equipment	0.05	-
f)	Net gain on foreign currency transaction	0.00	0.01
g)	Provision no longer required written back	9.15	-
h)	Interest Income on Loans	-	2.08
	Total Incomes not considered in cost accounts	68.61	46.30
3	Less : Expenses not considered in cost accounts (specify details)		
a)	CSR Expenses	9.00	7.42
b)	Property, Plant and equipment written off	0.00	0.00
c)	Bad Debt Written Off	-	7.76
d)	Foreign Exchange Fluctuations	-	0.03
e)	Voluntary Retirement Scheme	-	0.66
f)	Revaluation Gain/Loss on foreign currency transaction	6.68	10.13
g)	Donation	1.00	-
	Total Expenses not considered in cost accounts	16.69	26.05
4	Difference in Valuation of stock between Financial accounts & Cost accounts		
5	Other adjustments, if any		
6	Profit (loss) as per Financial Accounts (excluding other comprehensive income for companies following Ind AS)	508.94	332.06



PART D - 3. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)			
(Rs. In Crores)			
Sr	Particulars	2023-2024	2022-2023
A	Value Addition:		
1	Revenue from Operations	1,370.03	1,328.23
2	Less: Taxes and other duties		
3	Net Revenue from Operations	1,370.03	1,328.23
4	Add : Export incentives		
5	Add/ Less: Adjustment in Stocks		
6	Less : Cost of bought out inputs		
(a)	Cost of materials consumed		
(b)	Process materials/ chemicals		
(c)	Consumption of Stores and Spares	13.22	14.30
(d)	Utilities (e.g. Power and Fuel)	432	3.75
(e)	Other, If any	443.65	479.76
	Total cost of bought out inputs	461.19	497.81
7	Value added	908.84	830.42
8	Add: Income from any other sources	149.44	47.50
9	Add: (i) Exceptional and Extra Ordinary Income		
	(ii) Other Comprehensive Income, If any	(100.42)	312.63
10	Earnings available for distribution	957.85	1,190.55
B	Distribution of Earnings to:		
1	Employees as salaries and wages, retirement benefits, Etc.	95.78	83.46
2	Shareholders as dividend		
3	Company as Retained Funds	756.46	1,023.03
4	Government as taxes (specify)	88.92	58.02
5	Exceptional & Extra Ordinary Expenses, if any		
6	Other, If any (Specify)	16.69	26.05
7	Total distribution of earnings	957.85	1,190.55



PART D - 4. FINANCIAL POSITION AND RATIO ANALYSIS (for the company as a whole)

(Rs. In Crores)				
Sr	Particulars	Unit	2023-2024	2022-2023
A	Financial position			
1	Share capital	Rs.	1,250.05	1,250.05
2	Reserves and surplus	Rs.	2,195.44	1,871.02
3	Long-term borrowings	Rs.	4,304.76	4,628.31
4	(a) Gross assets	Rs.	8,693.85	8,677.51
	(b) Net assets	Rs.	5,467.25	5,887.57
5	(a) Current assets	Rs.	1,017.49	1,165.64
	(b) Less :Current liabilities	Rs.	547.39	831.46
	(c) Net current assets	Rs.	470.10	334.18
6	Capital Employed	Rs.	6,079.55	6,671.23
7	Net worth	Rs.	3,445.49	3,121.07
B	Financial performance			
1	Value added	Rs.	908.83	830.42
2	Net Revenue from Operations of Company	Rs.	1,370.03	1,328.23
3	Profit before Tax (PBT)	Rs.	508.94	332.06
C	Profitability ratios			
1	Profit before tax to capital employed (B3/A6)	%	8%	5%
2	Profit before tax to net worth (B3/A7)	%	15%	11%
3	Profit before tax to Value Added (B3/B4)	%	56%	40%
4	Profit before tax to Net Revenue from Operations (B3/B2)	%	37%	25%
D	Other Financial Ratios			
1	Debt equity ratio	%	125%	148%
2	Current assets to current liabilities	%	186%	140%
3	Value added to Net Revenue from Operations	%	66%	63%
E	Working capital ratios			
1	Raw materials stock to consumption	Months	0.00	0.00
2	Stores and spares to consumption	Months	11.97	10.88



PART D - 5. RELATED PARTY TRANSACTION (for the company as a vendor)

Sr.	Name of the Related Party	Identification of Related Party	Name of the Product / Service	Nature of Transaction (Sale, purchase etc.)	Quantity	Transfer Price (Rs)	Amount (Rs Crores)	Normal Price (Rs)	Basis adopted to determine the Normal Price
1	JSW Energy Limited	U74999MH1994PLC077041	Net Expenses Reimbursable from / (paid to)	Service Received		(9,68,64,269)	(9.67)	(9,68,64,269)	Any Other Method
2	JSW Power Trading Company Limited	U40101MH2011PLC212214	Sale of Power/Compensation	Sale of Goods	81.98 Mus	42,07,70,108	42.06	42,07,70,108	Any Other Method
3	JSW Power Trading Company Limited	U40101MH2011PLC212214	Net Expenses Reimbursable from / (paid to)	Service Received		(1,41,600,00)	(0.01)	(1,41,600,00)	Any Other Method
4	JSW Steel Limited	L27102MH1994PLC152925	Purchase of Steel from	Purchase of Goods	187.74 MT	1,22,71,656	1.23	1,22,71,656	Any Other Method
5	JSW Steel Limited	U27102MH1994PLC152925	Net Expenses Reimbursable from / (paid to)	Service Received		(1,54,89,003)	(1.55)	(1,54,89,003)	Any Other Method
6	JSW IP Holdings Private Limited	U74999MH2014PTC253122	Advertisement/Sponsorship/Brand mg expense	Service Received		3,54,54,634	3.55	3,54,54,634	Any Other Method
7	Jindal Vidya Mandir	AAATJ1900C	Net Expenses Reimbursable from / (paid to)	Service Received		(48,29,436)	(0.48)	(48,29,436)	Any Other Method
8	Jaypee Private IT	AAATJ1900C	Net Expenses Reimbursable from / (paid to)	Service Received		(24,61,715)	(0.25)	(24,61,715)	Any Other Method
9	JSW Global Business solution Limited	U74120MH2009PLC129020	Shared Services & Other services	Service Received		3,42,07,580	3.42	3,42,07,580	Any Other Method
10	JSW Foundation	AAATJ0601J	Donation Paid	Service Received		9,00,11,000	9.00	9,00,11,000	Any Other Method
11	JSW Foundation	AAATJ0601J	Net Expenses Reimbursable from / (paid to)	Service Received		7,15,025	0.07	7,15,025	Any Other Method
12	JSW Energy PSP Two Limited	U40106MH2021PLC367136	Sale of Old & Used Furnitures	Sale of Goods		22,070	0.00	22,070	Any Other Method



PART D - 6. RECONCILIATION OF INDIRECT TAXES (for the company as a whole)

Sr	Particulars	Total Taxable/ Assessable Value (Rs Crores)	duty/VAT/CST, Cess after (other than (Rs Crores)	Goods and Service Tax			Cess (Rs Crores)
				CGST (Rs Crores)	SGST/UTGST (Rs Crores)	IGST (Rs Crores)	
1	Duties/Taxes Payable						
2	Excise Duty						
3	Domestic						
4	Export						
5	Stock Transfers (Net)						
6	Others, if any						
7	Total Excise Duty (1 to 4)						
8	VAT, CST, Cess etc						
9	Other State Taxes, if any						
10	Goods and Service Tax						
11	Outward Taxable Supplies (other than zero rated, if	5.57		0.08	0.08	0.84	
12	Outward Taxable Supplies (zero rated)						
13	Inward Supplies (liable to Reverse Charge)	18.92		0.09	0.09	3.16	
14	Other Outward Supplies (Nil Rated, Exempted)	1,247.06					
15	Non-GST Outward Supplies						
16	Total GST Payable (8 to 12)	1,271.54		0.17	0.17	4.01	
17	Total GST Payable (5 + 6 + 7 + 13)	1,271.54		0.17	0.17	4.01	
18	Duties/Taxes paid by Utilisation of Input Tax Credit and Payment through Cash Ledger, as the case may be						
19	IGST - Input Tax Credit Utilised						
20	IGST / CENVAT			0.00			
21	SGST / UTGST / VAT			0.00			
22	IGST			0.05	0.05	0.72	
23	Cess						
24	Transitional Credit						
25	Others, if any, specify						
26	Total Input Tax Credit Utilised (15 to 20)			0.05	0.05	0.72	
27	Payment through Cash Ledger			0.12	0.12	3.29	
28	Total Duties/Taxes Paid (21 + 22)			0.17	0.17	4.01	
29	Difference between Taxes Paid and Payable (14 - 23)						
30	Interest/Penalty/Fines Paid						

For JSW Hydro Energy Limited
Director

Director/Secretary

Withd.

Harish Bhatia
Partner
Kishore Bhatia & Associates
Cost Accountants
Date: 17th July 2014
Place: Mumbai



KISHORE BHATIA & ASSOCIATES
COST ACCOUNTANTS
701/702, D-Wing, 7th Floor,
Neelkanth Business Park,
Nathan Road, Victoria West,
Mumbai-400 086
Regn. No.: 00294

Din Number
Date: 17th July 2014
03620109

ACS -
09939



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VCE



1656



CFSBAL/2020-21/JSWHEL

25.05.2021

TO WHOMSOEVER IT MAY CONCERN

This is to certify that M/s JSW Hydro Energy Limited (formerly Himachal BASPA Power Company Limited) has fully repaid our Term Loan of Rs.57.00 crores & Rs.398.00 crores, bearing account no. 29100600002448 & 29100600002449 respectively, in full and there are NIL dues outstanding against the said facility.

We have 'No Objection' in satisfaction of the charge created against the said facility with the Registrar of Companies.

This Certificate is issued by us at the specific request of the company without incurring any risk, responsibility, liability and/or guarantee on the part of the Bank or any of its officials.

Yours faithfully,


(Gaurav Tarwarkar)
Chief Manager



Corporate Financial Services Branch,
3rd Floor, 10/12 Mumbai Samachar Marg, Fort, Mumbai – 400001
Tel No: 43407317, Email Id: rm4.cfsbal@bankofbaroda.com



1657



LARGE CORPORATE BRANCH		
3rd Floor, 10, Homji Street, Fort, Mumbai- 400 023		
Tel: EPBX: 22662787/22662654	RTGS Code: SYNB0005063	Fax: 22634328
Tel: Direct: 22614626(AGM)	Email:cb15063@canarabank.com	

Ref. No. 104/15063/JSWHEL/2021

Date: 07.06.2021

M/s HSW Hydro Energy Ltd.
JSW Centre,
Bandra Kurla Complex,
Mumbai - 400051

Reg: No dues certificate

This certificate is issued on the specific request of the Company and we confirm that the term loan account of Rs. 750 Crores of the Company with us is closed on 18.05.2021.

In view of the above we give our concurrence for satisfaction of our charge in ROC.

Yours faithfully


Chief Manager




04.06.2021

CBI:CFB:JSWHEL:2021-22:246

1658

JSW Hydro Energy Limited
(formerly Himachal Baspa Power Company Limited)
Karcham-Wangtoo H. E. Project
Sholtu Colony, P O. Tapri, District - Kinnaur
Himachal Pradesh - 172104

Reg: M/s.JSW Hydro Energy Limited-No due certificate for prepayment of Term loans sanctioned by our Bank and satisfaction of charge.
Ref: Your letters dated 12.05.2021.

With reference to your request for prepayment of balance outstanding of term loan of Rs.463.51 crore of your Karcham project and term loan of Rs.32.32 crore of your Baspa project, we advise that the aforesaid term loans sanctioned to the Company by our bank, have been fully repaid/liquidated.

No.	Term loan account no.	Project	Limit sanctioned	Charge ID
1	3494434852	Karcham	Rs.597 crore	10625905
2	3494455023	Baspa	Rs.86 crore	10625902

This No Due Certificate may be used to satisfy the charge in ROC against the above charge ID.

(A.K.MIDHA)

ASST. GENERAL MANAGER



इंडियन बैंक



Indian Bank

इलाहाबाद

ALLAHABAD

Large Corporate Branch Mumbai

210, मित्तल टावर, "बी" विंग
नरीमन पोईंट, मुंबई- 400 021.

E-mail lcbmumbai@indianbank.co.in

Website – www.indianbank.in

210, Mittal Tower, "B" Wing,
Nariman Point, Mumbai – 400 021

Phone : 022 – 40178000

LCB:MUM:CR:JSWHEL _215 / 2021-22

09/06/2021

M/s. JSW Hydro Energy Limited,
JUIT Complex,
Waknaghat, P.O. Dumehar Bani,
District Solan, Himachal Pradesh,
Kandaghat – 173215

Dear Sir,

NO OBJECTION CERTIFICATE

With reference to your request to issue NOC for satisfaction of the charge, we have to advise that your company has repaid the entire outstanding principal along with interest and as on date there are no dues/liability outstanding against the aforesaid Term Loans.

Facility	Account No	Sanctioned Limit	First Disbursement Date	Closure Date	Charge ID number
TL – I (e-AB)	50303090013	398.00	13/10/2015	19/05/2021	10625905
TL – II (e-AB)	50303047115	57.00	13/10/2015	19/05/2021	10625902

This is for your information and doing the needful for satisfaction of charge with ROC for the said Term Loan accounts.

Yours faithfully,

Deputy General Manager (BM)





Extra Large Corporate Branch

Maker Tower E-Wing, Ground Floor, Cuffe Parade,
Mumbai-400 005
Tel: 022-22180752; Fax-2218 0402/8451,
Email-bo2175@pnb.co.in

1660

Date:15.06.2021

JSW Hydro Energy Limited
(Formerly Himachal Baspa Power Company Limited)
Karcham-Wangtoo H.E. Project
Sholtu Colony , P.O. Tapri- 172104
District : Kinnaur (H.P.)

Reg: No Dues Certificate in A/c. M/s JSW Hydro Energy Limited Ltd

With respect to Term Loan No.217500IC00005314(Baspa II Hydro Electric Project), We have to advise that your company has repaid the entire outstanding principal along with interest and as on date there are no dues/liability outstanding against the aforesaid Term Loans.

Banks	T L A/c Number	TL Amount Rs. Crs.
Punjab National Bank	217500IC00005314	47.00

We therefore request you to please file satisfaction of charge with ROC for the above foresaid term loan.

This certificate is issued upon your specific request.

Yours faithfully,


(Authorised Signatory)
Punjab National Bank





Together We Shall Lead "The PARIVARTAN"

Extra Large Corporate Branch

Maker Tower E-Wing, Ground Floor, Cuffe Parade, Mumbai-400 005

Tel: 022-22180752; Fax-2218 0402/8451,

Email-bo2175@pnb.co.in

Date:15.06.2021

JSW Hydro Energy Limited
(Formerly Himachal Baspa Power Company Limited)
Karcham-Wangtoo H.E. Project
Sholtu Colony , P.O. Tapri- 172104
District : Kinnaur (H.P.)

1661

Reg: No Dues Certificate in A/c. M/s JSW Hydro Energy Limited Ltd

With respect to Term Loan No.217500IC00005323(Karcham-Wangtoo Hydro Electric Project), We have to advise that your company has repaid the entire outstanding principal along with interest and as on date there are no dues/liability outstanding against the aforesaid Term Loans.

Banks	T L A/c Number	TL Amount Rs. Crs.
Punjab National Bank	217500IC00005323	317

We therefore request you to please file satisfaction of charge with ROC for the above foresaid term loan.

This certificate is issued upon your specific request.

Yours faithfully,

(Authorised Signatory)
Punjab National Bank





भारतीय स्टेट बैंक
भारतीय स्टेट बैंक
STATE BANK OF INDIA

1662

JSW Hydro Energy Ltd,
JSW Centre,
Bandra Kurla Complex,
Mumbai 400 051.

Tel: 022-61709631
Fax: 022-61709630
Email: agmamt3.cagbkc@sbi.co.in

CAG-BKC/AMT-3/2021-22/73

Date: 29.05.2021

Dear Sir,

JSW Hydro Energy Ltd (erstwhile Himachal Baspa Power Company Limited)
Satisfaction of Charge

With reference to your request, we advise that the following Term Loans sanctioned to the company by us, have been fully repaid/liquidated.

S No.	Term Loan A/C No.	Charge ID	Limit Sanctioned (Rs.in crores)
1.	35250656397	10625902	503.00
2.	35250405784	10625905	3497.00

This No Due Certificate may be used to satisfy the charge in ROC against the above Charge ID.

Your Faithfully

Asst. General Manager
& Relationship Manager (AMT-3)



1663

Ref No. AXISB/CBB-MUM/DM/2021-22

Date: June 5, 2021

To,

JSW Hydro Energy Ltd,
Karcham-Wangtoo H. E. Project Sholtu Colony, P. O. Tapri Sholtu Kinnaur
Himachal Pradesh 172104

Dear Sir,

Sub: JSW Hydro Energy Ltd - No dues certificate

This is to confirm that the term loan limits amounting Rs. 239.00 crores for Karcham Project and Rs 34.00 Crores for Baspa Project have been repaid in full and there are no dues outstanding as on date.

We have no objection in SBICAP Trustee Company Limited satisfying the charge with ROC created on our behalf.

The above certificate does not preclude the rights of the Bank to proceed against the borrower in respect of its liability on any other account or transaction or dealing with bank.

Yours faithfully,

For Axis Bank Limited,


Corporate Banking Branch, Mumbai



AXIS BANK LTD.
CORPORATE BANKING BRANCH
12 - MITTAL TOWER,
A - WING, 1ST FLOOR,
NARIMAN POINT,
MUMBAI - 400021

CCSUANDHEI: Axis Bank Ltd, Corporate Credit Service Unit- Andheri Senorita, Plot No 21,
Gulmohar Road, Near Juhu Circle, Vile Parle (West), Mumbai, MH-400049

Registered Address: "Trishul" - 3rd Floor, Opp. Samartheswar Temple, Near Law Garden,
Ellisbridge, Ahmedabad - 380006. Telephone No.: 079-26409322 Fax No.: 079-26409321
CIN: L65110GJ1993PLC020769 Website: www.axisbank.com



AXIS BANK



JSW HYDRO ENERGY LIMITED
 (Formerly Himachal Baspa Power Company Ltd)
 Karcham-Wangtoo H. E. Project
 Sholtu Colony, PO. Tapri - 172104
 District Kinnaur (Himachal Pradesh)
 Phone : 9816507000, 7807861255
 Fax : 01786-261258
 CIN : U40101HP2014PLC000681

1661

23rd July 2021

PTC India Limited,
 2nd Floor, NBCC Tower
 15 Bhikaji Cama Place
 New Delhi – 110066

Kind Attention: Mr. Hiranmay De

Subject: Takeover of INR loans by Foreign currency loans and its hedging by JSW Hydro Energy Ltd.

Reference: i) Power Purchase Agreement dated 21.3.2006
ii) Regulation 68 & 69 of the CERC Tariff Regulations 2019

Dear Sir,

This has reference to the Karcham Wangtoo PPA dated 21.3.2006 with PTC India Ltd. for a total capacity of 880 MW. The multi year tariff (MYT) for the period 2014-2019 was approved by the Hon'ble CERC on 30.3.2017.

During current tariff control period 2019-2024, our Company has refinanced its all INR loans with foreign currency loans of USD 707 Millions (Green Bonds), depicted in **Annexure 1**. It may be appreciated that existing INR loans carrying interest rate of 8.28% p.a. has been refinanced with forex loans having interest rate of 4.125% p.a.

Amur






JSW HYDRO ENERGY LIMITED

(Formerly Himachal Baspa Power Company Ltd)

Karcham-Wangtoo H. E. Project
Sholtu Colony, P.O. Tapri - 172104
District Kinnaur (Himachal Pradesh)

Phone : 9816507000, 7807861255

Fax : 01786-261258

CIN : U40101HP2014PLC000681

1865

Further to minimize the foreign currency fluctuation risk, we have hedged our foreign currency future outgoings as detailed in **Annexure 1**. The cost incurred for hedging the said forex future outgoings is @ 3.6565% p.a., which would be claimed on annual basis in terms of Tariff Regulation 68 & 69 of the CERC Tariff Regulations 2019.

We understand that loan interest rates prevailing in current finance industry is at its bottom and shall be taking upward trend in future. We have done this refinancing with a fixed rate of interest as well as fixed rate of forex hedging.

From the aforesaid, it may be observed that the refinancing done by way of forex loans is and shall be beneficial to all the beneficiaries. A brief statement is enclosed herewith in **Annexure 2**.

We are also enclosing herewith the hedging policy adopted by the Company and a brief statement on the Green bond funding.

Kindly acknowledge and feel free to get the clarification on the subject.

Thanking you

For JSW Hydro Energy Limited

Anurag Agarwal

Assistant General Manager (F&A)



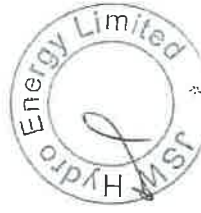
Part of O.P. Jindal Group

Corporate Office : JSW Centre,
BandraKurla Complex, Bandra (E),
Mumbai - 400 051.
Ph. : 022 - 4286 1000

Amt. USD mio		250		150		157		150		707	
Credit Suisse		3.65		3.66		3.66		3.66		3.66	
Payment date		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike	
11/18/2021		73.04		73.03		73.03		73.03		73.03	
05/18/2022		73.04	74.5	73.03	76.04	73.03	76.9	73.03	75.58	73.03	74.9638
11/18/2022		73.04	76	73.03	76.84	73.03	76.74	73.03	77.4	73.03	76.6761
05/18/2023		73.04	77.5	73.03	76.62	73.03	80.45	73.03	78.24	73.03	76.3821
11/18/2023		73.04	78.76	73.03	80.46	73.03	82.38	73.03	80.95	73.03	79.9671
05/18/2024		73.04	80.5	73.03	82.53	73.03	84.34	73.03	82.88	73.03	81.8531
11/18/2024		73.04	82	73.03	84.44	73.03	86.2	73.03	84.84	73.03	83.6399
05/18/2025		73.04	83.75	73.03	86.35	73.03	88.02	73.03	86.2	73.03	86.3655
11/18/2025		73.04	85.25	73.03	88.28	73.03	90.14	73.03	88.02	73.03	87.0957
05/18/2026		73.04	87	73.03	90.44	73.03	92.29	73.03	90.54	73.03	89.1782
11/18/2026		73.04	88.75	73.03	92.7	73.03	94.99	73.03	92.79	73.03	91.2313
05/18/2027		73.04	96	73.03	94.99	73.03	96.5	73.03	96.5	73.03	95.6492
11/18/2027		73.04	96	73.03	96.5	73.03	97.5	73.03	98.05	73.03	96.6205
05/18/2028		73.04	98	73.03	97.5	73.03	100	73.03	100	73.03	98.7624
11/18/2028		73.04	98	73.03	100	73.03	100	73.03	100	73.03	99.2928
05/18/2029		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2029		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2030		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2030		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2031		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000

Amt. USD mio		150		157		150		150		707	
Deutsche		3.66		3.66		3.66		3.66		3.66	
Payment date		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike	
11/18/2021		73.03		73.03		73.03		73.03		73.03	
05/18/2022		73.03	76.9	73.03	76.06	73.03	76.9	73.03	75.58	73.03	74.9638
11/18/2022		73.03	76.74	73.03	76.84	73.03	76.74	73.03	77.4	73.03	76.6761
05/18/2023		73.03	80.45	73.03	80.46	73.03	82.38	73.03	80.95	73.03	76.3821
11/18/2023		73.03	82.38	73.03	82.53	73.03	84.34	73.03	82.88	73.03	79.9671
05/18/2024		73.03	84.34	73.03	84.44	73.03	86.2	73.03	84.84	73.03	81.8531
11/18/2024		73.03	86.2	73.03	86.35	73.03	88.02	73.03	86.2	73.03	83.6399
05/18/2025		73.03	88.02	73.03	88.28	73.03	90.14	73.03	88.02	73.03	86.3655
11/18/2025		73.03	90.14	73.03	90.44	73.03	92.29	73.03	90.54	73.03	87.0957
05/18/2026		73.03	92.29	73.03	92.7	73.03	94.99	73.03	92.79	73.03	89.1782
11/18/2026		73.03	94.99	73.03	94.99	73.03	96.5	73.03	96.5	73.03	91.2313
05/18/2027		73.03	96.5	73.03	96.5	73.03	97.5	73.03	98.05	73.03	95.6492
11/18/2027		73.03	97.5	73.03	97.5	73.03	100	73.03	98.05	73.03	96.6205
05/18/2028		73.03	100	73.03	100	73.03	100	73.03	100	73.03	98.7624
11/18/2028		73.03	100	73.03	100	73.03	100	73.03	100	73.03	99.2928
05/18/2029		73.03	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2029		73.03	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2030		73.03	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2030		73.03	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2031		73.03	100	73.03	100	73.03	100	73.03	100	73.03	100.0000

Amt. USD mio		250		150		157		150		707	
Barclays		3.65		3.66		3.66		3.66		3.66	
Payment date		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike		BUY USD CALL INR Put Strike	
11/18/2021		73.04		73.03		73.03		73.03		73.03	
05/18/2022		73.04	74.5	73.03	76.04	73.03	76.9	73.03	75.58	73.03	74.9638
11/18/2022		73.04	76	73.03	76.84	73.03	76.74	73.03	77.4	73.03	76.6761
05/18/2023		73.04	77.5	73.03	76.62	73.03	80.45	73.03	80.95	73.03	76.3821
11/18/2023		73.04	78.76	73.03	80.46	73.03	82.38	73.03	82.88	73.03	79.9671
05/18/2024		73.04	80.5	73.03	82.53	73.03	84.34	73.03	84.84	73.03	81.8531
11/18/2024		73.04	82	73.03	84.44	73.03	86.2	73.03	86.2	73.03	83.6399
05/18/2025		73.04	83.75	73.03	86.35	73.03	88.02	73.03	88.02	73.03	86.3655
11/18/2025		73.04	85.25	73.03	88.28	73.03	90.14	73.03	90.54	73.03	87.0957
05/18/2026		73.04	87	73.03	90.44	73.03	92.29	73.03	92.79	73.03	89.1782
11/18/2026		73.04	88.75	73.03	92.7	73.03	94.99	73.03	96.5	73.03	91.2313
05/18/2027		73.04	96	73.03	94.99	73.03	96.5	73.03	98.05	73.03	95.6492
11/18/2027		73.04	96	73.03	96.5	73.03	97.5	73.03	98.05	73.03	96.6205
05/18/2028		73.04	98	73.03	97.5	73.03	100	73.03	100	73.03	98.7624
11/18/2028		73.04	98	73.03	100	73.03	100	73.03	100	73.03	99.2928
05/18/2029		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2029		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2030		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
11/18/2030		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000
05/18/2031		73.04	100	73.03	100	73.03	100	73.03	100	73.03	100.0000



1666

JSW Hydro Energy Ltd - Karcham Wangtoo

Annexure 2

Rs. In Lakhs

	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Interest calculation on earlier INR Loans						
Net Normative loan - Opening *	1,47,772	1,12,225	76,108	39,794	3,352	
Add: Increase due to addition during the year / period	838	309	130	-	-	
Less: Decrease due to de-capitalisation during the year / period	-	-	-	-	-	
Less: Decrease due to reversal during the year / period	36,384	36,426	36,443	36,443	3,352	
Add: Increase due to discharges during the year / period	-	-	-	-	-	
Net Normative loan - Closing	1,12,225	76,108	39,794	3,352	-	
Average Normative loan	1,29,998	94,167	57,951	21,573	1,676	
Weighted average Rate of Interest **	8.280%	8.280%	8.280%	8.280%	8.280%	
Interest on loan	10,764	7,797	4,798	1,786	139	80,088

Interest calculation on new Forex Loans

Net Normative loan - Opening *	1,47,772	1,12,225	76,108	39,794	3,352	
Add: Increase due to addition during the year / period	838	309	130	-	-	
Less: Decrease due to de-capitalisation during the year / period	-	-	-	-	-	
Less: Decrease due to reversal during the year / period	36,384	36,426	36,443	36,443	3,352	
Add: Increase due to discharges during the year / period	-	-	-	-	-	
Net Normative loan - Closing	1,12,225	76,108	39,794	3,352	-	
Average Normative loan	1,29,998	94,167	57,951	21,573	1,676	
Weighted average Rate of Interest	4.125%	4.125%	4.125%	4.125%	4.125%	
Interest on loan	5,362	3,884	2,390	890	69	67,401
Saving in interest cost	5,401	3,913	2,408	896	70	12,688
Hedging cost @ 3.6565% p.a. (recoverable from Beneficiary)	-4,753	-3,443	-2,119	-789	-61	-11,166
Prepayment charges on old loan 1% (pro-rata to normative loans)	-1,478	-	-	-	-	-1,478
Net gain / loss	-830	469	289	8	8	45

* Extract of Form no. 13A of the MYT petition filed for 2019-24

** Current ROI and loans prepaid (May'21)

Banks / Financial Institutions	O/s Loan	Reference Rate	* Applicable		
			MCLR	Spread	RoI
Axis Bank Ltd.	184.89	SBI 1 Year MCLR	7.25%	0.85%	8.10%
Bank of Baroda (Vijaya)	284.62	SBI 1 Year MCLR	7.25%	0.85%	8.10%
Canara Bank (Syndicate)	463.94	SBI 1 Year MCLR	7.25%	0.85%	8.10%
Central Bank of India	463.45	SBI 1 Year MCLR	7.25%	0.85%	8.10%
Indian Bank (Allahabad)	309.06	SBI 1 Year MCLR	7.25%	0.85%	8.10%
Punjab National Bank	236.21	SBI 1 Year MCLR	7.25%	0.85%	8.10%
State Bank of India	2,847.85	1 Year MCLR	7.25%	1.15%	8.40%
Total Karcham	4,790.01				8.28%

FOREIGN EXCHANGE RISK MANAGEMENT POLICY

JSW HYDRO ENERGY LIMITED



FOREWORD

As India's economy further integrates with the global economy, global events affecting major currencies and interest rates have an impact on India also, in some cases almost immediately. JSW Energy is thus exposed to the above risks in course of its business impacting margins. Hence, there is a need to identify, measure and mitigate risks arising at various stages from various segments of business.

The forex and derivatives Risk management policy addresses the above concerns with the focal point being risk mitigation with operational flexibility to make use of a variety of risk-management instruments so as to minimize hedging costs and achieve the desired objectives. This also enables us to enhance financial efficiency by grasping the opportunities presented by the market with limited risk



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POLICY ON FOREX EXPOSURE MANAGEMENT**I. SALIENT FEATURES****A. Risk Management Policy (Forex):**

1. To identify, monitor and manage the exposures efficiently to control the risks arising out of foreign exchange rate fluctuations in the Company's overall perspectives.
2. To define the risk characteristics of various types of exposures.
3. To set-up reliable benchmark rates to guide exposure management from the purview of minimizing the currency risks on the revenue and capital category of exposures.
4. To narrate the internal policy guidelines to achieve efficiency in currency risk management.
5. To ensure Compliance with guidelines related to hedging laid down by RBI and other regulatory authorities.
6. To form a Forex Risk Management Committee (FRMC) to be in place to institutionalize the exposure management process and to supervise and control the operations of Forex Treasury.

B. Risk Management Policy (Derivatives):

1. To provide guidelines to minimize the adverse impact of exchange rates and interest rates on Company's operations.
2. To guide the operations by way of fixing suitable limits to cap the potential risk on exposures and to establish maximum control standards.
3. To provide guidance for selection of appropriate hedging instruments in relation to the internal benchmark rates fixed for the long-term currency and rate exposures.
4. To outline the application of derivative transactions.
5. To provide guidance on risk quantification, risk control and risk mitigation strategies.



II. BACKGROUND

A Foreign exchange exposure arises from any transaction undertaken in which any element of the pricing or settlement is linked to the value of a foreign currency. Exposures may arise out of imports, loans, royalty, dividends, equity infusion or any other transaction that involves exchange risk. Hence, it is important that exposures are recognized and managed in a way to control the risk arising out of foreign exchange rate fluctuations in the Company's overall perspectives.

JSW Hydro Energy Limited (the Company) is in the process of raising funds by way of US Dollar bond. Such funds shall be exposed to foreign exchange fluctuations and in order to protect the Company against foreign exchange fluctuations, the Company proposes to hedge the same.

The Company, therefore, faces the challenge to manage the fluctuation in foreign exchange market arising out of depreciation/appreciation of US Dollar vis-à-vis Indian Rupee. Hence, it is important that a Foreign Exchange Risk Management Policy should be in place.

III. OBJECTIVES

A. Forwards

- To identify foreign exchange risks.
- To minimize adverse impact of exchange rates on operations.
- To have effective control standards.
- To provide guidelines for operations.
- To report risks appropriately and indicate efficiency of operations.

B. Derivatives

- To identify the currency and interest rate risks.
- To minimize the adverse impact of exchange rates and interest rates on operations.
- To establish maximum control standards.
- To provide guidelines for operations.
- To report risks appropriately and indicate efficiency of operations.



IV. ORGANIZATION STRUCTURE

A. Board of Directors

The forex policy guidelines shall become operative from the date of approval of the policy by the Board. The Board shall periodically review the foreign exchange risk management performance. The Board shall also approve the instruments and activities appropriate to the foreign exchange risk management and delegate broad risk monitoring responsibility to the Chief Financial Officer.

The Board shall specifically authorize a list of officials, who can negotiate and execute the transactions with Banks and authorize them to sign the necessary documents to fulfill the requirement of Banks.

The Chief Financial Officer (CFO) will oversee and review the implementation of the overall Forex operations of the Company with the Treasury team at periodic intervals. They will ensure that the risk management practices are compliant with the objectives and framework detailed out in this policy.

B. Finance Department (Forex) and other office related divisions:

The department shall comprise of front office & back office for foreign exchange operations.

i) Front Office: The front office shall be responsible for foreign exchange management and hedging function, overseeing and ensuring that effective risk management and control practice are in place. Additionally, the Front Office would be responsible for execution of hedging strategies based on the total exposure of foreign exchange. Front Office has the responsibility to manage foreign exchange exposures and undertake hedging activities in line with the corporate objective and to comply with the policy and procedure. The Front Office would be responsible for day to day transaction and decision implementation.

ii) Back Office:

- a. Back office primary responsibilities are to capture exposure, record, confirm, reconcile and settle the transactions, verify positions, prepare and update the management reports and foreign exchange MIS.
- b. Back Office has the responsibility to effect the settlements and utilization of funds in foreign currency.



- c. Back office has the responsibility to review and monitor foreign exchange risk management and hedging activities and in compliance with the policy. This includes daily review of positions versus defined benchmark and risk limits.
- iii) Accounts Department: Responsible for recording foreign exchange transaction and settlement in books of accounts as per the accounting standard.
- iv) Internal Audit: Responsible for monitoring and compliance with respect to specific risk control, measurement process and compliance with the foreign exchange risk management policy.
- v) Import Department: Import Department must ensure that all information related to and incidental to Foreign Exchange Risk Management is informed to the Finance Department (Forex) on an immediate basis.

C. Forex Advisor:

The Forex Advisor, if any, would be foreign exchange risk management consultant experts.

The Role of Forex Advisor :

- a. Assisting FRMC in having better understanding of the market scenario and its future forecast and providing inputs/views to assist FRMC and forex team in taking hedging decisions.
- b. Advising FRMC and forex team on management of JSW Energy Foreign exchange exposure based on company's risk, reward profile and nature of business.
- c. Participating in company's monthly FRMC meeting.
- d. Visit the Company on fortnight basis to discuss the emerging issues.
- e. Advising FRMC and forex team on use of suitable derivative instruments.
- f. Informing any changes in the regulations and accounting aspects relating to foreign exchange transaction.



V. RISK CHARACTERISTICS:

In the normal course of business, the Company is exposed to the following risks, which need to be hedged through appropriate hedging instruments:

- Interest rate risk on the long-term foreign currency liabilities, denominated in US Dollar and other currencies.

The risks arise on account of:

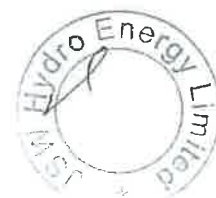
- ECB and other long-term borrowings in US Dollar and other currencies.
- Other miscellaneous receipts and payments in US Dollar and other currencies.

VI. TENOR

In view of volatility in the exchange rates and wild two-way movements seen in the past in the exchange rate within a shorter-time frame of 1 to 2 months, it is desirable to restrict the tenor of hedges to not more than 3 months (revenue account) and depending on the market outlook, FRMC may decide on the tenor of hedges up to 1 year or complete hedge as the case may be depending on market liquidity and nature of risk.

VII. BENCHMARK RATES:

- **Budgeted Benchmark Rate:** The rate which is used by the Company while preparing monthly/quarterly/annual budgets. This exchange rate is the base of deciding budgeted margins of foreign exchange exposures. It is the exchange rate budgeted or presumed by import department at the beginning of the budgeted period.
- **Market Benchmark Rate:** This rate is the market determined forward rate as on the date of recognizing the foreign exchange exposure. It is addition of spot rate and forward available for the settlement of the exposure. Each contract transaction will be benchmarked individually, once the benchmark has been set, it will be used as a reference rate for measuring the performance. Sport rate may be the RBI reference rate of that day.



Any proposal for derivative structures shall be considered only if the benchmark rates and near-perfect hedge requirements are fulfilled and the management shall have the discretion to decide on the hedges depending upon the market outlook and other relevant factors.

FRMC decision should be taken in view of the underlying benchmarks. At times, finance department may incur additional costs / opportunity losses, which exceed the present benchmark rate or the spot rate as on due date because of any untowards circumstances which results in the view taken on a currency hedging strategy turning out to be incorrect. It is advisable that all hedging decision are well supported and backed by its underlying objective and adequate documentation to provide necessary explanation to the management.

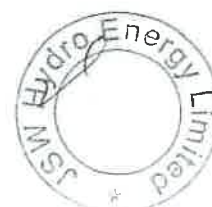
VIII. DERIVATIVE TRANSACTIONS

The hedging of currency risk on loan servicing through the forward contract route is generally restricted to a tenor upto 1 year. Derivative products comfortably provide currency and interest rate hedges for longer tenors subject to availability of underlying exposures. The derivative transactions are generally used to mitigate the currency and rate risks on the long-term forex assets and liabilities of the Company. No derivative transactions can be entered into without prior approval from FRMC.

A. INTEREST RATE RISK MANAGEMENT:

The Committee shall review the interest rate exposures on external commercial borrowings of the Company and suggest appropriate hedging strategies aiming towards cost reduction. The hedging tools are to be selected appropriately to crystallize the benefit of cost reduction. The following factors shall be considered for interest rate risk management of long term foreign currency liabilities:

- i. Monitoring of interest rate movements in major currencies.
- ii. Diversification of currencies currency-related strategies.
- iii. Interest rate swaps interest related strategies.
- iv. Availability of counterparty limits for undertaking transactions.



B. CRITERIA FOR SELECTION OF DERIVATIVE TRANSACTIONS:

- i. To achieve good risk-reward profile.
- ii. Short-term tenor to avoid tenor risk.
- iii. Conservative approach.
- iv. Product segmentation to spread the product risk.
- v. Scenario analysis.
- vi. To avoid leveraged transactions.
- vii. To attain perfect hedge against the underlying exposure/s.

C. TYPES OF DERIVATIVE TRANSACTIONS:

- i. Swaps (Domestic/Foreign currency)
 - Domestic currency-indexed interest rate swaps (INBMK, OIS etc).
 - Principal Only Swap (POS)
 - Coupon Only Swap (COS) – Fixed / Floating interest rate
 - Full Currency Swap (FCS) – Fixed / Floating interest rate
 - Cross Currency Swaps (CCS)
 - Interest rate swaps (IRS)
 - Caps, floors and collars.
- ii. Options
 - Plain vanilla Currency Options
 - Zero cost Options (Range Forward Option contracts)

D. APPLICATION OF DERIVATIVE TRANSACTIONS:

- i. Foreign currency and domestic-currency options to minimize the currency risk on USD & non-USD currencies.
- ii. Swapping domestic-currency liabilities into US Dollar through POS, COS or FCS.
- iii. Interest rates swaps to reduce the cost on long-term debts and to mitigate the upside risk on the interest rates in USD & non-USD currency borrowings.
- iv. Cross-currency swaps on a back-to-back basis for principal & interest liabilities to reduce the cost on long-term foreign currency borrowings.



E. POTENTIAL EXPOSURE:

- i. Sensitivity analysis is to be made before undertaking any derivative transaction, to estimate the potential exposure under various scenarios.
- ii. Views of other banks shall be sought to justify our decision-making process.
- iii. Evaluation of MTM Gain or Loss on derivative transactions to be made on a daily basis.

F. RISK QUANTIFICATION:

- i. Quantify the risk under each product segment.
- ii. Benefits derived/ potential upside under one type of transactions to be used to neutralize any downside risk on other transaction types.

G. RISK MITIGATION STRATEGIES:

- i. To restructure the transactions prior to happening of any adverse movement in the currency/interest rates, by assigning probabilities to various scenarios.
- ii. Though the perfect hedge requirements are pre-requisite before execution of any transaction/s, unwinding of the transaction/s completely to guard from large potential losses remains an option for risk mitigation purposes.

H. RISK CONTROL:

- i. Aggregate of outstanding derivative transactions shall not exceed 25% of the aggregate of outstanding loan and interest.
- ii. Aggregate of outstanding derivative transactions on revenue exposure shall not exceed 25% of the outstanding revenue exposure.
- iii. Adherence to the prudential limits fixed by the Company.
- iv. Periodically evaluate the MTM position on outstanding derivative transactions.
- v. Unwinding of transactions at the appropriate time to minimize the losses.
- vi. Restructuring of transactions if required, to protect from bigger downside risks shall be based on views and market developments from time to time.

I. REPORTING TO MANAGEMENT:

The currency and interest rate movements shall be monitored on a pro-active basis and the MTM position and potential risks faced by the Company, as per the currency/rate



scenario & forecast shall be reported to the management on a weekly basis. The performance of derivative hedges shall be reviewed in the monthly FRMC Meeting.

IX. INTERNAL POLICY GUIDELINES:

1. The company's expenditures are predominantly invoiced in United States Dollar (USD). Where the supplier insists on alternative currency, such a currency will be restricted to major traded currencies of USD, GBP, EUR, JPY and CAD (G5 Nations). Any changes in the authorized currencies are to be approved by the FRMC. The import/commercial department should have prior consultation with the finance department (Forex) before signing/accepting the order in any currency other than the above mentioned or approval currencies.
2. Exposure will be considered for hedging by finance department (forex) as soon as it has been reported, using the authorized instrument/strategies.
3. The unhedged exposures segregated currency-wise and category-wise (revenue or capital categories) in monthly buckets for each calendar quarter within the one-year period, are required to be evaluated periodically to determine the notional loss or gain on the exposures. The results of exposure evaluation shall facilitate and guide the hedging decisions appropriately. The notional gains/losses on exposure evaluation correspond to exchange rate differential (positive or adverse) between the benchmark rates and market rates for various maturity-wise exposures.
4. Finance Department (Forex) will not keep outstanding hedging position that results in exposing the company to risk beyond the risks limits as specified by FRMC. Booked Profit/Losses (against the benchmark) and mark to market profits/losses, on underlying exposures yet to expire, will be used to monitor.
5. Finance Department will ensure that all exposures and hedges shall be assigned respective benchmarks and risk limits. These hedges shall be valued separately and cost/benefits of the same are reported and shown separately in reporting to the FRMC.
6. All outstanding exposures will be marked to market on a regular basis for risk management purposes. Back Office will use consistent method to quantify the Foreign exchange Risk and evaluate the position of exposures and hedges.



7. The rates for the deal should be verified with the other screen like Reuter, Tickerplant or Newswire, while finalizing the exchange rate at the time of buying the currency.
8. Front Office responsible for deal execution will record the transaction details on dealing date in the dealing register.
9. Back Office to confirm all hedging transaction with the relevant counter party independently of those responsible for dealing i.e. Front Office.
10. Deals must be conducted in the market, when it is open for regular trading. Dealings after trading hours are not allowed with the counter party unless permitted by FRMC.
11. All the foreign currency and rate exposures will be managed using instruments permitted under the exchange control guidelines.
12. Cancellation of hedged exposures and swaps may be allowed with the approval of the FRMC.
13. Booking and cancellation of third currency forward contracts and cross currency options are permitted, even where the currency of hedge is different from the currency of the underlying exposure.
14. Cost reduction structures are also permitted to ensure add-on-value to the underlying trade and capital category of exposures.
15. Hedges will be permitted only against underlying exposures. The hedge position shall at no time be in excess of the outstanding foreign exchange exposure.
16. Trading and speculative derivatives transactions are strictly prohibited. The company shall not indulge in any derivative transactions that cannot be associated with underlying exposures.
17. Impact of all exchange rate fluctuations should be reported in the monthly MIS reports presented to the Management for their review.
18. Accounting treatment for exchange fluctuations and the resultant gains or losses should be accounted according to the requirements of Accounting Standard released by the ICAI as applicable.

X. REGULATORY COMPLIANCE:

As per the RBI guidelines on risk management, the Banks are required to ensure that the Board of Directors of the corporate has drawn up a risk management policy, laid down clear



guidelines for concluding the transactions and institutionalized the arrangements for a periodical review of operations and annual audit of transactions to verify compliance with the regulations.

The CFO shall ensure that the treasury activities are within the scope of guidelines issued by the various regulatory bodies like RBI, FEDAI, SEBI and other relevant bodies. The Treasury shall not use any financial instrument or undertake any activity that is explicitly prohibited by the statutory or regulatory bodies.

XI. MANAGEMENT REPORTING

Foreign exchange reporting will be done on a daily, monthly, quarterly, semi annually basis both internally (to Head Finance/Treasury) and externally (to the FRMC and Board).

Reports:

- Daily to Head Finance/Treasury
- Monthly to FRMC
- Quarterly to FRMC and Board
- Semi annually and annually to FRMC and Board

MIS reports to be presented to the Board:

- Summary of Review of Quarterly FRMC meeting.
- Major new initiatives being taken or under consideration.
- Key exchange rate forecasts and developments in foreign exchange market.
- Compliance with foreign exchange risk management policies including foreign exchange exposure and hedge cover percentage, exception reports (if any), analysis of hedging position taken.



JSW Hydro Energy Ltd.**I. Bond details:**

Issuer: JSW Hydro Energy Limited
 Status: Senior Secured Green Notes
 Format : USD 144 A/ Reg S Issue
 USD 707,000,000 Tenor 10NC5 (WAL ~7.12Y)
 Pricing Date: 10 May 2021
 Maturity Date: 18 May 2031

Call Schedule & Period Redemption Price:

18 May 2026 (Par + Coupon /2)	&	May 18, 2026 to May 17, 2027	102.063 per cent.
18 May 2027 (Par + Coupon /4)	&	May 18, 2027 to May 17, 2028	101.031 per cent.
18 May 2028 (Par + Coupon /8)	&	May 18, 2028 to May 17, 2029	100.516 per cent.
18 May 2029 onwards (Par)	&	May 18, 2029 and thereafter	100 per cent.

USD/INR conversion rate: 73.03
 Date of Conversion: 18th May 2021

II. Challenges and Risk:

Challenges are broadly classified as below:

a. Bond – Funding

1. To refinance after 10 years – 53% of the issue is payable at the end of 10 years.
2. To have callable options after 5 years - Gives issuer the ability to repay earlier (INR borrowing was prepaid and replaced by USD borrowing much before maturity).

b. Hedging Challenges:

1. 5-year Callable bond – uncertainty of the underlying for the full 10 years.
2. The underlying is a 10-year bond with an average maturity of 7.12 years.
3. Market for hedging is active upto 3 years, reasonably active upto 5 years. Beyond that period (5 years), liquidity is very thin. The curve is not well defined. The bid-offer spread quoted by banks are very wide. 2 reputed banks out of 7 who helped us raise the bonds refused to give us hedge lines for period beyond 5 years stating their inability to quote for that tenor.
4. Full currency swaps are very expensive and also takes into account that USD/INR will depreciate to that extent. While Hedging using any options may reduce the overall cost but will have a tail risk. This will flow through the P&L.
5. Shorter duration hedge has a roll over risk.

III. Company Hedging guidelines:

1. The Company would like to be hedged appropriately at all times
2. Choosing an appropriate hedging strategy should be based on the structure and the risk cover it provides.



3. Any defined risks (eg. Rollover risks – hedge 5 yrs and roll over /mismatch of maturity 7.12 yrs instead of 10 yrs) should be minimal or mitigated.
4. Even after the hedge is undertaken, it's important to keep assessing the hedge and the underlying and to take appropriate action accordingly.
5. Under the current structure deferred payment of MCS is allowed, but the company should hedge the same if there is a mismatch, using appropriate hedging structure.

IV. Commitment:

Hedge coupon and principal using call spreads (spot to ATMF – at the money forward).

V. Hedging Strategy

- a. Hedge action- Use Call spreads:
 1. For the first 5 years, use Call spreads from spot to ATMF- as it is well defined, liquid and the market is reasonably discoverable.
 2. Due to market liquidity and uncertainty premium of longer tenor –
Hedge beyond 5 years using call spread (not necessarily forward)
- b. Monitoring:
 1. Hedge undertaken for the tenor upto 5 years to be monitored regularly. Any additional hedge, if needed, should be taken to reduce the volatility in the P&L.
 2. Monitor and increase the hedge cover at the end of 5 years for the remaining tenor of the underlying, as the visibility on both the bond underlying (callable) and liquidity of the hedge improves. This is to reduce the P&L impact and cover the Fx risk appropriately. 5yr x 10yr hedge can be undertaken even during the first 5 years, if there is clear visibility of P&L impact due to Fx movement. Monitor hedging of 5yrs x 10 yrs on a rolling basis.
 3. If any MCS payment that is missed out should be re-hedged, additional hedges must be taken using short term forwards to reduce the P&L impact due to forex fluctuation.

VI. Monitoring committee:

A committee of 4 members should meet regularly and asses the risk. Views from various Banks may be sought at regular intervals. Committee consists of:

- i. JSW Energy CFO – Mr. Pritesh Vinay
- ii. JSW Hydro CFO – Sanjeev Kango
- iii. JSW Energy Finance Head – Shashi Johnson
- iv. JSW Energy, VP Finance – Bikash Chowdhury





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JSW Hydro Energy Limited
(formerly Himachal Baspa Power Company Limited)
Karcham-Wangtoo H. E. Project
Sholtu Colony, P. O. Tapri - 172104
District Kinnaur (Himachal Pradesh)
CIN : U40101HP2014PLC000681
Phone: +91 9816507000, 9805002039
Fax : 01786-261258

7.12.2021

M/S. PTC India Ltd.
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place,
New Delhi -110066

Kind attention: Mr. H. L. Chaudhary

Sub: Take over on INR loans by foreign currency loans and its hedging by JSW Hydro

- Ref: i) Power Purchase Agreement dated 21.3.2006
ii) Regulation 68 & 69 of the CERC Tariff Regulations 2019
iii) Our earlier letter on the subject dated 23.7.2021
iv) Your letter no. PTC/Comml/JSWHEL/2392 dated 1.12.2021

Dear Sir,

This has reference to your aforesaid letter wherein few queries are raised on the subject. We submit herewith issue wise reply, as under:

1. The basis, documentary evidence and computation of interest rate of 4.125% p.a. (proposed interest rate)

The detailed terms and conditions of the Senior Secured Notes is enclosed herewith for your kind perusal, wherein we can see the rate of interest fixed @ 4.125% p.a. for next 10 years and by that time normative loans shall be closed.

2. Financial benefit to UPPCL considering the proposed currency exchange rate

Since we have executed these Senior Secured Notes at a time, when borrowing cost in the country as well as globally, is very low, we have ensured saving in loan interest cost by freezing it at this lowest point.



Part of O.P.Jindal Group





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Any inflation in interest rates in the future shall have Nil impact on the borrowing cost / Tariff.

Hon'ble Commission through its Tariff regulations, also desires that every generator/transmission licensee should reduce the interest cost by way of re-financing, where ever possible.

3. Expected Hedging cost to be incurred in future.

The Hedging cost shall be incurred to secure the fluctuation in the currency exchange rates. The said hedging cost is also fixed for next 10 years @ 3.6565% p.a. (as intimated in our earlier letter) and same shall be claimed in the ratio of normative loans as per Tariff order approved by Hon'ble CERC.

Hope the above clarifies your queries on the subject. We would be glad to answer further queries, if any.

Thanking You,
Your Sincerely,

For JSW Hydro Energy Limited
(formerly Himachal Baspa Power Company Limited)

Anurag Agarwal
Deputy General Manager (F&A)

Encl.: Executed version of Terms and condition of Senior Secured Notes



TERMS AND CONDITIONS OF THE NOTES

The following, subject to modification and other than the words in italics is the text of the terms and conditions of the Notes which will appear on the reverse of each of the definitive certificates evidencing the Notes:

The Issuer may be required to obtain the prior approval of the Reserve Bank of India or the relevant designated authorized dealer bank, as the case may be, in accordance with the ECB Guidelines (as defined below), before effecting any redemption of the Notes prior to the Maturity Date (as defined below) and such approval may not be forthcoming.

The issue of the U.S.\$707,000,000 4.125 per cent. Senior Secured Notes due 2031 (the “Notes”) by JSW Hydro Energy Limited (the “Issuer”) was authorized by a resolution of the board of directors of the Issuer passed on March 25, 2021 and by a resolution of the shareholders of the Issuer passed on April 3, 2021. The Notes are constituted by a Trust Deed (as amended and/or supplemented from time to time, the “Trust Deed”) dated on or about May 18, 2021 (the “Closing Date”) between the Issuer and DB Trustees (Hong Kong) Limited (the “Trustee” which expression shall include the initial Trustee and all persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the holders of the Notes. These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Copies of the Trust Deed, the Agency Agreement dated the Closing Date relating to the Notes between the Issuer, the Trustee, Deutsche Bank Trust Company Americas as principal paying agent (the “Principal Paying Agent”), as registrar (the “Registrar”) and transfer agent (the “Transfer Agent”) (as amended and/or supplemented from time to time, the “Agency Agreement”), and the Intercreditor Agreement between the Issuer and the Security Trustee (as defined below), the Trustee and the Hedge Counterparties (as defined below) are available at all reasonable times during normal business hours (being between 9:30 a.m. and 3:30 p.m., Monday to Friday (except public holidays)) from the Trustee (being at the Closing Date at Level 60, International Commerce Center, 1 Austin Road West, Kowloon, Hong Kong) and the Principal Paying Agent following prior written request and proof of holding satisfactory to the Trustee or, as the case may be, the Principal Paying Agent and subject in each case to each of the Trustee and the Principal Paying Agent having been provided by the Issuer with copies of those documents to which it is not a party.

The Principal Paying Agent, the Registrar and the Transfer Agent together with any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Notes are collectively the “Agents”. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, Intercreditor Agreement, and the other relevant documents relating to the Notes and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalized terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed. For the purposes of these Conditions, unless otherwise specified, “Business Day” means a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business and settlement of U.S. dollar payments in Singapore, Mumbai, Hong Kong, New York and (if surrender of the relevant Certificate is required) the relevant place of presentation.

1 Amount of Notes, Covenant to Pay, Form, Specified Denomination and Title

1.1 Covenant to Pay

The Issuer shall on any date when any Notes become due to be redeemed in accordance with these Conditions unconditionally pay or procure to be paid to or to the order of the Trustee in U.S. dollars in immediately available funds the principal amount of the Notes becoming due for redemption on that



date and will (subject to these Conditions) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Notes outstanding as set out in these Conditions, *provided* that payment of any sum due in respect of the Notes made to or to the order of the Principal Paying Agent as provided in the Agency Agreement shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Noteholders under these Conditions. The Trustee will hold the benefit of this covenant on trust for the Noteholders.

1.2 Form and denomination

The Notes are issued in registered form in a minimum denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (referred to as the “**principal amount**” of each Note). A note certificate (each a “**Certificate**”) will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer shall procure to be kept by the Registrars (the “**Register**”), and, save as provided in Condition 2.1, each Certificate shall represent the entire holding of Notes by the same holder.

1.3 Title

Title to the Notes passes only by registration in the Register. The registered holder of any Note will (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or the theft or loss of the Certificate issued in respect of it) (other than a duly executed transfer thereof in the form endorsed thereon), and no person will be liable for so treating the holder of the Notes. The registered holder of a Note will be recognized by the Trustee as entitled to his Note free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Note.

The Trustee may call for and shall be at liberty to accept and place full reliance on (as sufficient evidence thereof and shall not be liable to any Noteholder or any other person by reason of either having accepted as valid or not having rejected) an original Note Certificate or for so long as the Notes are represented by the Global Certificates, a letter of confirmation, certificate, report or any other information purporting to be signed or provided on behalf of DTC or any other relevant clearing system to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular aggregate face amount of Notes credited to his securities account.

In these Conditions, “**Noteholder**” and, in respect of any Note, “**holder**” mean the person in whose name a Note is registered.

Upon issue, the Notes offered outside the United States in reliance on Regulation S of the Securities Act will be represented by a Unrestricted Global Certificate registered in the name of a nominee of, and deposited with, a custodian for, DTC and the Notes offered within the United States to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A of the Securities Act will be represented by a Restricted Global Certificate registered in the name of, and deposited with a custodian for, DTC.

These Conditions are modified by certain provisions contained in the Unrestricted Global Certificate and the Restricted Global Certificate. See “Global Certificates”.

Except in the limited circumstances described in the Global Certificates, owners of interests in Notes represented by the Global Certificates will not be entitled to receive definitive Certificates in respect of their individual holdings of Notes. The Notes are not issuable in bearer form.



2 Transfers of Notes

2.1 Transfer

Subject to Condition 2.4 and Condition 2.5 and the provisions of the Agency Agreement, a Note may be transferred in whole or in part (but in any event in principal amounts of at least U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof) by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed (together with any other evidence as the relevant Registrar or any Transfer Agent may require), at the specified office of the relevant Registrar or any Transfer Agent.

Transfers of interests in the Notes evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

For a description of certain restrictions on transfers of interests in the Notes, see "Subscription and Sale" and "Transfer Restrictions".

2.2 Delivery of new Certificates

Each new Certificate to be issued pursuant to Condition 2.1 shall, within seven business days of receipt by the relevant Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate (together with any other evidence as the relevant Registrar or any Transfer Agent may require), be mailed by uninsured mail at the risk of the holder entitled to the new Certificate to the address specified in the form of transfer unless such holder requests otherwise and pays in advance to the relevant Registrar or the relevant Transfer Agent (as the case may be) the costs of such other method of delivery and/or such insurance it may specify.

Except in the limited circumstances described herein, owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within seven business days of receipt by the relevant Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail (at the cost of the Issuer) at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the register of Noteholders or as specified in the form of transfer.

In this Condition 2.2, "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in the place of the specified office of the relevant Registrar or the relevant Transfer Agent (as the case may be).

2.3 Formalities free of charge

Registration of a transfer of Notes will be effected without charge by or on behalf of the Issuer or any Agent but upon payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any Agent may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, premium (if any) or interest on that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for



redemption by the Issuer at its option pursuant to Condition 6.2 or Condition 6.4, or (iii) after any such Note has been called for redemption.

2.5 Regulations

All transfers of Notes and entries on the register of Noteholders will be made subject to the detailed regulations concerning a transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrars and the Trustee, and by the Registrars, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (at the cost of the Issuer and free of charge to the Noteholder) by the relevant Registrar to any Noteholder who requests one in writing and provides proof of holding satisfactory to the relevant Registrar.

3 Status and Security

3.1 Status

The Notes constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and will rank at all times *pari passu* without any preference among themselves and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. See *"Risk Factors — Risks Related to the Notes — The Security is only required to be created and perfected within 180 days of the Closing Date or later, and failure to properly create, perfect, and register the Security Interests securing the Notes could impair the ability of the Noteholders to seek repayment"*.

3.2 Security

3.2.1 The Notes will be secured to the extent of the Security that will be created under the Security Documents that are to be executed (i) in the case of the security to be created and perfected under Condition 3.2.2 below, within 180 days of the Closing Date (the **"Initial Security Longstop Date"**) and (ii) in the case of the security to be created and perfected under Condition 3.2.3, in accordance with the timing set out in Condition 3.2.3.

3.2.2 The following security will be created and perfected on or prior to the Initial Security Longstop Date:

- (a) a first ranking *pari passu* pledge over 51 per cent. (fifty one per cent) of equity shares of the Issuer (**"Pledged Shares"**) held by JSW Energy Limited and other shareholders and a negative pledge over the remaining 49 per cent. (forty nine per cent) of equity shares of the Issuer held by JSW Energy Limited and other shareholders (as part of the contractual undertaking in the share pledge agreement);
- (b) a first ranking *pari passu* charge over the Project Accounts (save and except for the Distribution Account);
- (c) a first ranking *pari passu* charge over all movable assets (tangible and intangible) and current assets of the Issuer, including, but not limited to, movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature both present and future, in relation to the Projects;
- (d) a first ranking *pari passu* charge over all revenues from the Projects including book debts and operating cash flows, both present and future; and
- (e) a first ranking *pari passu* charge over the rights, title and interest of the Issuer under the PPAs and clearances pertaining to the Projects (to the extent capable of assignment).



provided that, the security created under Conditions 3.2.2 (c) to (e) above in relation to each Project shall secure the payment and discharge of obligations under the Notes in the proportion in which the proceeds from the issuance of the Notes have been utilized in connection with the respective Project.

- 3.2.3 The Issuer will make the necessary applications and give the necessary intimations, as the case may be, within 60 days of the Closing Date for the creation of the Security over the assets mentioned below in this Condition 3.2.3 and such Security will be created and perfected within 120 days from the receipt of consent and /or completion of intimation, as the case may be, from / to relevant Government Authorities and/or any other Person as required:

- (a) a first ranking *pari passu* mortgage over the leasehold and freehold land in respect of each Project by deposit of title deeds by the Issuer in favor of the Security Trustee; and
- (b) a first ranking *pari passu* charge over the rights, title, interest and benefits of the Issuer under the Implementation Agreements.

provided that, the security created under this Condition in relation to each Project shall secure the payment and discharge of obligations under the Notes in the proportion in which the proceeds of the Notes have been utilized in connection with respective Project.

- 3.2.4 The Security as stipulated in this Condition 3.2 will exclude (a) any assets or properties of JSW Kutehr and any other Permitted Subsidiary, and any rights, title, interests, benefits of the Issuer in JSW Kutehr or any other Permitted Subsidiary, including, without limitation, (i) shares of JSW Kutehr and other Permitted Subsidiaries; and (ii) proceeds of Finance Debt extended by the Issuer to JSW Kutehr or any Permitted Subsidiary and any receivables therefrom; (b) the Distribution Account and other bank accounts of the Issuer (other than the Project Accounts) and all the monies lying to the credit of such other account(s), and (c) any leasehold interest in the land parcels admeasuring 6.3552 hectares leased to the Issuer by HPSEB by way of 3 lease deeds, each executed on December 30, 2000.

- 3.2.5 The Security Interest over the Security shall be created on a *pari passu* basis for the benefit of the holders and the Persons extending certain Senior Secured Debt.

- 3.2.6 The Issuer can structure the creation of such Security to be efficient with regard to any applicable stamp duty.

- 3.2.7 The Security Interest over the applicable Security may be released under any one or more of the following circumstances without the consent of any holder or the Trustee:

- (a) in connection with a Change of Control as described under the definition thereof which is undertaken in compliance with Condition 6.3, the release of the Security Interest over the Pledged Shares required to effect such Change of Control *provided that* the first ranking security interest over such shares is re-created in favor of the Security Trustee for the benefit of the holders in the manner and within the timelines specified in the relevant Security Document; and
- (b) in a transaction that complies with the provision of Condition 4.28, the release of the Security Interest over the applicable Security required to effect the applicable transaction.

See "Risk Factors — Risks Relating to the Notes and the Security — The rights over the Security Interests will not be granted directly to holders of the Notes.", "Risk Factors — Risks Relating to the Notes and the Security — The value of the Security may not be sufficient to cover all secured obligations.", "Risk Factors — Risks Relating to the Notes and the Security — Certain assets of



our Company will not constitute Security.” “Risk Factors — Risks Relating to the Notes and the Security — The Security is only required to be created and perfected within 180 days of the Closing Date or later, and failure to properly create, perfect, and register the Security Interests securing the Notes could impair the ability of the Noteholders to seek repayment.”

4 Undertakings

The Issuer undertakes to the Trustee and the Security Trustee that:

4.1 Accounts

The Issuer shall provide to the Trustee and the Security Trustee:

- 4.1.1 within 90 days after the close of each Financial Year, copies of the audited Standalone Accounts in respect of that Financial Year with any statements, reports (including any auditors' reports (as applicable)) and notes attached to, or intended to be read with, any of them; and
- 4.1.2 within 90 days after the close of the first six-month period of each Financial Year, copies of unaudited but reviewed Standalone Accounts in respect of that period.

4.2 Form of Accounts

The Issuer must ensure that each set of Standalone Accounts supplied by it under Condition 4.1 gives a true and fair view of the standalone financial condition of the Issuer as at the applicable date to which those Accounts were drawn up and of the results of its standalone operations during such period.

4.3 Compliance Certificate

Together with each set of Standalone Accounts provided under Condition 4.1, the Issuer shall provide a Compliance Certificate to the Trustee and the Security Trustee which sets out:

- 4.3.1 the aggregate amount that the Issuer is entitled to transfer to the Distribution Account in accordance with the Operating Account Waterfall as at the relevant Calculation Date;
- 4.3.2 the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date and calculations thereof;
- 4.3.3 the Funds From Operations to Net Debt ratio for the Calculation Period ending on the relevant Calculation Date and calculations thereof;
- 4.3.4 if any amounts have been received by the Issuer pursuant to an Equity Cure, details of the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date (i) without taking into account the Equity Cure and (ii) after taking into account the Equity Cure, and in each case, with calculations thereof;
- 4.3.5 if any amounts have been spent by the Issuer by way of Capital Expenditure, details of the amount utilized, the use of proceeds of such amounts, whether such amounts were funded by funds in the Distribution Account and, if so, the quantum of such funds;
- 4.3.6 the cash balance in each of the Project Accounts as at the relevant Calculation Date;
- 4.3.7 the MCS Amounts paid by the Issuer up to (and including) the relevant Calculation Date, and the amounts (if any) of shortfall in the payment of any MCS Amount;
- 4.3.8 if any New Injection amounts have been received for the purposes of paying any MCS Amount due, details of the amount utilized and the timing of any amounts utilized; and



- 4.3.9 if any amounts have been paid in respect of True-Up Liabilities, details of the amount utilized and the timing of any amounts utilized;

and shall include a confirmation by the Issuer that, to the best of its knowledge (having made due enquiry), no Default subsists or, if a Default subsists, setting out the nature of the Default and providing details as to the corrective actions that the Issuer has taken or proposes to take in respect of it.

The Trustee and the Security Trustee shall not be obliged to monitor compliance with this Condition 4.3 or to track receipt by the Noteholders, the Security Trustee and/or the Trustee of any Compliance Certificate as contemplated in this Condition 4.3 or to review any Compliance Certificate provided hereunder or to check or verify the information or calculations contained in or annexed to any such Compliance Certificate as is referred to in this Condition 4.3 or to ensure that the information in any such Compliance Certificate or other document meets the requirements of, or covers each of the line items specified in, Condition 4.3, or to review or check any information contained in any set of Standalone Accounts attached to or delivered with any Compliance Certificate as is referred to in this Condition 4.3, and the Trustee and the Security Trustee may rely conclusively and without any investigation on any such Compliance Certificate and any attachment thereto or document delivered with such Compliance Certificate and on each set of Standalone Accounts and each other document as aforesaid, as the case may be, and the Trustee and the Security Trustee shall not be responsible or liable to the holders, the Issuer or any other Person for not doing so or for so relying.

4.4 Notification of Default

The Issuer must immediately:

- 4.4.1 notify the Trustee and the Security Trustee in writing if it becomes aware of the occurrence of any Default and the steps, if any, which it proposes to take to remedy it; and
- 4.4.2 within 14 days of any request by the Trustee or the Security Trustee, provide a certificate signed by an Authorized Officer confirming that, to the best of its knowledge (having made due enquiry), no Default subsists or, if a Default subsists, setting out the nature of the Default and providing details as to the corrective actions that the Issuer has taken or proposes to take in respect of it.

4.5 Credit rating

The Issuer shall notify the Security Trustee and the Trustee in writing if any international credit rating in respect of the Notes is downgraded by any Rating Agency promptly after becoming aware of any such downgrade.

4.6 Maintenance of rating

The Issuer shall use its best endeavors to maintain a credit rating from at least two Rating Agencies in respect of the Notes and pay all fees due and payable to such Rating Agencies in relation thereto.

4.7 Authorized Officers

The Issuer shall notify the Trustee and the Security Trustee in writing of any change in Authorized Officers, such notification to be signed by an Authorized Officer and accompanied by specimen signatures of each new Authorized Officer.

4.8 General information

The Issuer shall provide such other information in its possession as the Trustee and the Security Trustee may reasonably require in order to perform their respective duties under the Transaction Documents.



4.9 Corporate existence

Subject to Condition 4.28, the Issuer must do all things necessary to maintain its corporate existence and its registration as a company under the Companies Act, 2013 as at the Closing Date.

4.10 Compliance with laws

The Issuer must comply in all material respects with all laws applicable to it (including Environmental Laws).

4.11 Maintenance of assets

4.11.1 The Issuer must maintain in good working order and condition all assets necessary for the conduct of the Permitted Businesses, fair wear and tear excepted, if failure to do so would have a Material Adverse Effect.

4.11.2 The Issuer must use reasonable endeavors to ensure that its assets are operated and maintained in good operational order and in a prudent manner.

4.12 Permitted Businesses

The Issuer shall not engage in any business other than the Permitted Businesses.

4.13 Permitted Investments

The Issuer shall not incorporate (other than JSW Energy (Kutehr) Limited (“**JSW Kutehr**”)) or acquire any Subsidiary or contribute equity or extend Finance Debt to any Person; *provided* that nothing in this Condition 4.13 shall restrict the Issuer from (a) acquiring or subscribing to any shares of any Person (including, for the avoidance of doubt, JSW Kutehr or any Permitted Subsidiary) (or any instruments compulsorily or optionally convertible into shares of such Person) or (b) extending Finance Debt to any Person, where such acquisition, subscription or extension is funded out of the proceeds available from the Distribution Account (each, a “**Permitted Investment**”).

4.14 Power Purchase Agreements

The Issuer must:

- 4.14.1 do all things reasonably necessary to enforce its rights, powers and remedies under each PPA prudently, except where to do so would result or be reasonably likely to result in it breaching any law or Authorization or any direction or any order issued under or in connection with any law or Authorization;
- 4.14.2 use reasonable endeavors to ensure that the PPAs remain valid and enforceable and that it is not unlawful for the Issuer to perform any of its obligations under the PPAs;
- 4.14.3 comply in all respects with its obligations under the PPAs where such non-compliance would have a Material Adverse Effect;
- 4.14.4 not take or fail to take any action under a PPA where taking or failing to take (as applicable) that action would have a Material Adverse Effect;
- 4.14.5 not amend, vary, repudiate, assign or transfer any PPA, other than (a) where such amendment, variation, repudiation, assignment or transfer would not have a Material Adverse Effect; (b) in connection with any assignment pursuant to Condition 4.28; (c) in connection with any Permitted Security Interest; or (d) where such amendment, variation, repudiation, assignment or transfer is required for the purpose of a Permitted Business and would not be materially prejudicial to the holders; and



- 4.14.6 maintain good and valid title to all material assets, other than any assets disposed of pursuant to a Permitted Disposal.

4.15 Authorizations

The Issuer shall obtain, maintain and comply in all material respects with all Authorizations necessary to:

- 4.15.1 enable it to enter into the Note Documents;
- 4.15.2 fully comply with its obligations under the Transaction Documents and allow them to be enforced;
- 4.15.3 comply with its obligations under the PPAs and allow them to be enforced, unless failure to do so would not have a Material Adverse Effect;
- 4.15.4 carry on the Permitted Businesses (including in compliance with any Environmental Law), unless failure to do so would not have a Material Adverse Effect; and
- 4.15.5 comply with its obligations under the Companies Act, 2013 in order to Incur any Permitted Finance Debt.

4.16 Insurance

The Issuer shall:

- 4.16.1 insure and keep insured its assets with reputable insurers for providing insurance of the relevant type against any risks and liabilities to which the Issuer is exposed, to the extent that insurance is required under the relevant PPA or is prudent having regard to the risks and liabilities applicable to the Permitted Businesses and Good Industry Practice in India for such assets for companies carrying on the same or substantially similar business in India to the Permitted Businesses and which is otherwise in accordance with the PPAs and the Transaction Documents and has not otherwise been taken out by any other party; and
- 4.16.2 ensure that any Insurance proceeds to be paid or payable by any insurer will be paid as follows:
 - (a) any Insurance proceeds in respect of any public liability policies will be paid or payable to the relevant third parties or to the insured entity as indemnity for amounts paid by it to third parties; and
 - (b) all other Insurance proceeds (including in respect of any business interruption, advance consequential loss and other revenue replacement insurance or other compensation money) will be paid or payable into the relevant Operating Account (other than Insurance proceeds paid in connection with a claim made by the Issuer for which the Issuer has undertaken a Capital Expenditure using funds from the Distribution Account in anticipation of receiving such Insurance proceeds in which case such Insurance proceeds, in an amount equal to the amount of such Capital Expenditures so made, shall instead be deposited into the Distribution Account (such Insurance proceeds, the “**Excluded Insurance Proceeds**”)), in each case, as notified to the insurer by the Issuer in accordance with the Trust and Accounts Deed.

4.17 Pari passu

The Issuer must ensure that at all times its payment obligations under the Note Documents rank at least *pari passu* with all other unsubordinated creditors of the Issuer except for those creditors whose claims are mandatorily preferred by laws of general application to companies in India.



4.18 Hedging

- 4.18.1 By no later than 90 days after the Closing Date, the Issuer will put in place and thereafter maintain the Required Hedging Arrangements or, following the termination of the Required Hedging Arrangements as a result of a breach by, or insolvency of, any Hedge Counterparty, cause the Required Hedging Arrangements to be in place within 30 days of any such termination.
- 4.18.2 Any Required Hedging Arrangements will be entered into with Hedge Counterparties (a) who are Scheduled Commercial Banks or (b) that have a long term debt rating of no lower than at least two of the following: (i) BBB- by Fitch, (ii) Baa3 by Moody's or (iii) BBB- by S&P, at the time such Required Hedging Arrangements are entered into.
- 4.18.3 By no later than 90 days after the Closing Date, the Issuer shall deliver to the Trustee an Officer's Certificate certifying that it has entered into the Required Hedging Arrangements.

4.19 Taxes

The Issuer must:

- 4.19.1 file all Tax returns required to be filed by it in any relevant jurisdiction in which it is resident for Tax purposes; and
- 4.19.2 pay all Taxes imposed on it or its property, assets or income to the extent the same have become due and payable, *provided* that the Issuer need not pay any such Tax if:
- (a) the Tax (including the amount, applicability or validity thereof) is being contested in good faith; and
 - (b) where no amount is payable until the dispute is resolved.

4.20 Access

The Issuer must, to the extent it is able to do so under existing contractual arrangements and applicable law, permit the Trustee, the Security Trustee, any Receiver and any of their respective accountants or other professional advisers, free access at all times to the premises, assets, books, accounts and records of the Issuer, *provided* that the Trustee, the Security Trustee, any Receiver and their respective accountants and professional advisers comply at all times with all applicable laws, rules and regulations governing such access and that compliance with any such rules, regulations and policies (and any consequential restriction on the access of the Trustee, the Security Trustee, any Receiver and their respective accountants or professional advisers) will not be deemed to be a failure on the part of the Issuer to comply with this Condition 4.20.

4.21 Subordinated Creditor key terms

The Issuer shall ensure the following:

- 4.21.1 each Subordinated Creditor shall be bound by the Subordination Deed;
- 4.21.2 each Subordinated Creditor shall be, as of the date of execution by such Subordinated Creditor of the Subordination Deed, a related party of the Issuer (as such term is defined/ understood under the Insolvency and Bankruptcy Code, 2016);
- 4.21.3 payment due to each Subordinated Creditor shall be permitted only if made in accordance with Condition 4.34 or if any outstanding amounts to which such payment relates is converted to ordinary equity of the Issuer;



- 4.21.4 if any Event of Default occurs and is continuing: (i) all outstanding Subordinated Debt shall, on the instruction of the Security Trustee, within 7 Business Days of the receipt of such instruction, be converted into equity shares or preference shares (that are redeemable after the date falling six months after the Maturity Date) of the Issuer; and (ii) the Issuer shall take all required corporate and other actions with respect to such conversion, including obtaining necessary board and shareholder approvals and issuing and allotting the equity shares or preferences shares, as the case may be;
- 4.21.5 no Subordinated Creditor shall be entitled to any enforcement or acceleration actions other than conversion to ordinary equity or preference shares (that are redeemable after the date falling six months after the Maturity Date) of the Issuer under any of the Subordinated Documents or in accordance with the Subordination Deed; and
- 4.21.6 all Subordinated Debt will be unsecured, non-amortizing and repayable in a single lump sum with the scheduled repayment date falling at least six months after the Maturity Date, *provided* that voluntary payments on Subordinated Debt to Subordinated Creditors shall be permitted prior to the scheduled repayment date from amounts standing to the credit of the Distribution Account and in accordance with Conditions 4.21.3 and 4.21.4.

4.22 Independent director

The Issuer must have at least one independent director on its board of directors at all times.

4.23 Project independence

The Issuer must maintain its independence from the JSW Group by:

- 4.23.1 maintaining books, records, financial statements and accounts separate from any other person or entity;
- 4.23.2 conducting its business in its own name;
- 4.23.3 observing all corporate or other formalities required by its own constitution or memorandum or articles of association;
- 4.23.4 refraining from pledging or commingling its assets for the benefit of any other Person or entity, and not making any loans or advances to any other entity or Person (except, in each case, as otherwise permitted under these Conditions);
- 4.23.5 allocating fair and reasonable overhead for shared office space and corporate overheads with members of the JSW Group;
- 4.23.6 issuing separate invoices and checks from members of the JSW Group;
- 4.23.7 paying the salaries of its own employees;
- 4.23.8 refraining from acquiring obligations or securities of any member of the JSW Group (except as otherwise permitted under these Conditions);
- 4.23.9 maintaining in a prudent manner such surplus cash as may be required by the Issuer to independently manage its operational, financial, maintenance and statutory requirements; and
- 4.23.10 refraining from guaranteeing or becoming obliged for the debts of any other Person or entity or holding out its credit as being available to satisfy the obligations of others other than as otherwise permitted under these Conditions.



4.24 Further assurances

4.24.1 The Issuer must promptly do all such acts or execute all such documents as the Trustee and the Security Trustee may require (and in such form as the Trustee and the Security Trustee may require):

- (a) to give effect to each Note Document;
- (b) to perfect, protect or maintain any Security Interest, right, power, authority, discretion, remedy or privilege afforded or created, or intended to be afforded or created, by any Note Document;
- (c) after the occurrence and during the subsistence of a Default, to invoke any legal or regulatory mechanism for collecting unpaid overdue receivables, as required to maintain the Issuer's credit standing;
- (d) for the exercise of any rights, powers and remedies of the Trustee, the Security Trustee, or the holders provided by or pursuant to the Note Document relating to the Notes or by law; or
- (e) after the occurrence and during the subsistence of an Event of Default, to facilitate the realization of the Security.

4.24.2 This may include any of the following, in each case to the extent required by the Trustee and/or the Security Trustee for one of the purposes described above:

- (a) creating, procuring or executing any document, including any notice, consent or agreement, or legal or statutory mortgage or transfer; or
- (b) after the occurrence and during the subsistence of a Default, delivering documents or evidence of title, or otherwise giving possession or control with respect to any Note Documents.

4.25 Use of proceeds

4.25.1 The Issuer shall deposit the net proceeds from the issue of the Notes into a current account and will not use such proceeds for any purpose other than for the purposes specified under the heading "Use of Proceeds" in the Offering Memorandum.

4.25.2 The Issuer shall ensure that all Existing Term Loan Indebtedness is repaid in full by no later than 5 Business Days after the Closing Date.

4.26 Negative pledge

The Issuer shall not create or attempt to create or permit to subsist any Security Interest over any of its assets other than a Permitted Security Interest.

4.27 No disposals

4.27.1 The Issuer shall not sell, transfer or otherwise dispose of any asset other than in connection with a Permitted Disposal.

4.27.2 If the Issuer receives net proceeds of a Permitted Disposal, the Issuer must deposit an amount equal to such net proceeds into the relevant Operating Account in accordance with Condition 4.34 and the Trust and Accounts Deed.



4.28 No mergers

The Issuer shall not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) unless each of the following conditions is satisfied:

- 4.28.1 the Issuer shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Issuer consolidated or merged, or that acquired or leased such property and assets (the “**Surviving Person**”) shall be a corporation organized and validly existing under the laws of India and shall expressly assume all the obligations of the Issuer in relation to the Notes and shall expressly assume, by way of a supplemental note trust deed to the Trust Deed, executed and delivered to the Trustee and the Security Trustee, all the obligations of the Issuer under the Note Documents and the Note Documents shall remain in full force and effect;
- 4.28.2 the Surviving Person shall expressly assume all obligations of the Issuer under all Note Documents by entering into all necessary documents as the Trustee and/or the Security Trustee may require;
- 4.28.3 immediately prior to any such consolidation, merger or transfer, (i) the other Person’s only material assets will be the Capital Stock which it holds in any other Person and (ii) the other Person shall have no liabilities;
- 4.28.4 immediately after giving effect to such transaction, no Default shall have occurred and be continuing; and
- 4.28.5 the Issuer shall deliver to the Trustee and the Security Trustee an Officer’s Certificate stating that such consolidation, merger or transfer complies with this Condition and that all conditions precedent provided relating to such transaction have been complied with.

4.29 No Distributions

The Issuer shall not pay or make any Distribution save for a Permitted Distribution.

4.30 Transactions

The Issuer shall not enter into any transaction with any Person other than:

- 4.30.1 transactions under the Transaction Documents or that the Issuer is required to enter into under the terms of a Transaction Document;
- 4.30.2 in connection with any Permitted Business, Capital Expenditure, Permitted Disposal, Permitted Security Interest, Permitted Investment, Permitted Distribution, Permitted Finance Debt or Permitted Temporary Investment;
- 4.30.3 transactions with third parties (including any joint venture, any shareholder or partner in a joint venture) or (subject to Condition 4.30.8) Affiliates in the ordinary course of business;
- 4.30.4 (subject to Condition 4.30.8 in relation to any Affiliate Transaction) in the nature of any Permitted Businesses or any other transaction as otherwise permitted under these Conditions or the Note Documents;
- 4.30.5 for the purposes of making any Distribution in accordance with the terms of these Conditions;
- 4.30.6 the payment of fees and the reimbursement of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors, employees or consultants of the Issuer;



4.30.7 any transaction undertaken in connection with Condition 4.28; and

4.30.8 transactions with Affiliates, to make payment to, or to enter into, renew or extend any transaction or arrangement with, any Affiliates (each, an “**Affiliate Transaction**”), *provided* that such Affiliate Transaction:

- (a) is in the ordinary course of business and on an arm’s length basis; or
- (b) is between the Issuer and a related party of the Issuer (as such term is defined/ understood under the Insolvency and Bankruptcy Code, 2016).

4.31 Constituent documents

The Issuer shall not amend or vary its constitution, memorandum or articles of association in a way which would be materially prejudicial to any holder.

4.32 Incurrence of Finance Debt

The Issuer shall not Incur any Finance Debt save for Permitted Finance Debt.

4.33 Debt Service Cover Ratio

4.33.1 Subject to the Issuer’s right to procure New Injections for an Equity Cure post the applicable Calculation Date in accordance with these Conditions, the Issuer shall, on each Calculation Date commencing on September 30, 2021, ensure that the Debt Service Cover Ratio is not less than 1.1:1.0.

4.33.2 On each Calculation Date commencing on September 30, 2021, the Debt Service Cover Ratio shall be calculated based on the Standalone Accounts in respect of the Calculation Period ending on the relevant Calculation Date.

4.34 Operating Account Waterfall

4.34.1 Establishment

- (a) The Issuer must, no later than 30 Business Days after the Closing Date, enter into the Trust and Accounts Deed.
- (b) By no later than September 30, 2021, the Issuer must, in accordance with the Trust and Accounts Deed, establish and maintain in its name with the Account Bank, the Operating Accounts in the form of an escrow account as is necessary to implement the Operating Account Waterfall.
- (c) By no later than September 30, 2021, the Issuer must maintain the Operating Accounts (or any replacement thereof) at all times in accordance with the Trust and Accounts Deed.

4.34.2 Funding

- (a) By no later than September 30, 2021, the Issuer shall ensure that (x) all Operating Revenue received by it (or on its behalf), (y) all proceeds from the Incurrence of any Working Capital Debt received by it (or on its behalf) and (z) all New Injection proceeds received by it (or on its behalf) (other than any such New Injection proceeds (I) to be used by it for purposes of (A) acquiring or subscribing to any shares of, or extending Finance Debt to, JSW Kutehr or any Permitted Subsidiary, (B) funding amounts to be paid by it upon termination of any Currency Hedging Agreement or any Interest Rate Hedging Agreement or to settle any Early Termination Amounts (any such amounts, the “**Excluded Hedging Payment Amounts**”), (C) undertaking Capital Expenditures or (D) settling any True-Up



Liabilities once the amounts standing to the True-Up Reserve Account has been used in full) for which such proceeds shall, in each such case, instead be deposited into the Distribution Account and (II)(A) designated by it for an Equity Cure or (B) to be used by it for the payment of any MCS Amount for which such proceeds shall, in each such case, instead be deposited into the Restricted Debt Service Account) are, in each case, deposited into the relevant Operating Account following such receipt in accordance with the timelines set out in the Trust and Accounts Deed.

- (b) By no later than September 30, 2021, the Issuer shall (a) ensure that, of the net amounts standing to the credit of its existing bank accounts as of the Closing Date after repayment in full of the Existing Term Loan Indebtedness, (I) Rs.2,000,000,000 (or the foreign currency equivalent thereof) will first be transferred directly to the True-Up Reserve Account and (II) the remaining balances will be transferred directly to the Distribution Account; (b) issue instructions to each PPA counterparty to deposit Operating Revenue derived under the applicable PPA into the relevant Operating Account; and (c) issue irrevocable standing instructions to its existing banks to transfer all amounts (including Operating Revenue) received into the existing bank accounts of the Issuer into the relevant Operating Account.

4.34.3 Withdrawals from the Project Accounts

Prior to an Enforcement Action, the Issuer may make a withdrawal or transfer of funds from the Operating Accounts or from any other Project Account, in either case to pay the following amounts as and when those amounts are due and payable and in the following order of priority (the “Operating Account Waterfall”):

- (a) first, at any time, transfers into the Statutory Dues Account for use towards the payment of Taxes and statutory dues;
- (b) second, at any time, transfers into the O&M Expenses Account for use towards the payment of Operating Expenses and transfers into the Petty Expenses Account for use towards the payment of petty expenses;
- (c) third, at any time, *pro rata* and *pari passu* for use towards the payment of any Costs and liabilities incurred by, or due and payable to, the Trustee, the Agents, the Account Bank, the Security Trustee and each representative under the Senior Secured Documents;
- (d) fourth, at any time, *pro rata* and *pari passu* for use towards (A) the payment of interest (including default interest) and Costs to any Senior Secured Creditor under any Senior Secured Document (other than any Currency Hedging Agreement or any Interest Rate Hedging Agreement) and (B) the payment of scheduled payments (including default interests) and Costs (other than final exchange amounts in respect of the Issuer’s hedging of the payment of any principal amounts, Hedge Termination Payments or any Defaulting Hedge Amounts) under any Currency Hedging Agreement or any Interest Rate Hedging Agreement;
- (e) fifth, at any time, *pro rata* and *pari passu* for use towards (A) the payment of any principal amount outstanding (including break costs, make whole and other redemption amounts (but not including payments of MCS Amounts)) under any Senior Secured Document (other than any Currency Hedging Agreement or any Interest Rate Hedging Agreement) and (B) the payment of final exchange amounts in respect of the Issuer’s hedging of the payment of any principal amounts or Hedge Termination Payments under any Currency



Hedging Agreement or any Interest Rate Hedging Agreement (other than any Defaulting Hedge Amounts);

- (f) sixth, at any time, *pro rata* and *pari passu* for use towards the payment of any other amounts (excluding any amounts described in paragraphs (iv) and (v) above) under any Senior Secured Document (other than any Defaulting Hedge Amounts);
- (g) seventh, at any time, towards the transfer of the applicable MCS Amount into the MCS Account for use towards the payment of any MCS Amount;
- (h) eighth, at any time, towards the transfer of the relevant amounts to the Debt Service Reserve Account to the extent necessary to ensure that the Debt Service Reserve Account is funded in an amount equal to the applicable Required DSRA Balance;
- (i) ninth, at any time, towards transfers to the Restricted Surplus Account;
- (j) tenth, at any time, towards the transfer of the relevant amounts to the Restricted Debt Service Account to the extent necessary to comply with Condition 4.35.1(i);
- (k) eleventh, towards the payment of Defaulting Hedge Amounts due and payable under any Currency Hedging Agreement or any Interest Rate Hedging Agreement; and
- (l) last, subject to Condition 4.35, towards the transfer of amounts to the Distribution Account to be used, subject to no Payment Blockage existing at the time of such use, for any purpose.

To the extent that funds are insufficient at any level of the Operating Account Waterfall to satisfy the relevant payments in full at such level, funds available at such level shall be used to make such payment, *pro rata* to any other payments required to be made at such level, and no amounts shall be paid to any lower level of the Operating Account Waterfall as a result; *provided* that the Issuer may (i) undertake a Permitted Temporary Investment at any level in the Operating Account Waterfall and from any of the Project Accounts and (ii) use funds in the Restricted Debt Service Account at any time to the extent required by it to make any payment of any MCS Amount.

Any surplus monies available with the Issuer after complying with the Operating Account Waterfall and which have not been deposited in the Distribution Account shall be retained in the Restricted Debt Service Account, at the instructions of the Issuer.

4.34.4 Withdrawals from the True-Up Reserve Account

- (a) Prior to an Enforcement Action, the Issuer may make a withdrawal or transfer of funds from the True-Up Reserve Account to pay for any True-Up Liabilities as and when such liabilities become due and payable.
- (b) Upon all True-Up Liabilities having been settled (either as a result of (x) payment thereof in cash or (y) having been net settled as against payables owing to the Issuer), the Issuer shall promptly deliver a Compliance Certificate to the Trustee and the Security Trustee confirming that all True-Up Liabilities have been settled and, following the delivery of such Compliance Certificate:
 - (I) if the True-Up Liabilities were settled by the Issuer by way of a cash payment from funds in the True-Up Reserve Account, then the net amount (if any) remaining in the True-Up Reserve Account after such cash payment may be transferred by the Issuer to the Distribution Account; or



- (II) if the True-Up Liabilities were settled by the Issuer by way of having been net settled as against payables owing to the Issuer, then:
 - (A) an amount equal to the lower of (x) the amount of True-Up Liabilities so settled and (y) the amount in the True-Up Reserve Account, shall be transferred from the True-Up Reserve Account to the relevant Operating Account; and
 - (B) the net amount (if any) remaining in the True-Up Reserve Account after such transfer (if any) to the relevant Operating Account may be transferred by the Issuer to the Distribution Account.

4.35 Restrictions

4.35.1 Debt Service Cover Ratio and Funding Restrictions

- (a) If, on the date of delivery of the applicable Compliance Certificate in accordance with Condition 4.3 (*provided* that such Compliance Certificate is being delivered in relation to a Calculation Period ending on a Calculation Date which is on or prior to September 30, 2030), the Waterfall Criteria has been met and:
 - (I) the Debt Service Cover Ratio in relation to the Calculation Period ending on the immediately preceding Calculation Date is greater than 1.5:1.0, then the Issuer shall be permitted to transfer any amounts available into the Distribution Account; *provided* that, if as at such Calculation Date, the Funds From Operations to Net Debt ratio is below 6.0 per cent., then the Issuer shall not transfer amounts into the Distribution Account in an amount greater than 75.0 per cent. of the funds otherwise available to transfer into such account pursuant to Condition 4.34.3 and the Trust and Accounts Deed as at such Calculation Date, and any balance amount that would otherwise have been available for such transfer shall instead be transferred into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Issuer to make a payment of any MCS Amount) until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods;
 - (II) the Debt Service Cover Ratio in relation to the Calculation Period ending on the immediately preceding Calculation Date is equal to or less than 1.5:1.0 but is greater than 1.4:1.0, then the Issuer shall not transfer any amounts into the Distribution Account in an amount greater than 60.0 per cent. of the funds otherwise available to transfer into such account pursuant to Condition 4.34.3 and the Trust and Accounts Deed as at such Calculation Date, and any balance amount that would otherwise have been available for such transfer shall instead be transferred into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Issuer to make a payment of any MCS Amount) until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods;
 - (III) the Debt Service Cover Ratio in relation to the Calculation Period ending on the immediately preceding Calculation Date is equal to or less than 1.4:1.0 but is greater than 1.3:1.0, then the Issuer shall not transfer any amounts into the Distribution Account in an amount greater than 50.0 per cent. of the funds otherwise available to transfer into such account pursuant to Condition 4.34.3 and



the Trust and Accounts Deed as at such Calculation Date, and any balance amount that would otherwise have been available for such transfer shall instead be transferred into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Issuer to make a payment of any MCS Amount) until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods; or

- (IV) the Debt Service Cover Ratio in relation to the Calculation Period ending on the immediately preceding Calculation Date is equal to or less than 1.3:1.0, then the Issuer shall not transfer any amounts into the Distribution Account in respect of the funds otherwise available to transfer into such account pursuant to Condition 4.34.3 and the Trust and Accounts Deed as at such Calculation Date, and any balance amount that would otherwise have been available for such transfer shall instead be transferred into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Issuer to make a payment of any MCS Amount) until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods.

- (b) The Trustee, the Security Trustee and the Account Bank shall not be obliged to monitor compliance with this Condition 4.35.1.

4.35.2 Equity Cure

- (a) The Issuer may procure the contribution of New Injections which, subject to the conditions set forth in paragraphs (ii) to (v) (inclusive) below, shall have the effect that the calculation of the Debt Service Cover Ratio (either (x) in relation to the upcoming Calculation Date (if the New Injection is procured prior to the applicable Calculation Date) or (y) in relation to the immediately prior Calculation Date (if the New Injection is procured after the applicable Calculation Date but prior to the delivery of the applicable Compliance Certificate)) will be calculated giving effect to such New Injections as Cashflow Available for Debt Service (making any further adjustments needed to ensure no double counting or accumulation of cure benefit), and Condition 9.1.1(b) will be determined by reference to the relevant calculation (an “**Equity Cure**”).
- (b) The procurement of New Injections for an Equity Cure may only be done once.
- (c) Any calculation of the Debt Service Cover Ratio made under this Condition 4.35.2 will be solely for the purpose of preventing a potential Even of Default under Condition 9.1.1(b) and not for any other purpose.
- (d) The proceeds of any New Injection for an Equity Cure shall be deposited into the Restricted Debt Service Account and shall remain in such account (unless otherwise required by the Issuer to make a payment of any MCS Amount) until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods at which point such proceeds may be transferred to the Distribution Account.
- (e) Any New Injection that is not designated as an Equity Cure shall not count in the calculation of Cashflow Available for Debt Service.

4.36 Petty Expenses Account

The Issuer may operate and maintain one or more current accounts (each such account, a “**Petty Expenses Account**”) with the Account Bank or any other bank having a branch at the location of the



Projects, as may be notified by the Issuer in writing to the Security Trustee, for the purpose of payment of petty expenses incurred by the Issuer in relation to the Projects. The Issuer shall ensure that, at any given point of time, the aggregate amount standing to the credit of all Petty Expenses Accounts taken together shall not exceed Rs.50,000,000 (or the foreign currency equivalent thereof).

4.37 Trustee monitoring

Without prejudice to the other provisions in these Conditions, the Trustee and the Security Trustee shall not be under any duty to monitor (and none of them will be responsible or liable to holders, the Issuer or any other Person for any loss arising from not monitoring) whether the Issuer has complied with the provisions of this Condition 4, and unless it has received express notice in writing from the Issuer in accordance with the Note Documents or the Trust and Accounts Deed to the contrary, the Trustee and the Security Trustee may assume that the Issuer has complied fully with all the provisions of this Condition 4.

5 Interest

5.1 Interest rate and Interest Payment Dates

5.1.1 The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of 4.125 per cent. per annum, payable semi-annually in arrear on May 18 and November 18, in each year (each, an “Interest Payment Date”). The first payment of interest will be made on November 18, 2021 in respect of the period from (and including) the Closing Date to (but excluding) November 18, 2021.

5.1.2 If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

5.2 Interest accrual

Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event, each Note shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of:

5.2.1 the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and

5.2.2 the day seven days after the Trustee or the Principal Paying Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

5.3 Calculation of broken interest

5.3.1 If interest is required to be calculated for a period of less than six months, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

5.3.2 All interest payable on the Notes shall be subject to applicable laws in India, including but not limited to the ECB Guidelines.



6 Redemption and Purchase

6.1 Final redemption

Unless previously redeemed, or purchased and canceled, the Notes will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on May 18, 2031 (the “**Maturity Date**”). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

6.2 Redemption for taxation reasons

- 6.2.1 The Notes may be redeemed at the option of the Issuer in whole or in part, at any time, on giving not less than 10 Business Days’ nor more than 60 days’ notice to the Noteholders (in accordance with Condition 15 and to the Trustee and the Principal Paying Agent in writing which notice shall be irrevocable), at their principal amount (together with interest accrued to but excluding the date fixed for redemption), if (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws, regulations or treaties of the relevant Tax Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of such laws, regulations or treaties, which change or amendment becomes effective on or after the Closing Date and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due.
- 6.2.2 Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee (A) a certificate in English signed by two directors of the Issuer each of whom are also Authorized Officers stating that the Issuer is obliged to pay Additional Tax Amounts in accordance with Condition 8 and that such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (B) an opinion of independent legal or tax advisors of recognized standing in the relevant Tax Jurisdiction of the Issuer to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept and conclusively rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in paragraphs (i) and (ii) above of this Condition 6.2, in which event the same shall be conclusive and binding on the Noteholders.
- 6.2.3 *The Issuer may be required to obtain the prior approval of the Reserve Bank of India or its designated authorized dealer bank, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes for taxation reasons prior to the Maturity Date and such approval may not be forthcoming. The notice of redemption to Noteholders shall state that, in the Issuer’s sole discretion, the redemption date may be delayed until such time as such approval is received, or such redemption may not occur and such notice may be rescinded if the relevant approval has not been received by the redemption date, or by the redemption date so delayed.*

See “Risk Factors — Risks Related to the Notes — Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of RBI or the authorized dealer bank.”



6.3 Change of Control put option

- 6.3.1 Upon the occurrence of a Change of Control Triggering Event (as defined below), each Noteholder shall have the right to require that the Issuer redeems such Noteholder's Notes at an amount equal to 101 per cent. of their principal amount (together with interest accrued to but excluding the date fixed for redemption).
- 6.3.2 Upon becoming aware of any Change of Control Triggering Event, the Issuer shall promptly, and in any event not later than 30 days following the occurrence of such Change of Control Triggering Event, give notice to the Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent in writing (the "**Change of Control Offer**") stating:
- (a) that a Change of Control Triggering Event has occurred and that each Noteholder has the right to require the Issuer to redeem such Noteholder's Notes at 101 per cent. of their principal amount (together with interest accrued to but excluding the date fixed for redemption);
 - (b) the circumstances and relevant facts regarding the Change of Control;
 - (c) the redemption date (which shall be no earlier than 50 days nor later than 60 days from the Change of Control Offer); and
 - (d) that each Noteholder may, within 45 days of the Change of Control Offer from the Issuer, accept the Change of Control Offer by delivering to the specified office of any Agent on any Business Day during such period of 45 days, a duly signed and completed notice of acceptance in the form provided in the Agency Agreement (a "**Put Notice**") (which notice shall be irrevocable).
- 6.3.3 The Issuer shall not be required to give notice of a Change of Control Triggering Event or to redeem any Notes pursuant to this Condition 6.3 if a Person who is not the Issuer makes an equivalent offer to each Noteholder to purchase from such Noteholder its Notes for a purchase consideration at least equal to 101 per cent. of the principal amount of such Notes (together with any accrued but unpaid interest to but excluding the date fixed for purchase) and which amount is payable in the manner, at the times and otherwise meeting the requirements set out in this Condition 6.3 for a Change of Control Offer to be made by the Issuer (an "**Equivalent Offer**").
- 6.3.4 If a Noteholder accepts the Change of Control Offer or an Equivalent Offer, as the case may be, within 45 days of such offer, the Issuer shall redeem all (but not some only) of the Notes of such Noteholder at an amount equal to 101 per cent. of their principal amount (together with interest accrued to but excluding the date fixed for redemption) on the specified redemption date.
- 6.3.5 If the Issuer or any Agent does not receive a Put Notice from a Noteholder in response to a Change of Control Offer or an Equivalent Offer, as the case may be, within 45 days of such offer, the Issuer shall have no obligation to redeem any Notes held by the relevant Noteholder, and any such offer made by the Issuer shall automatically lapse.
- 6.3.6 None of the Trustee or the Agents shall be required to take any steps to ascertain whether a Change of Control Triggering Event, a Change of Control Offer or an Equivalent Offer or any event which could lead to a Change of Control Triggering Event, a Change of Control Offer or an Equivalent Offer has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. None of the Trustee or the Agents shall be required to take any steps to ascertain whether the condition for the exercise of the rights of Noteholders in accordance with this Condition 6.3 has occurred. None



of the Trustee or the Agents shall be responsible for determining or verifying whether a Note is to be accepted for redemption under this Condition 6.3 and none of them will be responsible or liable to Noteholders or any other Person for any loss or liability arising from any failure by it to do so. None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 6.3 or the purchase price payable under any Equivalent Offer and will not be responsible or liable to Noteholders or any other person for any loss arising from any failure by it to do so.

- 6.3.7 The Issuer and the Security Trustee shall inform all international and domestic rating agencies if any international credit rating in respect of the Notes is withdrawn or downgraded by any Rating Agency on account of a Change of Control.
- 6.3.8 *The Issuer may be required to obtain the prior approval of the Reserve Bank of India or its designated authorized dealer banks, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. The notice of redemption to Noteholders shall state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as such approval is received, or such redemption may not occur and such notice may be rescinded if the relevant approval has not been received by the redemption date, or by the redemption date so delayed.*

6.4 Optional redemptions

- 6.4.1 At any time and from time to time prior to May 18, 2026, the Issuer may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100 per cent. of the principal amount of the Notes, plus the Applicable Premium, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date. The Issuer shall give not less than 30 days' nor more than 60 days' notice of any redemption to the holders, the Principal Paying Agent and the Trustee. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.
- 6.4.2 At any time and from time to time prior to May 18, 2026, the Issuer may redeem up to 40 per cent. of the aggregate principal amount of the Notes with the Net Cash Proceeds from an Equity Offering at a redemption price of 104.125 per cent. of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date; *provided* that at least 60 per cent. of the aggregate principal amount of the Notes originally issued on the Closing Date remain outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.
- 6.4.3 At any time and from time to time on or after May 18, 2026, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to the applicable redemption date, if redeemed during the periods set forth below:

Period	Redemption Price
May 18, 2026 to May 17, 2027	102.063 per cent.
May 18, 2027 to May 17, 2028	101.031 per cent.
May 18, 2028 to May 17, 2029	100.516 per cent.
May 18, 2029 and thereafter	100 per cent.



- 6.4.4 Any optional redemption of Notes and notice of redemption under this Condition 6.4 may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not be satisfied by the redemption date, or by the redemption date so delayed.
- 6.4.5 *The Issuer may be required to obtain the prior approval of the Reserve Bank of India or its designated authorized dealer banks, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. The notice of redemption to Noteholders shall state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as such approval is received, or such redemption may not occur and such notice may be rescinded if the relevant approval has not been received by the redemption date, or by the redemption date so delayed.*

6.5 MCS Amortization Redemption

- 6.5.1 The Notes are subject to partial mandatory cash sweep amortization redemptions (each, an "MCS Amortization Redemption") on the dates shown below (each such date, an "MCS Amortization Redemption Date") at the principal amount thereof (each such amount, an "MCS Amount"), plus accrued and unpaid interest and Additional Tax Amounts, if any, to, but not including, such date (subject to the right of holders on the relevant Record Date to receive interest due on such interest payment date). To the extent that an MCS Amortization Redemption is not made on the relevant MCS Amortization Redemption Date or is made in an amount less than the applicable MCS Amount payable on the applicable MCS Amortization Redemption Date, such unpaid amount(s) will be carried forward to the next MCS Amortization Redemption Date and will be added to the applicable MCS Amount to be paid on such next MCS Amortization Redemption Date. Any such amounts shall be carried forward until paid or until the Notes have been redeemed in full. An MCS Amortization Redemption that is not made on the relevant MCS Amortization Redemption Date will not constitute a Default.
- 6.5.2 Each MCS Amortization Redemption will be done on a *pro rata* basis consistent with Condition 6.6. In the event of an MCS Amortization Redemption, the Issuer shall deliver a notice of the MCS Amortization Redemption to holders (copying the Trustee and the Principal Paying Agent) no later than 15 Business Days prior to the payment under such MCS Amortization Redemption together with an Officer's Certificate stating the aggregate amount payable in connection with such redemption and the relevant calculations and any under payment or additional amounts carried forward from a previous period. Neither the Trustee nor the Agents shall be responsible for monitoring, verifying or calculating the amount payable in connection with the MCS Amortization Redemption and will not be responsible to the holders for any loss arising from any failure by it to do so.

MCS Amortization Redemption Date	MCS Amount (U.S.\$)
November 18, 2021.....	U.S.\$24,745,000
May 18, 2022.....	U.S.\$31,815,000
November 18, 2022.....	U.S.\$24,745,000
May 18, 2023.....	U.S.\$31,815,000
November 18, 2023.....	U.S.\$24,745,000



MCS Amortization Redemption Date	MCS Amount (U.S.\$)
May 18, 2024	U.S.\$31,815,000
November 18, 2024.....	U.S.\$15,907,500
May 18, 2025	U.S.\$19,442,500
November 18, 2025.....	U.S.\$10,605,000
May 18, 2026	U.S.\$12,372,500
November 18, 2026.....	U.S.\$10,605,000
May 18, 2027	U.S.\$14,140,000
November 18, 2027.....	U.S.\$13,256,250
May 18, 2028	U.S.\$13,256,250
November 18, 2028.....	U.S.\$15,023,750
May 18, 2029	U.S.\$15,023,750
November 18, 2029.....	U.S.\$16,791,250
May 18, 2030	U.S.\$16,791,250
November 18, 2030.....	U.S.\$7,070,000
Total	U.S.\$349,965,000

- 6.5.3 The Issuer may be required to obtain the prior approval of the Reserve Bank of India or its designated authorized dealer banks, as the case may be, in accordance with the ECB Guidelines before effecting a redemption of the Notes prior to the Maturity Date and such approval may not be forthcoming. The notice of redemption to Noteholders shall state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as such approval is received, or such redemption may not occur and such notice may be rescinded if the relevant approval has not been received by the redemption date, or by the redemption date so delayed.

6.6 Selection and notice

- 6.6.1 If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:
- (a) if the Notes are listed on any securities exchange and/or are held through a clearing system, in compliance with the requirements of the principal national securities exchange on which the Notes are listed and/or the requirements of the clearing system; or
 - (b) if the Notes are not listed on any securities exchange and are not held through clearing systems, on a *pro rata* basis, unless otherwise required by law.
- 6.6.2 No Notes of U.S.\$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address and to the Principal Paying Agent and the Trustee.
- 6.6.3 If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. Notes called for redemption become



due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

6.7 Redemption amounts

None of the Trustee or the Agents shall be under any duty to determine, calculate or verify any amount payable on redemption under this Condition 6 and none of them will be responsible to Noteholders or any other person for any loss arising from any failure by it to do so.

6.8 Purchase

The Issuer may at any time (if permitted under applicable laws) purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for certain purposes, including, without limitation, for the purpose of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10, 11 and 13.1.

6.9 Cancellation

All Certificates representing Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation to the relevant Registrar and, upon surrender thereof, all such Notes shall be canceled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments

7.1 Method of payment

7.1.1 Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) by transfer to the registered account of the Noteholder.

7.1.2 Interest on each Note shall be paid to the person shown on the Register at the close of business 15 days before the due date for payment thereof (such date, the "**Record Date**"). Payments of interest on each Note shall be made in U.S. dollars by transfer to the registered account of the Noteholder.

7.1.3 For the purposes of this Condition 7, a Noteholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Business Day before the due date for payment.

7.1.4 If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the relevant Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the relevant Registrar will annotate the Register with the amount of interest so paid.

*Notwithstanding the foregoing, so long as the Global Certificates are held on behalf of DTC or any other clearing system, each payment in respect of the Global Certificates will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except December 25, and January 1.*



7.2 Payments subject to fiscal laws

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.3 Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of any Registrar, on a Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

7.4 Appointment of Agents

7.4.1 The Principal Paying Agent, the Registrars, the Paying Agents and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrars, the Paying Agents and the Transfer Agents act solely as agents of the Issuer or, as the case may be, the Trustee, and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, any Registrar, any Paying Agent or any Transfer Agent and to appoint additional or other Transfer Agents, subject to the terms of the Agency Agreement, *provided* that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Paying Agent, (iv) a Transfer Agent and (v) such other agents as may be required by any stock exchange on which the Notes may be listed, in each case, as notified in writing to the Trustee.

7.4.2 Principal Paying Agent and Transfer Agent

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60 – 2405
New York, NY 10005
United States of America

7.4.3 Registrar

Deutsche Bank Trust Company Americas
60 Wall Street, 24th Floor
MS NYC60 – 2405
New York, NY 10005
United States of America

7.4.4 Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 15.

7.4.5 *So long as the Notes are listed on the SGX-ST and the rules of that exchange so require, if a Global Certificate is exchanged for definitive Certificates, the Issuer shall appoint and maintain*



a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, if a Global Certificate is exchanged for definitive Certificates, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Certificates, including details of the paying agent in Singapore.

7.5 Delay in payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Business Day, or if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so).

7.6 Business Days

In this Condition 7, “**Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business and settlement of U.S. dollars payments in New York City, the city in which the specified office of the Principal Paying Agent is located and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority therein or thereof having power to tax (each a “**Tax Jurisdiction**”), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required by a Tax Jurisdiction, except that no Additional Tax Amounts shall be payable in respect of any Note:

- 8.1 **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection between the holder (or a fiduciary, settler, beneficiary, member, partner or shareholder of the holder if the holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction, other than the mere holding of the Note;
- 8.2 **Failure to provide certification:** to the extent a holder is liable for such taxes, duties, assessments or governmental charges because of the holder’s failure to comply with any reasonable certification, identification or other reporting requirements concerning its (or its Beneficial Owner’s) nationality, residence, identity or connection with a relevant Tax Jurisdiction if (1) compliance is required by applicable law, regulation or administrative practice as a precondition to exemption from all or a part of such taxes, duties, assessments or governmental charges, (2) the holder (and its Beneficial Owner, if any) is able to comply with those requirements without undue hardship and (3) the Issuer has given to the holder prior written notice, at a time which would enable the holder acting reasonably to comply with such request, before any such withholding or deduction that the holder will be required to comply with such certification, identification or reporting requirements; or
- 8.3 **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.



“Relevant Date” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with these Conditions, such payment will be made, *provided* that payment is in fact made upon such surrender.

Notwithstanding the foregoing, no Additional Tax Amounts shall be payable for or on account of (i) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge, (ii) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Notes, (iii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on a Note to a holder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the Additional Tax Amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any successor provisions (“**FATCA**”), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA. As used in paragraph (iii) above of this Condition 9, “**Beneficial Owner**” means the person whom is required by the laws of the relevant Tax Jurisdiction to include the payment in income for tax purposes.

Any payments made by the Issuer are required to be within the all-in-cost ceilings prescribed under the ECB Guidelines and in accordance with any specific approvals from the Reserve Bank of India or the designated authorized dealer bank, as the case may be, obtained by the Issuer in this regard.

9 Events of Default

9.1 Events of Default

9.1.1 It will be an event of default (each, an “**Event of Default**”) if any of the following events occur:

- (a) *Non-payment*: the Issuer fails to pay an amount due and owing under these Conditions or any other Note Document in the manner required hereunder unless the failure to pay is caused by administrative or technical error and the payment is made within seven Business Days of its due date.
- (b) *Breach of Debt Service Cover Ratio*: on the date of delivery of the applicable Compliance Certificate in accordance with Condition 4.3, the Debt Service Cover Ratio in relation to the applicable Calculation Date is less than 1.1:1.0.
- (c) *Breach of other obligations*: the Issuer does not perform or comply with any one or more of its other obligations under these Conditions or any other Note Document, which default has a Material Adverse Effect and is incapable of remedy or, if capable of remedy, is not remedied within 45 Business Days of the Issuer becoming aware of the relevant default.
- (d) *Cross-acceleration*: (i) any present or future indebtedness (other than any indebtedness payable under a Subordinated Debt) of the Issuer for or in respect of moneys borrowed or raised or for or in respect of Hedging Obligations (A) becomes due and payable prior to



its stated maturity by reason of any event of default (or, in the case of any Hedging Obligations, an event of default in respect of which the Issuer is the defaulting party causing its counterparty to designate an early termination in respect of such Hedging Obligation), and such acceleration (or, in the case of Hedging Obligations, such termination) shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the event of default upon which such acceleration or early termination, as the case may be, is based) within 45 Business Days after such acceleration (or, in the case of Hedging Obligations, such termination); or (B) is not paid when due or, as the case may be, within any applicable grace period or (ii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than any indebtedness payable under a Subordinated Debt); *provided that* (a) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred in respect of the Issuer taken together equals or exceeds U.S.\$50 million (or the Dollar Equivalent thereof) (or, in the case of any Hedging Obligations, the Early Termination Amount is payable by the Issuer and is in an amount equal to or exceeding U.S.\$50.0 million (or the Dollar Equivalent thereof)) and (b) the foregoing shall not apply in the case of any Existing Debt Document at any time prior to the date which falls 45 calendar days after the Closing Date.

- (e) *Enforcement Proceedings*: a distress, attachment or execution is levied, enforced or a petition thereof is filed and admitted against the material part of the assets of the Issuer and is not discharged or stayed within 90 days.
- (f) *Security enforced*: any Security Interest, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 90 days.
- (g) *Insolvency*: the Issuer is insolvent or bankrupt or unable to pay its debts, proposes or makes, by reason of any actual financial difficulty, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; *provided that* the Issuer availing of any industry wide moratorium made available to entities incorporated in the Republic of India in relation to payments under its indebtedness shall not be an Event of Default.
- (h) *Winding-up*: an order is made and is not discharged or stayed within 90 days or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations other than in accordance with Condition 4.28.
- (i) *Nationalization*: the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or a final order is made in relation to such action.
- (j) *Illegality*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under these Conditions or any Note Document is or becomes void, voidable or unenforceable in whole or in part.



- (k) *Analogous events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of paragraphs (d), (f), (g) or (h) of this Condition 9.1.1.
- (l) *Authorization and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done, which has not been taken, fulfilled or done within a period of 90 days from the Issuer becoming aware of the requirement of such action, in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under these Conditions or any Note Document, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make any Note Document admissible in evidence in the courts of England and Wales or India, as the case may be, is not taken, fulfilled or done and which have a Material Adverse Effect.
- (m) *Repudiation*: (i) if any Note Document ceases to be, or is claimed by the Issuer not to be, in full force and effect; or (ii) the Issuer terminates or repudiates any Note Document.
- (n) *Unsatisfied judgment*: one or more judgments, arbitral awards, settlements or orders from which no further appeal or review is permissible under applicable law is rendered against the Issuer for the payment of money in relation to an amount more than U.S.\$50,000,000 (or the Dollar Equivalent thereof) and continue(s) unsatisfied and unstayed after the date specified for payment in that judgment, award, settlement or order, or, if not so specified, for a period of 30 Business Days after the date(s) thereof.
- (o) *Misrepresentation*: any material representation or warranty made by the Issuer in any Note Document is incorrect or misleading in a material respect when made or deemed to be made, unless the events or circumstances causing the misrepresentation are in the opinion of the Trustee capable of remedy and the Issuer has remedied the circumstances causing the misrepresentation within 30 Business Days of the Issuer becoming aware of the event or circumstance.
- (p) *Security Document*: (i) the Issuer does not perform or comply with any one or more of its obligations under Condition 3.2, (ii) any Security Document required to be entered into is not entered into, or is not valid, binding and effective, by the date specified in these Conditions; (iii) any Security Document is not (once entered into) in full force and effect or does not (once entered into) create in favor of the Security Trustee for the benefit of the Noteholders, the Security Interest it is expressed to create with the ranking and priority it is expressed to have (other than as a result of (A) the restrictions on enforcement caused by applicable bankruptcy, insolvency, liquidation, reorganization and other laws or regulations of general application affecting the rights of creditors generally or (B) general principles of equity).
- (q) *Power Purchase Agreements*:
 - (I) one or more PPAs are terminated, varied, or adversely affected by regulatory change or are or become illegal, void, voidable, unenforceable or of limited force and effect (together, the “**Affected PPAs**”), which, in each case, or in the aggregate, results in, or is reasonably likely to result in, a reduction of 25 per cent. or more in the revenue of the Issuer under the PPAs in aggregate in any Financial Year and the Affected PPAs are not replaced within 12 months with one or more PPAs providing for such amount of revenue which ensures that the net loss of revenue to the Issuer



under the PPAs in aggregate is less than 25 per cent. in any subsequent Financial Year; or

- (II) one or more disputes between the Issuer and any Government Authority relating to a PPA is adversely determined against the Issuer, in each case or in the aggregate, which results in a Material Adverse Effect.
- (r) *Abandonment of operations*: (i) any loss to the business, operations, financial condition, assets or cash flow of the Issuer which has a Material Adverse Effect and is not covered by any insurance or (ii) the Issuer suspends the operation of, or ceases to operate any part of, the Permitted Businesses (other than any temporary suspension or cessation in accordance with Good Industry Practice) which has a Material Adverse Effect.
- (s) *Material Adverse Effect*: any event, circumstance or condition (other than any event of default howsoever defined in relation to a Material Adverse Effect in any other provision of any Note Document) occurs or exists which has had and continues to have, or could reasonably be expected to have, a Material Adverse Effect in relation to paragraphs (a) or (b) of the definition of "Material Adverse Effect".

9.1.2 If any Event of Default occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (*provided* that in any such case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), (i) give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest, (ii) instruct the Security Trustee to enforce the Security in accordance with the Intercreditor Agreement and the other Security Documents and (iii) instruct the Security Trustee to give notice to the other parties in accordance with the Intercreditor Agreement. An Event of Default shall be deemed to be "continuing" if (x) it shall not have been waived in writing by the Trustee pursuant to the provisions of the Trust Deed or (y) it shall not have been remedied to the satisfaction of the Trustee acting on the instructions of the Noteholders by Extraordinary Resolution.

9.2 Consequences of the service of Enforcement Notices and taking of Enforcement Action

- 9.2.1 Upon service of written instructions as described in clause 4.4 of the Intercreditor Agreement, the Security Documents shall become enforceable, but only by the Security Trustee and only in accordance with the Intercreditor Agreement and the Note Documents.
- 9.2.2 Notwithstanding Condition 9.1.2, the Notes shall immediately become due and payable at their principal amount together with accrued interest upon the delivery of an Enforcement Notice to the Issuer pursuant to clause 4.4 of the Intercreditor Agreement (an "**Immediate Acceleration Event**"). For the avoidance of doubt, no action is required from or by the Noteholders or the Trustee under these Conditions or otherwise for an Immediate Acceleration Event to occur. Immediately upon the occurrence of an Immediate Acceleration Event, the outstanding principal amount of the Notes, any accrued interest and any other payments under the Notes will be and shall be deemed to be due and payable for all purposes of the Intercreditor Agreement, including for any application of proceeds by the Security Trustee under clause 5 of the Intercreditor Agreement.



10 Enforcement

- 10.1 At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, (i) take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, (ii) instruct the Security Trustee to enforce the Security in accordance with the Intercreditor Agreement and the Security Documents and (iii) instruct the Security Trustee to give notice to the other parties in accordance with the Intercreditor Agreement, but the Trustee need not take any such steps, actions or proceedings unless (A) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in aggregate principal amount of the Notes outstanding, and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- 10.2 Except the manner permitted and set out under the Intercreditor Agreement, no Noteholder is entitled to take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Note Documents (including in respect of the Notes) or to enforce any of the Security Documents. The Security Trustee shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction against all fees, costs, expenses, liabilities, claims and demands to which it may thereby become liable or which it may incur by so doing, upon being so directed by the requisite proportion creditors (including the Noteholders) in accordance with the provisions of the Intercreditor Agreement, enforce the Security Documents and take such Enforcement Action in accordance with the Intercreditor Agreement.

11 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal and premium, if any) or five years (in the case of interest) from the appropriate Relevant Date in respect of them. Neither the Trustee nor any Agent shall be responsible for any amounts so prescribed.

12 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the relevant Registrar or Transfer Agent, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided that the requirement is reasonable in light of prevailing market practice*) or as the relevant Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 Meetings of Noteholders, Modification, Waiver and Authorization

13.1 Meetings of Noteholders

- 13.1.1 The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including, without limitation, the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Note Documents to which the Trustee is a party. Such a meeting may be convened by the Issuer or the Trustee (and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Noteholders holding not less than 25 per cent. in aggregate principal amount of the Notes for the time being outstanding). The quorum for



any meeting convened to consider an Extraordinary Resolution will be two or more Noteholders or agents present in person representing 662/3 per cent. in aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more Noteholders or agents present in person whatever the aggregate principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount or any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 662/3 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed).

- 13.1.2 The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Notes for the time being outstanding, and who are for the time being entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

13.2 Modification of the Trust Deed

The Trustee may, but shall not be obliged to, agree, without the consent of the Noteholders (i) to any modification of any of these Conditions or any of the provisions of the Trust Deed or Intercreditor Agreement, that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest or proven error; (ii) to enter into any amendments or modifications to the Security Documents, and take any other action, in any such case necessary to permit or for the purposes of permitting the creation, registration, perfection and maintenance of Security Interests on any Security or any other assets of the Issuer in accordance with the Trust Deed and (iii) to any other modification (except as mentioned in the Trust Deed), or to waive or authorize, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement or determine that an Event of Default or Potential Event of Default will not be treated as such, if, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Noteholders, *provided* that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 9. Any such modification, authorization or waiver shall be binding on the Noteholders and such modification, authorization or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.

13.3 Entitlement of the Trustee

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those referred to in this Condition 13), the Trustee shall have regard to the general interests of the Noteholders as a class and shall not have regard to any interest arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee



any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, except to the extent provided for in Condition 8 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

14 Indemnification of the Trustee

- 14.1 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps, actions or proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.
- 14.2 The Trustee may rely without liability to Noteholders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution, rating agency or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer and the Noteholders. The Trustee shall not be responsible or liable to the Issuer, the Noteholders, the Security Trustee, any other party to any Security Document or any other person for any loss occasioned by acting on or refraining from acting on such report, confirmation, certificate, information, advice or opinion.
- 14.3 Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement and the Intercreditor Agreement to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Noteholders by way of Extraordinary Resolution, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Noteholders, the Security Trustee, any other party to any Security Document or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Noteholders or in the event that no direction is given to the Trustee by the Noteholders. None of the Trustee or any Agent shall be liable to any Noteholder, the Issuer, the Security Trustee, any other party to any Security Document or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction, request or resolution of the Noteholders. The Trustee shall be entitled to rely on any instructions, direction, request or resolution of Noteholders given by the Noteholders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.
- 14.4 None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Noteholder, the Issuer or any other person for any action



taken by the Trustee or such Agent in accordance with the instructions of the Noteholders. The Trustee shall be entitled to rely on any direction, request or resolution of Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain whether any Event of Default or Potential Event of Default has occurred or monitor compliance by the Issuer with the provisions of the Trust Deed, the Agency Agreement or these Conditions.

- 14.5 Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and its Subsidiaries, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.
- 14.6 *Repatriation of proceeds outside India by the Issuer under an indemnity clause requires the prior approval of the Reserve Bank of India, in accordance with the extant applicable laws and regulations of India, including the rules and regulations framed under the Foreign Exchange Management Act, 1999.*

15 Notices

- 15.1 All notices to Noteholders will be valid if published in a leading newspaper having general circulation in Asia (which is expected to be the Straits Times) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe or Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Notices to be given by any Noteholder must be in writing and given by lodging the same with the relevant Registrar or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.
- 15.2 *For an explanation regarding notices while the Notes are represented by Global Certificates, see "Global Certificates".*

16 Contracts (Rights of Third Parties) Act 1999

Save as contemplated in Condition 10(a), no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but such Act does not affect any right or remedy of any person which exists or is available apart from that Act.

17 Non-Petition

Only the Security Trustee may pursue the remedies available under general law or under the Security Documents to enforce the Security and no other person (including any Noteholder or the Trustee) will be entitled to proceed directly against the Issuer to enforce the Security Documents. In particular, each party to the Intercreditor Agreement (other than the Security Trustee, and in respect of certain rights, the Trustee) has agreed that (i) the proceeds from the Pari Passu Collateral (each as defined in the Intercreditor Agreement) shall, in all respects, be shared between the beneficiaries of each of the trusts under the relevant security trustee agreements, in proportion to their respective Note Participations and Hedging Participations (as defined in the Intercreditor Agreement) as of the date of the Enforcement Action and (ii) each party to the Intercreditor Agreement proposing to take any action or direct any Enforcement Action shall comply with the terms of the Intercreditor Agreement before taking any such Enforcement Action.



18 Governing Law and Jurisdiction

18.1 Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Intercreditor Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Trust and Accounts Deed (once executed) and the Security Documents (once executed) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Indian law.

18.2 Jurisdiction

The courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.

18.3 Agent for Service of Process

The Issuer has irrevocably appointed in the Trust Deed an agent in England to receive service of process in any Proceedings in England based on any of the Notes.

19 Definitions

"Account Bank" means IDBI Bank Limited and /or any other scheduled commercial bank that, at the time of appointment: (i) has a minimum rating of 'AA+' by any two rating agencies in India; (ii) is not subjected to the Prompt Corrective Action framework of the RBI; and (iii) has been appointed in accordance with the terms of the Trust and Accounts Deed.

"Accounts" means the statement of financial performance and statement of financial position.

"Adjusted Treasury Rate" means, as of any redemption date, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Notes are defeased or satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to May 18, 2026; *provided that* if the period from the redemption date to May 18, 2026 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Adjusted Treasury Rate shall be obtained by the Issuer.

"Affiliate" means, in relation to any Person, any other Person that controls, is controlled by, or is under common control with, such Person.

"Applicable Premium" means with respect to a Note at any redemption date, the greater of (1) 1.00 per cent. of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (x) the redemption price of such Note on May 18, 2026 (such redemption price being described under Condition 6.4), plus (y) all required remaining scheduled interest payments due on such Note through May 18, 2026 (but excluding accrued and unpaid interest to such redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

"Authorization" means:



- (a) any material consent, authorization, registration, filing, lodgement, agreement, notarisation, certificate, permission, license, approval, authority or exemption from, by or with a Government Authority; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Government Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“Authorized Officer” means, in relation to the Issuer, any officer of the Issuer whose title is or includes the words “Chief Financial Officer”, “Director” or “Company Secretary” or a person appointed as an authorized officer of the Issuer by a resolution of the board of directors of the Issuer and in respect of whom the Security Trustee, the Trustee and the Principal Paying Agent (for itself and the other Agents) have received a certificate signed by a director of the Issuer who is also an Authorized Officer of the Issuer pursuant to (in the case of the certificates delivered to the Trustee and the Principal Paying Agent) the Agency Agreement:

- (a) setting out that person’s name, title and specimen signature; and
- (b) confirming the appointment,

provided that the Trustee or, as the case may be, the Security Trustee or, as the case may be, the relevant Agent has not received notice of revocation of that appointment.

“Baspa II Project” means 300 MW (3 X 100MW) Baspa II run-of-the-river hydro-electric project located on the river Baspa, a tributary of the river Sutluj in district Kinnaur, Himachal Pradesh.

“Calculation Date” means each March 31 and September 30, occurring on or after September 30, 2021.

“Calculation Period” means:

- (a) for the first Calculation Date falling on September 30, 2021, the period commencing from October 1, 2020 and ending on such Calculation Date; and
- (b) in respect of each subsequent Calculation Date, the 12-month period ending on such Calculation Date.

“Capital Expenditure” means, at any time, the expenditure or obligation in respect of expenditure used to establish, maintain, repower as required and operate the assets and which, in accordance with Ind AS, is treated as a capital expenditure.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Closing Date or issued thereafter, including, without limitation, all common stock and preferred stock.

“Cashflow Available for Debt Service” means, in respect of any period, (i) the aggregate amount of CFADS Operating Revenue for such period (which, for the avoidance of doubt, shall include interest revenue accrued by the Issuer on all Project Accounts (including the Distribution Account, to the extent any such interest is transferred to the Operating Accounts) to the extent not already included in CFADS Operating Revenue) and (ii) the amount of proceeds received by the Issuer from any New Injection made in such period and designated by the Issuer as an Equity Cure, less:

- (a) Operating Expenses (other than any Costs or fees payable, written-off or amortized in connection with the Existing Indebtedness, the Senior Secured Documents and any Costs or break fees payable as a consequence of the repayment or prepayment of the Existing Indebtedness) and petty expenses, if any, in each case paid in such period and funded by amounts withdrawn from a Project Account in accordance with these Conditions and the Trust and Accounts Deed;



- (b) Taxes (other than where any such Taxes have been paid by the Issuer from funds in the Distribution Account related to the write back of True-Up Liabilities) paid by the Issuer in such period; and
- (c) costs paid by the Issuer to the Trustee,

in each case for (b) and (c) of this definition, without double counting.

Amounts received as a New Injection and designated by the Issuer as an Equity Cure in accordance with these Conditions and the Trust and Accounts Deed will be counted in Cashflow Available for Debt Service for the Calculation Period in which the Compliance Certificate is being provided but not for any subsequent period, without double counting, and solely for that specified period.

“CFADS Operating Revenue” means Operating Revenue excluding (without double counting):

- (a) non-recurring significant items which are not generated in the ordinary course of business (including, but not limited to, profits and losses on the disposal of assets outside the ordinary course of business);
- (b) extraordinary items;
- (c) any other non-cash items (including, but not limited to, property revaluations); *provided* that such non-cash items shall not include “income from service concession arrangements”;
- (d) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;
- (e) proceeds of any Finance Debt or equity; and
- (f) any warranty claim or indemnity payment received under a PPA, other than any amounts calculated with respect to, or provided in lieu of, revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense.

“Change of Control” means:

- (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any “person” (within the meaning of Section 13(d) of the Exchange Act), other than to the Promoters, the Promoter Group and/or to any Persons controlled by the Promoters or the Promoter Group (for the avoidance of doubt, any sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Issuer and its Subsidiaries required by applicable law, rule, regulation or order will constitute a Change of Control under this definition);
- (b) if the Issuer consolidates with, or merges with or into, any Person (other than the Promoters, the Promoter Group or any Person controlled by the Promoters or the Promoter Group), or any Person (other than the Promoters, the Promoter Group or any Person controlled by the Promoters or the Promoter Group) consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Issuer or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Issuer outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);



- (c) the Promoters, the Promoter Group and any Person controlled by the Promoters or the Promoter Group cease to be the “beneficial owners” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of at least 26 per cent. in the aggregate of the voting power of the Voting Stock of the Issuer;
- (d) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Promoters, the Promoter Group or any Person controlled by the Promoters or the Promoter Group, is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50 per cent. of the total voting power of the Voting Stock of the Issuer; or
- (e) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

“**Change of Control Triggering Event**” means the occurrence of a Change of Control; *provided that*, only in the case that the Notes are rated, it shall not constitute a Change of Control Triggering Event unless and until a Rating Decline due to such Change of Control shall also have occurred.

“**Common Stock**” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and includes, without limitation, all series and classes of such common stock or ordinary shares.

“**Compliance Certificate**” means a compliance certificate with respect to a Calculation Period as referred to in Condition 4.3 or in such other form acceptable to the Security Trustee and the Trustee (acting on the instruction of the Noteholders by Extraordinary Resolution).

“**control**” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

“**Costs**” means costs, charges, fees, expenses and disbursements (including without limitation any sales, value added, turnover, withholding or other tax on such amounts as aforesaid).

“**Currency Hedging Agreement**” means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, currency option agreement or any other similar agreement or arrangement, in each case based on or documented under the ISDA 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc. (ISDA).

“**Debt Service Cover Ratio**” means, in relation to a Calculation Period ending on the relevant Calculation Date, the ratio of (i) Cashflow Available for Debt Service for such period to (ii) the aggregate amount of (x) interest in respect of the Notes accrued during such period, (y) interest in respect of any Working Capital Debt accrued during such period and (z) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period (without double counting); *provided that* for the Calculation Period ending on September 30, 2021, paragraph (i) shall be Cashflow Available for Debt Service for the 12-months ending September 30, 2021 and paragraph (ii) shall be the aggregate amount of (a) the scheduled principal repayments (to the extent not refinanced, prepaid or repaid and/or marked for refinancing) under the Existing Term Loan Indebtedness during such period, (b) interest payments to creditors of Existing Indebtedness and payments of any Costs (of recurring nature) to creditors in relation to Existing Indebtedness due or accrued during such period, (c) interest accrued in respect of the Notes during such period, (d) interest accrued in respect of any Working Capital Debt during such period and (e) net payments accrued under any Currency Hedging Agreement or any Interest Rate Hedging Agreement during such period.



"Debt Service Reserve Account" has the meaning given to it in the Trust and Accounts Deed. **"Default"** means an Event of Default or a Potential Event of Default.

"Defaulting Hedge Amounts" means any Hedge Termination Payment due to the occurrence of an event of default or termination event under the relevant Currency Hedging Agreement or Interest Rate Hedging Agreement in respect of which the Hedge Counterparty is the defaulting party or sole affected party together with any accrued interest on the Hedge Termination Payment.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (a) matures or is mandatorily redeemable for cash or in exchange for indebtedness pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable at the option of the holder thereof for indebtedness or Disqualified Stock; or
- (c) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Maturity Date or (b) the date on which there are no Notes outstanding; *provided that* (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Issuer to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is not otherwise prohibited under the Trust Deed.

"Distribution" means any dividend, charge, interest, management or other fee, loan, advance or other financial accommodation, payment or other distribution, or redemption, repurchase, defeasance, share buy-back, retirement or repayment relating to any share buy-back, capital reduction, Subordinated Debt or otherwise to or for the benefit of the Issuer, any member of the JSW Group or any holder of the shares of the Issuer, excluding (i) reasonable corporate costs and (ii) reasonable directors' fees.

"Distribution Account" has the meaning given to it in the Trust and Accounts Deed.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

"Early Termination Amount" means, in respect of a Hedging Obligation, the amount payable as a result of the early termination of such Hedging Obligation.

"EBITDA" means the earnings before interest, tax, depreciation and amortization of the Issuer for the relevant period, being the aggregate of the Issuer's profit/(loss) before tax, depreciation and amortization expense and finance Costs, plus (to the extent such amount was deducted from earnings) any unrealized gains or losses in respect of the Issuer's obligations pursuant to Currency Hedging Agreements or Interest Rate Hedging Agreements or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value of changes therein recognized in earnings for



derivatives that do not qualify as a hedge transaction, in each case, in respect of the Issuer's obligations pursuant to Currency Hedging Agreements or Interest Rate Hedging Agreements; each as calculated in accordance with Ind AS and set out in the most recent Standalone Accounts delivered to the Security Trustee and the Noteholders (with a copy to the Trustee).

"ECB Guidelines" means the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, and the circulars issued thereunder from time to time including the Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, issued by the RBI, each as amended and/or updated and/or replaced by the RBI from time to time.

"Enforcement Action" means any of the following actions to:

- (a) exercise any remedy under the Trust Deed following an Event of Default for the recovery of any amount owed by the Issuer, including by way of set off and including:
 - (i) the exercise of any rights with respect to any Security Interests granted under the Security Documents; or
 - (ii) the exercise of any right of netting, set off or account combination against the Issuer in respect of any present and future liabilities, debts and other obligations at any time due, owing or incurred in connection with the Trust Deed;
- (b) initiate any insolvency, corporate insolvency resolution or other action (including to initiate any action or proceedings under the Insolvency and Bankruptcy Code, 2016 or any other analogous law for the time being in force), winding-up, liquidation, reorganization, administration or dissolution proceedings or any similar proceedings, in each case that involves the Issuer and is in connection with the Trust Deed, or any analogous procedure or step in any jurisdiction;
- (c) enter into any composition, compromise, assignment or arrangement with the Issuer which owes any present and future liabilities, debts and other obligations at any time due, owing or incurred, or has given any Security Interests against loss in respect of the present and future liabilities, debts and other obligations at any time due, owing or incurred (other than any action permitted under the terms of the Intercreditor Agreement); or
- (d) levy distress against the Issuer's assets or undertaking or attach, levy execution, arrest or otherwise exercise any creditor's process in respect of any asset or undertaking of any of them, in each case, in connection with the Trust Deed;

provided that upon occurrence of an Event of Default, any notice issued by any Senior Secured Creditor to the Issuer to discharge its liabilities under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the rules made thereunder to preserve or protect the assets, rights or benefits secured under the Security Interest shall not constitute or be construed as an Enforcement Action, and may be exercised individually by such Senior Secured Creditor.

"Enforcement Notice" has the meaning given to it in the Intercreditor Agreement. **"Environment"** means components of the earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) any organic or inorganic matter and any living organism; and



(d) any human made or modified structure or area,

and includes interacting natural ecosystems that include components referred to in paragraphs (a) to (d) (inclusive) of this definition.

“Environmental Laws” means any law relating to:

- (a) the Environment (including any law relating to land use, planning, environmental assessment, pollutions, contamination, chemicals, waste, the use or presence of asbestos or dangerous goods or hazardous substances, building regulations, the occupation of buildings, heritage, species, flora and fauna or noise); or
- (b) any aspect of protection of the Environment.

“Equity Offering” means any underwritten primary public offering or private placement of Common Stock of the Issuer after the Closing Date; *provided* that the aggregate gross cash proceeds received by the Issuer from such offering shall be no less than U.S.\$25.0 million (or the Dollar Equivalent thereof).

“Event of Default” has the meaning given in Condition 9.1.1.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Existing Debt Documents” means, the (i) Existing Term Loan Debt Documents and (ii) the working capital facility agreement dated April 6, 2016 (read together with a sanction letter dated August 6, 2020 bearing no. IDBI/LCG, New Delhi/2020-21/84, as renewed from time to time) between the Issuer and IDBI Bank Limited for working capital facilities, in relation to the Karcham Wangtoo Project, within an overall limit of Rs.3,050 million.

“Existing Indebtedness” means the Finance Debt owed by the Issuer under the Existing Debt Documents.

“Existing Term Loan Debt Documents” means (i) the rupee facility agreement dated September 23, 2015 entered into by the Issuer with the State Bank of India read with deed of accession dated October 8, 2015 entered into by Allahabad Bank, Axis Bank Limited, Central Bank of India, L&T Infrastructure Finance Company Limited, Punjab National Bank, State Bank of Hyderabad, Syndicate Bank and Vijaya Bank for a rupee term loan facility up to an aggregate principal amount of Rs.66,000 million, for the Karcham Wangtoo Project and related financing documents; and (ii) the rupee facility agreement dated September 23, 2015 entered into by the Issuer with the State Bank of India read with deed of accession dated October 8, 2015 entered into by Allahabad Bank, Axis Bank Limited, Central Bank of India, L&T Infrastructure Finance Company Limited, Punjab National Bank, State Bank of Hyderabad, Syndicate Bank and Vijaya Bank, for a rupee term loan facility up to an aggregate principal amount of Rs.9,500 million for the Baspa II Project and related financing documents, each as may be amended, novated or supplemented from time to time.

“Existing Term Loan Indebtedness” means the Finance Debt owed by the Issuer under the Existing Term Loan Debt Documents.

“Extraordinary Resolution” has the meaning given to it in the Trust Deed.

“Finance Debt” means any indebtedness, present or future, actual or contingent in respect of any form of financial accommodation whatsoever, including:

- (a) moneys borrowed (including overdrafts);
- (b) moneys raised, including moneys raised under or pursuant to any debenture, bond, bank guarantee facility, note or loan stock or other similar instrument;
- (c) any acceptance, endorsement or discounting arrangement;



- (d) receivables sold or discounted (otherwise than on a non-recourse basis);
- (e) the acquisition cost of any asset or service to the extent payable more than 360 days after the time of acquisition or possession by the person liable as principal obligor for the payment thereof where the deferred payment is arranged primarily as a method of raising finance or financing or refinancing the acquisition of the asset or service acquired;
- (f) finance leases, capital leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases or capital leases in accordance with Ind AS but only to the extent of such treatment and other than land leases;
- (g) the amount payable by the Issuer to any other Person in respect of the redemption of any share capital or other securities issued by it (if the share capital or other securities are redeemable at the option of their holder or if the Issuer is otherwise obliged to redeem them, in each case, prior to or on the Maturity Date);
- (h) amounts raised under any other transaction required to be accounted for as a borrowing under Ind AS;
- (i) swap, option, hedge, forward, futures or similar transaction (*provided* that (A) the amount of Finance Debt owed by a person at any time with respect to any Hedging Obligation will be equal to the net amount payable if the Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time due to default by such person, and (B) without duplication for (A), the amount of any Finance Debt for which there is a related Currency Hedging Agreement or Interest Rate Hedging Agreement at any time shall be calculated after giving effect to such Currency Hedging Agreement or Interest Rate Hedging Agreement); or
- (j) any guarantee, indemnity or similar assurance against financial loss of any Person in respect of any indebtedness falling within paragraphs (a) to (i) (inclusive) of this definition,

and so that, where the amount of Finance Debt is to be calculated or where the existence (or otherwise) of any Finance Debt is to be established:

- (I) any undrawn amounts shall not be taken into account; and
- (II) in relation to any bank accounts subject to netting arrangements, the net balance shall be used.

For the avoidance of doubt and notwithstanding anything herein to the contrary, land leases shall not constitute "Finance Debt" or indebtedness, and shall not be prohibited by these Conditions and shall not be taken into account when calculating the amount of Finance Debt or indebtedness, or any ratio related thereto, under these Conditions.

"Financial Year" means the 12-month period ending on March 31 of each year. "Fitch" means Fitch Ratings Inc.

"Funds From Operations" means, for any period, EBITDA minus cash Taxes paid on income and adjusted for any positive or negative adjustments in working capital minus cash net interest.

"Good Industry Practice" means the exercise of the degree of skill, care and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking as the Issuer under the same or similar circumstances.

"Government Authority" means a government, a government department, or a governmental, semi-governmental, statutory, regulatory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body.



"Hedge Counterparty" means each counterparty to a Currency Hedging Agreement or an Interest Rate Hedging Agreement other than the Issuer.

"Hedge Termination Payment" means the net termination amount (however defined) payable by the Issuer pursuant to any Currency Hedging Agreement or any Interest Rate Hedging Agreement.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Currency Hedging Agreement or any Interest Rate Hedging Agreement.

"HPSEB" shall mean Himachal Pradesh State Electricity Board Limited, a state government company incorporated under Companies Act, 1956 having corporate identity number U40109HP2009SGC031255 and its registered office at Vidyut Bhawan, HPSEB, Shimla-171004, Himachal Pradesh, India.

"Implementation Agreements" means (i) the implementation agreement dated November 18, 1999 read with addendum dated May 28, 2001 and a supplementary implementation agreement dated December 20, 2007, between Jaiprakash Power Ventures Limited and Government of Himachal Pradesh in relation to the Karcham Wangtoo Project, transferred to the Issuer by way of a tripartite agreement dated August 29, 2015; and (ii) the implementation agreement dated October 1, 1992 between Jaiprakash Power Ventures Limited and the Government of Himachal Pradesh in relation to the Baspa II Project, transferred to the Issuer by way of a tripartite agreement dated August 29, 2015.

"Incur" means, with respect to any Finance Debt, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Finance Debt. The terms "Incurrence", "Incurred" and "Incurring" have meanings correlative with the foregoing.

"Ind AS" means Indian Accounting Standards issued by the Ministry of Corporate Affairs, Government of India, as in effect from time to time.

"Insurance" means the insurance that the Issuer is required to obtain and maintain in accordance with Condition 4.16.

"Intercreditor Agreement" means the Intercreditor Agreement dated on or about May 18, 2021 between, inter alios, the Issuer, the Security Trustee, the Trustee and the Hedge Counterparties.

"Interest Rate Hedging Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement, in each case based on or documented under the ISDA 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc. (ISDA).

"Investment Grade" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Issuer as having been substituted for S&P and/or Moody's, as the case may be.

"JSW Group" means JSW Energy Limited and its Subsidiaries, joint ventures and associates (in each case, to the extent of JSW Energy Limited's ownership, directly or indirectly) as defined under Ind AS and as would be included for purposes of preparing JSW Energy Limited's consolidated financial statements in accordance with Ind AS.



“Karcham Wangtoo Project” means the 1000 MW (4 X 250MW) Karcham Wangtoo run-of-the-river hydro-electric project located on the river Sutluj, district Kinnaur, Himachal Pradesh.

“Material Adverse Effect” means any event, circumstance, occurrence or condition which has, as of any date of determination, or could reasonably be expected to have, a material adverse effect on:

- (a) the ability of the Issuer to perform its payment or other material obligations under any of the Note Documents;
- (b) the business, operations, financial condition, assets or cash flow of the Issuer having material implications for the business of the Issuer;
- (c) the legality, validity, binding nature or enforceability of the whole or any material part of any of the Note Documents; or
- (d) the rights, priority or security of the holders under any of the Note Documents.

“MCS Account” has the meaning given to it in the Trust and Accounts Deed.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Cash Proceeds” means with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Net Debt” means the total indebtedness of the Issuer (excluding any Subordinated Debt) less any amounts held in the MCS Account, the Debt Service Reserve Account, the Restricted Surplus Account and the Restricted Debt Service Account.

“New Injection” means the aggregate amount subscribed for by any Person after the Closing Date for ordinary shares or preference shares in the Issuer or any Subordinated Debt (for which a Subordination Deed is entered into) provided by a related party which is availed by the Issuer which may or may not be convertible into ordinary shares or preference shares of the Issuer.

“Note Documents” means:

- (a) the Trust Deed;
- (b) the Trust and Accounts Deed;
- (c) the Subordination Deed;
- (d) the Intercreditor Agreement;
- (e) any Currency Hedging Agreement;
- (f) any Interest Rate Hedging Agreement;
- (g) each Security Document; and
- (h) any other document designated as a Note Document by the Issuer and the Trustee.

“O&M Expenses Account” has the meaning given to it in the Trust and Accounts Deed.



“Officer’s Certificate” means a certificate signed by an officer or director of the Issuer.

“Operating Accounts” has the meaning given to it in the Trust and Accounts Deed.

“Operating Account Waterfall” means the payment waterfall set out in Condition 4.34.3.

“Operating Expenses” means any Costs and Taxes of the Issuer in connection with the Permitted Businesses, including:

- (a) any payments under the PPAs;
- (b) premiums payable in respect of Insurance;
- (c) administrative costs (excluding Distributions but including any amounts payable to meet reasonable directors’ fees);
- (d) Costs in respect of the Project Accounts;
- (e) any True-Up Liabilities in excess of Rs.2 billion (or the foreign currency equivalent thereof) (other than to the extent that the payment thereof has been funded with funds from the Distribution Account);
- (f) fees of engineers, accountants, auditors, consultants and legal or other professional advisers;
- (g) all amounts (other than Excluded Hedging Payment Amounts) paid by the Issuer upon termination of any Currency Hedging Agreement or any Interest Rate Hedging Agreement;
- (h) an amount (other than Excluded Hedging Payment Amounts) equal to any Early Termination Amount paid by it (or on its behalf) under any Currency Hedging Agreement or any Interest Rate Hedging Agreement; and
- (i) any expenditure or obligation in respect of expenditure used to establish, maintain and operate the assets and which, in accordance with Ind AS, is treated as revenue expenditure or a capital expenditure (other than to the extent that the payment of any such capital expenditure has been funded with funds from the Distribution Account);

which are, in the cases of (a) to (i) above, expenses under Ind AS.

“Operating Revenue” means, in respect of any period, the standalone operating revenue of the Issuer for such period, determined in accordance with Ind AS, plus (i) the proceeds of any Permitted Disposals received during such period, (ii) income accrued or received during such period, (iii) income accrued or received during such period from any Permitted Investment or any Permitted Temporary Investment, (iv) any Insurance proceeds (other than Excluded Insurance Proceeds) received during such period, (v) all amounts paid to the Issuer during such period upon termination of any Currency Hedging Agreement or any Interest Rate Hedging Agreement and (vi) an amount equal to any Early Termination Amount received during such period by the Issuer (or on its behalf) under any Currency Hedging Agreement or any Interest Rate Hedging Agreement.

“Payment Blockage” means:

- (a) a Default is subsisting in relation to non-payment of any amount due to a Senior Secured Creditor; or
- (b) a Default subsists (except an Event of Default in respect of a non-payment of Subordinated Debt), and either:
 - (i) the Security Trustee or any Senior Secured Creditor (or its representative) delivers a notice (a **“Payment Blockage Notice”**) to each representative of each Subordinated Creditor and Senior Secured Creditor specifying the relevant Default which has occurred and is continuing and suspending payments of the Subordinated Debt; or



- (ii) the Issuer is otherwise aware that the relevant Default subsists.

A Payment Blockage will subsist until the first to occur of:

- (A) the date on which the Payment Blockage Notice is canceled or withdrawn by written notice by the Security Trustee or any Senior Secured Creditor (or its representative) to each representative of each Subordinated Creditor and each Senior Secured Creditor; or
- (B) the date on which the relevant Default ceases to subsist (except where a Potential Event of Default ceases to subsist because it becomes an Event of Default) as confirmed in a written notice by the relevant representatives of the Senior Secured Creditors.

“Permitted Business” means any business, service or activity engaged in by the Issuer or JSW Kutehr on the Closing Date, including any businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing, or any expansions, extensions or developments thereof, as well as the acquisition or disposal of any Capital Stock in any of the Issuer’s Subsidiaries.

“Permitted Disposal” means:

- (a) any sale of electricity;
- (b) any sale of Capital Stock in any of the Issuer’s Subsidiaries;
- (c) any sale, transfer or other disposition of any national, state or foreign production tax credit, tax grant, renewable energy credit, carbon emission reductions, certified emission reductions, generation based incentives or similar credits based on the generation of electricity from renewable resources or investment in renewable generation and related equipment and related costs;
- (d) any disposal effected by way of the grant or creation of a Permitted Security Interest;
- (e) the disposal of any asset at arm’s length and for fair value that is obsolete, surplus to requirements or no longer required for the proper and efficient operation of the Issuer’s business;
- (f) the withdrawal or transfer of any amount from the Distribution Account pursuant to the Operating Account Waterfall, including, without limitation, a Permitted Distribution or a Permitted Investment;
- (g) the refund or return of any deposits by the Issuer to its suppliers, purchasers, customers or vendors in the ordinary course of business;
- (h) any transaction governed by the covenant described under Condition 4.28;
- (i) the sale or other disposition of cash, Permitted Temporary Investments or Permitted Investments;
- (j) the sale of receivables in the ordinary course of business, *provided* that such receivables are not at more than a discount of 9 per cent. per annum;
- (k) sales or other dispositions of inventory and other assets in the ordinary course of business;
- (l) disposals of any assets at arm’s length and for fair value that in aggregate do not exceed Rs.150,000,000 (or its equivalent in another currency);
- (m) the lease, license, assignment or sublease of any real or personal property in connection with the Permitted Businesses;
- (n) any transfer, termination, unwinding or other disposition of Hedging Obligations in accordance with the terms thereof; or
- (o) any withdrawal of funds in connection with the prepayment of any Existing Indebtedness.



“Permitted Distribution” means a Distribution funded from funds within the Distribution Account.

“Permitted Finance Debt” means each and all of the following Finance Debt:

- (a) Notes;
- (b) any finance leases entered into by the Issuer prior to the Closing Date and any other finance leases (including any operational leases to the extent that they may be characterized as finance leases under Ind AS), hire purchase arrangements or similar facilities where the lease provider’s recourse is limited to the asset leased to the Issuer that is the lessee, and the total value of all such lease facilities entered into by the Issuer at any time does not exceed Rs.100,000,000 (or its equivalent in another currency) on an aggregate basis other than by reason of any change in the accounting treatment of any finance lease in accordance with Ind AS;
- (c) any trade credit arising in the ordinary course of trading and security deposit of customers of the Issuer;
- (d) Finance Debt Incurred for working capital in an aggregate principal amount at any one time outstanding (together with refinancings thereof) of all such Finance Debt not to exceed U.S.\$55.0 million (or the Dollar Equivalent thereof) (such Finance Debt, **“Working Capital Debt”**);
- (e) Existing Indebtedness;
- (f) Subordinated Debt;
- (g) Finance Debt Incurred for purposes of refinancing all or any part of any Permitted Finance Debt (such Finance Debt, **“Permitted Refinancing Debt”**);
- (h) Hedging Obligations designed solely to protect the Issuer or any of its Subsidiaries from fluctuations in interest rates, currencies and not for speculation (or to reverse or amend or terminate any such agreements previously made for such purposes);
- (i) Finance Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently, except in the case of daylight overdrafts, drawn against insufficient funds in the ordinary course of business, so long as such Finance Debt is converted within five Business Days;
- (j) obligations with respect to trade letters of credit entered into in the ordinary course of business to the extent the letters of credit are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and, if to be reimbursed, are reimbursed no later than 30 days following receipt of a demand for reimbursement following payment on the letter of credit;
- (k) Finance Debt arising from agreements of the Issuer providing for indemnification, adjustment of purchase price, or other similar obligations, in each case Incurred or assumed in connection with the disposition of any business or assets of the Issuer; *provided* that the maximum assumable liability in respect of all this Finance Debt shall at no time exceed the gross proceeds actually received by the Issuer in connection with the disposition; and
- (l) any workers’ compensation claims, self-insurance obligations, bankers’ acceptances, performance bonds, surety bonds and similar obligations in the ordinary course of business.

“Permitted Security Interest” means:

- (a) Security Interests in favor of the Issuer;
- (b) Security Interests existing on the Closing Date;



- (c) Security Interests to secure Permitted Finance Debt of the type described under clauses (a), (d) and (h) of the definition thereof;
- (d) Security Interests to secure Permitted Refinancing Debt; *provided* that such Security Interests do not extend to or cover any property or assets other than the property or assets securing the Finance Debt being refinanced;
- (e) Security Interests arising by operation of law in the ordinary course of business so long as the debt it secures is paid when due or contested in good faith (and appropriately provisioned);
- (f) a retention of title arrangement in connection with the acquisition of goods in the ordinary course of business (which terms must require payment within 360 days);
- (g) bankers' liens, rights of set-off or other netting arrangements and/or any Security Interest arising in respect of any Permitted Finance Debt;
- (h) any Security Interest for:
 - (i) rates, Taxes, duties or fees of any kind payable to a Government Authority; or
 - (ii) money payable for work performed by suppliers, mechanics, workmen, repairmen or employees and, in each case, arising in the ordinary course of business, either not yet due or being contested in good faith by the Issuer;
- (i) any Security Interest over an asset that has been acquired;
- (j) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (k) any Security Interest incurred or pledges or deposits made in the ordinary course of business (x) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Issuer or (y) in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits;
- (l) any Security Interest created or arising in connection with a Senior Secured Document;
- (m) any Security Interest created in favor of the lenders of JSW Kutehr or any of the Permitted Subsidiaries on the proceeds of any Finance Debt extended by the Issuer to JSW Kutehr or the applicable Permitted Subsidiary and any receivables therefrom, as the case may be, *provided* that the Issuer shall not provide or undertake any guarantee, indemnity (other than an indemnity under any of the security documents executed by the Issuer in favor of/for the benefit of the lenders of JSW Kutehr or any of the Permitted Subsidiaries) or other payment obligations in connection with such Security Interest; and
- (n) any Security Interest on the shareholding of the Issuer held in JSW Kutehr or any of the Permitted Subsidiaries, *provided* that the Issuer shall not provide or undertake any guarantee, indemnity (other than an indemnity under any of the security documents executed by the Issuer in favor of/ for the benefit of the lenders of JSW Kutehr or any of the Permitted Subsidiaries) or other payment obligations in connection with such Security Interest.

"Permitted Subsidiary" means any Subsidiary of the Issuer (or any Person which, upon incorporation or acquisition by the Issuer, JSW Kutehr or any other Permitted Subsidiary will become a Subsidiary of the Issuer).



“Permitted Temporary Investment” means the investments (including encashment, reinvestment and change in investment) in:

- (a) treasury bills or debt instruments or other securities issued by the Government of India or backed by full Government of India guarantee;
- (b) deposits with Scheduled Commercial Banks or any financial institution, having a minimum rating of ‘AA+’ or an equivalent rating by any two rating agencies in India or having minimum rating of AA by CRISIL, ICRA, CARE or India Ratings and Research Private Limited;
- (c) certificates of deposits issued by Scheduled Commercial Banks or any financial institution, having a minimum rating of ‘AA+’ or an equivalent rating by any two rating agencies in India or having minimum rating of AA by CRISIL, ICRA, CARE or India Ratings and Research Private Limited;
- (d) open ended debt-backed or fixed return schemes or schemes that invest in securities issued by entities owned or controlled by the Government of India, having a minimum rating of ‘AAA’ or an equivalent rating by any two rating agencies in India or having minimum rating of AA by CRISIL, ICRA, CARE or India Ratings and Research Private Limited, of mutual funds registered with SEBI and having a track record of at least two years; or
- (e) any other instrument/investment expressly approved in writing by the Security Trustee.

“Person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity).

“Potential Event of Default” means any event or circumstance which, with the giving of notice, lapse of time, satisfaction of a condition or determination (or any combination of these) would be an Event of Default.

“PPAs” means (i) the power purchase agreement entered into by Jaiprakash Power Ventures Limited with Himachal Pradesh State Electricity Board Limited on June 4, 1997, as amended by an amendment agreement dated January 7, 1998 and novated to the Issuer by way of a deed of novation dated August 9, 2016 for the sale of energy generated by the Baspa II Project; and (ii) the power purchase agreement dated March 21, 2006 with PTC India Limited, as supplemented by an agreement dated December 1, 2017 for the sale of energy generated by the Karcham Wangtoo Project.

“Project Accounts” means the Debt Service Reserve Account, the Distribution Account, the MCS Account, the O&M Expenses Account, the Operating Account, the Restricted Debt Service Account, the Restricted Surplus Account, the Statutory Dues Account, the True-up Reserve Account and any other bank account to be opened as a sub-account of any of the above in accordance with the terms of the Trust and Accounts Deed and/or any new accounts or sub-accounts opened in accordance with the terms of the Trust and Accounts Deed.

“Projects” means, collectively, the (i) Baspa II Project and (ii) Karcham Wangtoo Project.

“Promoter” means JSW Energy Limited and /or any other person recognized as promoter of the Issuer as per the Companies Act, 2013, as amended.

“Promoter Group” means the Promoter and promoter group of JSW Energy Limited recognized and named as a “promoter group” in the filing made by JSW Energy Limited with the Indian stock exchange for the quarter ended March 31, 2021 and as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.



"Rating Agency" means (1) Fitch and (2) Moody's and (3) if Fitch or Moody's or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Issuer, which shall be substituted for Fitch or Moody's or both, as the case may be.

"Rating Category" means (1) with respect to S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (3) the equivalent of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means, in connection with actions contemplated Condition 6.3, that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"Rating Decline" means, in connection with actions contemplated under Condition 6.3, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

- (a) in the event the Notes are rated by two of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by either of such two Rating Agencies shall be below Investment Grade;
- (b) in the event the Notes are rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or
- (c) in the event the Notes are rated below Investment Grade by all of the Rating Agencies (or the sole Rating Agency) on the Rating Date, the rating of the Notes by any Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"RBI" means the Reserve Bank of India established under the Reserve Bank of India Act, 1934 of India.

"Receiver" means a receiver or manager, in each case, appointed under a Security Document.

"Required DSRA Balance" means, in relation to the Debt Service Reserve Account, at any time, an amount equal to the aggregate amount of (x) interest payable in respect of the Notes on the next Interest Payment Date and (y) premiums payable on any Currency Hedging Agreement or any Interest Rate Hedging Agreement over the next six (6) months.

"Required Hedging Arrangements" means Currency Hedging Agreements and Interest Rate Hedging Agreements pursuant to customary ISDA documentation and hedging arrangements in place thereunder that comprise (i) any forwards, swaps, futures, options or other derivatives on the interest payments due under the Notes on each Interest Payment Date to protect the Issuer against mismatches in interest rate and any depreciation in the Indian Rupee to the U.S. dollar in relation to the Notes; and (ii) any forwards, swaps, futures, options or other derivatives on the principal amount of the Notes that will protect the Issuer against any depreciation in the Indian Rupee to the U.S. dollar on the payment of each MCS Amount and the final redemption amount due under the Notes on each MCS Amortization Redemption Date and at maturity, as applicable.

"Restricted Debt Service Account" has the meaning given to it in the Trust and Accounts Deed.

"Restricted Surplus Account" has the meaning given to it in the Trust and Accounts Deed.

"Rs." means the lawful currency of the Republic of India.



"Scheduled Commercial Banks" means banks in India that are included in the second schedule of the Reserve Bank of India Act, 1934.

"Securities Act" means the U.S. Securities Act of 1933.

"Security" means the Security Interest granted under each Security Document.

"Security Document" means the documents executed or to be executed pursuant to Condition 3.2.2 and Condition 3.2.3.

"Security Interest" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"Security Trustee" means SBICAP Trustee Company Limited.

"Senior Secured Creditor" means:

- (a) each Noteholder;
- (b) the Trustee;
- (c) any Hedge Counterparty
- (d) any lenders of Working Capital Debt; and
- (e) any lenders of Permitted Refinancing Debt.

"Senior Secured Debt" means all present and future liabilities (actual or contingent) owing to the Senior Secured Creditors under the Senior Secured Documents.

"Senior Secured Document" means:

- (a) each Note Document;
- (b) each document entered into in relation to Senior Secured Debt owing by the Issuer to Senior Secured Creditors; and
- (c) each security document entered into as Security for the Senior Secured Debt.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Standalone Accounts" means the standalone Accounts of the Issuer (taken as a whole) prepared in accordance with Ind AS including the applicable accounting standards specified under the (Indian) Companies Act, 2013 (as applicable) and all applicable laws.

"Statutory Dues Account" has the meaning given to it in the Trust and Accounts Deed.

"Subordinated Creditor" means any creditor that is a provider of Subordinated Debt under Subordinated Documents.

"Subordinated Debt" means all present and future liabilities (actual or contingent) (including, but not limited to, Finance Debt) owing to the Subordinated Creditors under the Subordinated Documents incurred by the Issuer including any refinancing of any Subordinated Debt as permitted under the Note Documents.

"Subordinated Document" means each facility agreement or other financing document pursuant to which the Issuer incurs Subordinated Debt as permitted under the Note Documents.



“Subordination Deed” means the subordination deed to be entered into as and when any Subordinated Debt is Incurred by the Issuer, between the Issuer, the Security Trustee and each Subordinated Creditor.

“Subsidiary” means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under Indian law, regulations or Ind AS from time to time, should have its accounts consolidated with those of the relevant company.

“Tax” means any charges, deductions, duties (including stamp duty, financial institutions duty, transaction duty and bank account debit tax), fees, imposts, levies, taxes (including any consumption tax, goods and services tax and value added tax) and withholdings (together with any interest, penalties, fines and expenses in connection with any of them) imposed by any Government Authority.

“Transaction Document” means:

- (a) each Senior Secured Document;
- (b) each Subordinated Document;
- (c) each document constating Permitted Finance Debt;
- (d) each PPA; and
- (e) the Implementation Agreements;

each as may be amended and/or supplemented from time to time.

“True-Up Liabilities” means the regulatory provisions outstanding as on December 31, 2020 and so appearing in the books of accounts of the Issuer.

“True-Up Reserve Account” has the meaning given to it in the Trust and Accounts Deed.

“Trust and Accounts Deed” means, the trust and accounts deed in a form satisfactory to the Issuer and the Security Trustee to be entered into between the Issuer, the Security Trustee and the Account Bank as amended, restated or replaced, *provided* that any such amendment, restatement or replacement is (i) substantially similar to the original trust and accounts deed, and (ii) designated as a “Trust and Accounts Deed” for the purposes of these Conditions by the Issuer and the Security Trustee.

“U.S.” or **“United States”** means the United States of America.

“U.S. dollars” or **“U.S.\$”** means the lawful currency of the United States of America.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Waterfall Criteria” means that (x) the total amounts required under paragraphs (i), (ii), (iii), (iv)(B), (v)(B), (vi), (viii), (x) and (xi) of Condition 4.34.3 have been funded (or paid as and when they were due and payable) and (y)(A) the interest which was due on the Notes and Working Capital Debt (if any) on the Interest Payment Date, (B) the MCS Amount which was due on the MCS Amortization Redemption Date, (C) all net payments (if any) which were due under any agreements related to Hedging Obligations, and (D) any payments which were due under paragraph (v)(A) of Condition 4.34.3, in each case immediately prior to the date of the next Calculation Date, have in each case been funded or paid in full.



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Power Purchase Agreement

between

PTC India Limited
(Formerly known as Power Trading Corporation of India Limited)

and

Jaypee Karcham Hydro Corporation Limited

1000 MW Karcham Wangtoo Hydro Electric Project



MARCH 2014
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Karcham Wangtoo Hydro Electric Project

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PREAMBLE

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

PTC India Limited (Formerly known as Power Trading Corporation of India Limited), a public limited company incorporated under the Companies Act 1956, having its registered office at 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi - 110 066 (hereinafter referred to as "PTC", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns); and

Jaypee Karcham Hydro Corporation Limited, a public limited company incorporated under the Companies Act 1956, having its registered office at C - 16, Sector - 1, SDA Housing Colony, New Shimla - 171009 and Head Office at JA House, 63, Basant Lok, Vasant Vihar, New Delhi (hereinafter referred to as the "Company", which expression shall, unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns); each also individually referred to as the "Party", and collectively referred to as "Parties".

WHEREAS:

- (A) PTC is a company engaged in trading of electricity and has been established with an objective, inter-alia, to carry out in India and abroad, the business of purchase of all forms of electrical power from independent power producers, captive power plants and other generating companies, transmission companies, state electricity boards, state government statutory bodies, licensees, power utilities, and sale of all forms of electrical power to the state electricity boards,

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power utilities, transmission companies, bulk consumers of power and other organizations buying power, whether in the private or public sector.

- (B) The Company, a generating company as defined in the Electricity Act, 2003 is implementing the 1000 MW Karcham Wangtoo Hydro Electric Project, a run of the river power station with pondage, comprising 4 (four) Units of 250 MW each in the District of Kinnaur in the State of Himachal Pradesh (the "Project"). The Company has already entered into an Implementation Agreement with Government of Himachal Pradesh and has also appointed Jaiprakash Associates Limited as its Construction Contractor for the Project.
- (C) PTC and the Company have entered into a Memorandum of Understanding on 18th (eighteenth) June Two thousand Three and Addendum on 15th June, Two Thousand Five and Company's letter dated 12th December, 2005, hereinafter referred as MOU, for PTC to purchase, from the Company, the entire saleable power and energy from the Project at the Delivery Point for a period of 35 (thirty five) years from the Commercial Operation Date of the Project, for onward sale on a long-term basis.
- (D) The Company has now requested PTC to purchase 704 MW gross capacity, and corresponding energy, from the Project at the Project bus bar for a period of 35 (Thirty Five) years from the COD of the Project for onward sale on long term basis.
- (E) PTC will enter into suitable arrangements with one or more Purchasers, for sale of Contracted Power from the Project.
- (F) A petition for approval of tariff, if required, for sale of the generated power in accordance with this Agreement shall be filed by the Company before the Appropriate Commission and PTC shall extend all possible assistance and cooperation to the Company for the same. The tariff as approved by such Appropriate Commission will be applicable for purchase and sale of the Contracted Power and Contracted Energy.

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:



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ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The terms used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the rules or regulations framed there under as amended or re-enacted from time to time:

"Active Energy"	means the electrical energy produced, flowing or supplied by an electrical circuit during a time interval, measured in units of kilowatt-hours or standard multiples thereof;
"Active Power"	means the product of voltage and the in-phase component of alternating current (amperes), measured in units of watts or standard multiples thereof;
"Advance Against Depreciation"	is defined in paragraph 38(ii)(b) of CERC Tariff Regulations;
"Affected Party"	has the meaning specified in Article 10.1.1;
"Affiliate"	has the meaning specified in Article 15.7.2(i);
"Agreement" or "Power Purchase Agreement" or "PPA"	means this document including its Schedules containing the terms and conditions for purchase of power by PTC from the Company;
"Annual Fixed Charges"	shall have the meaning set forth in Schedule E;
"Annual Generation Plan"	has the meaning specified in Article 7.2.2;
"Appropriate Authority"	means the Central Electricity Authority, for techno-economic clearance to the Project;
"Appropriate Commission"	means the Central Electricity Regulatory Commission or a State Electricity Regulatory Commission, or their successors, competent to determine / regulate the Tariff for the Project pursuant to the Electricity Act, 2003;
"Arbitration"	means the resolution of a dispute between the Parties in accordance with Article 13.3;
"Auxiliary Consumption"	means, in relation to a period, the energy consumed by auxiliary equipment of the generating station and transformation losses within the generating station, expressed as percent of



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	the gross energy generated at generator terminals during the relevant period, which shall not exceed the quantum as specified by clause 32(ii) of CERC Tariff Regulations;
"Bill Dispute Notice"	means the notice issued by a Party raising a dispute regarding a Monthly Bill or a Supplementary Bill issued by the other Party;
"Billable Energy"	means energy corresponding to Billable Power;
"Billable Power"	means in relation to a Settlement Period, the Power Output at the Delivery Point supplied to PTC in proportion of Contracted Power to the Rated Capacity;
"Business Day"	means a day other than a Sunday or a statutory holiday on which banks are open for business in Delhi;
"Capacity Index"	means the average of the daily capacity indices over a period of time;
"Capacity Reduction"	is the reduction in capacity on account of Monitored Capacity Failure;
"Capital Cost"	means the completion cost of the Project as approved by CEA/CERC, which shall be the ceiling cost of the Project for the purpose of determination and payment of Tariff;
"CEA"	means the Central Electricity Authority as defined in the Electricity Act, 2003, or its successors;
"Central Transmission Utility" or "CTU"	means any Government company which the Central Government may notify under sub-section (1) of section 38 of Electricity Act, 2003, presently being Power Grid Corporation of India Ltd;
"CERC"	means the Central Electricity Regulatory Commission, as defined in the Electricity Act, 2003, or its successors;
"CERC Interstate Transmission Regulations"	means the regulations for open-access to interstate transmission system notified by CERC vide its order dated 30th January 2004, as amended from time to time;
"CERC Tariff Regulations"	means the CERC regulations titled "Central Electricity Regulatory Commission (Terms and conditions of tariff) Regulations 2004", including applicable amendments and substitutions till the date of this Agreement;
"Change in Law"	has the meaning specified in Article 11.1.1;
"Check Meters"	means the metering system identical to the Main Meters for verifying the performance of the Main Meters;



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"Commercial Operation Date" or "COD"	means, in relation to a Unit, the date on which such Unit has been Commissioned; or in relation to the Project, the date on which the last Unit is Commissioned;
"Commissioned"	means in relation to a Unit, the state when the Unit is capable of delivering Active Power and Reactive Power on a regular basis after it passes the Initial Performance Test in accordance with Article 6.8, or in relation to the Project, the state when the Project is capable of delivering active and reactive power on a regular basis after it passes the Initial Performance Test in accordance with Article 6.8;
"Company"	means the Company as defined in the recitals;
"Company Event of Default"	means any of the events set out in Article 14.1;
"Company Preliminary Termination Notice"	means the notice issued by the Company to PTC, stating the Company's intention to terminate this Agreement as a result of a PTC Event of Default;
"Company Termination Notice"	means the notice issued by the Company to PTC for termination of this Agreement as a result of a PTC Event of Default;
"Competent Court"	has meaning specified in Article 11.1.2;
"Confidential Information"	has the meaning specified in Article 15.8.1;
"Conditions Precedent"	means all the conditions as specified in Article 3.1 that are to be fulfilled or waived by the relevant Party;
"Connection Agreement"	an agreement between CTU / Transmission Licensee and the Company setting out the terms relating to a connection to and/or use of the inter state transmission system.
"Consent"	means any consent, licence, approval, permit, no-objection certificate, concession, right of way or any other authorisation required to be granted by a Governmental Instrumentality for construction, operation and maintenance of the Project, including but not limited to those specified in Schedule A;
"Construction Contractor"	means M/s Jaiprakash Associates Limited, appointed by the Company to design, engineer, procure, construct and Commission the Project in accordance with the provisions of this Agreement;
"Consultation Period"	means the period, commencing from the date of issue of a Preliminary Termination Notice, for consultation between the



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Parties to:

(i) mitigate the consequence of the relevant event having regard to all the circumstances; and

(ii) prevent termination of this Agreement;

"Contracted Performance Parameters" means the Contracted Power and the performance levels of a Unit or the Project, specified in Paragraph 2, 3, 4 and 5 of Schedule C;

"Contracted Energy" means energy corresponding to the Contracted Power in accordance with Schedule D;

"Contracted Power" means in relation to the Project, 704 MW of gross power at Project bus bar;

"Control Centre" shall be the RLDC;

"Daily Capacity Index" means the percentage of the Declared Capacity to the Maximum Available Capacity during the Settlement Periods of the Peak Hours of a day, such percentage being limited to 100% in case it exceeds this limit;

"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 notified by the Control Centre to the Company;

"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 Article 7.3.2, notified by the Company to the Control Centre;

"Debt" means the sum of the borrowed amounts expressed in the relevant currency(ies) in the Financing Agreements at the Financial Close;

"Declared Capacity" means the power output at Delivery Point or any other point acceptable to Control Centre, during any Settlement Period, as declared by the Company in its Daily Generation Capability Schedule or revised Daily Generation Capability Schedule regardless of constraints in the Grid, provided that the Declared Capacity in any Settlement Period shall not exceed the Rated Capacity;

"Deemed Generation" means, in relation to a period, the energy corresponding to the Deemed Power during such period and shall be in accordance with Paragraph 14 of Schedule E;



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"Deemed Power"	means in relation to a Settlement Period, the Declared Capacity less the Despatched Power, that would have been delivered by the Company but for the Despatch Instructions for such Settlement Period notified by the Control Centre; provided and to the extent that, such reduction results in spillage of water, and such Deemed Power being limited to the Design Energy Output in any given year;
"Delivery Point"	means the point of interconnection with the CTU or a Transmission Licensee, from where open access in accordance with CERC Inter-state Transmission Regulations is available and at which the risk and title of the Billable Power and Billable Energy shall pass from the Company to PTC;
"Depreciation"	is defined in paragraph 38(ii)(a) of CERC Tariff Regulations;
"Design Energy"	means the gross energy output of the Project at generator terminals with ninety five percent (95%) availability of the Rated Capacity of the Project in a Ninety Percent (90%) Dependable Year as specified in Schedule D and until COD of the Project, the same being calculated on prorata basis for each Unit after COD of such Unit;
"Design Energy Output"	means Design Energy less Auxiliary Consumption;
"Design Saleable Energy"	means the Design Energy Output less the Free Energy applicable for the given Tariff Year as specified in Schedule D;
"Designated Account"	has the meaning specified in Article 9.3.4;
"Despatch Instruction"	means any instruction issued by the Control Centre to the Company in accordance with IEGC;
"Despatched Energy"	in a given period, means the Energy corresponding to Despatched Power;
"Despatched Power"	means the power output specified by the Control Centre in its Daily Despatch Schedule or Revised Despatch Schedule;
"Disputes"	has the meaning specified in Article 13.2.1;
"Due Date"	means the thirty first (31 st) day after a Monthly Bill or a Supplementary Bill is received by PTC or the Company, as the case may be (or, if such day is not a Business Day, the immediately succeeding day) by which date such bill is payable by PTC, provided that in the event a Monthly Bill is received prior to the fifth (5 th) day of a Month, such bill shall be deemed to have



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	been received on the fifth (5 th) day of such Month;
"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;
"Energy Output"	means the metered electrical energy, in kWh or multiples thereof, delivered by the Company at the Delivery Point;
"Engineer"	means the individual / member / firm appointed by the independent consulting engineering firm / agency / body, appointed by PTC and the Company (and whose costs, charges and expenses are to be borne by the Company) to monitor the commissioning and Initial Performance Tests of the Project on their behalf;
"Equity"	means the amount contributed towards the share capital of the Company in accordance with the Financing Agreements;
"Extended Force Majeure"	shall have the meaning assigned to it Article 14.3;
"Expiry Date"	means the 35 th (thirty-fifth) anniversary of the Commercial Operation Date of the Project;
"Financial Close"	means the first Business Day on which the Company can draw down on funds under the Financing Agreements;
"Financing Agreements"	means all the loan agreements, guarantees, credit facilities, notes, indentures, security agreements, letters of credit, share subscription agreements and other documents relating to the financing or re-financing of the Project at the Financial Close, as may be amended, modified or replaced from time to time;
"Force Majeure"	means an event defined in Article 10.1.2;
"Forced Outage"	means an interruption or reduction of Power Output of a Unit or Project due to unforeseen failure of equipment;
"Free Energy"	means Energy corresponding to Free Power;
"Free Power"	means the quantum of power (in kW or multiples thereof) supplied free of cost by the Company at or before the Delivery Point to the Project State Government. This shall be equal to 12% (twelve percent) of net generation (gross generation at generator terminals less Auxiliary Consumption), for the first 12 (twelve) Tariff Years from the COD and 18% (eighteen percent) of such net generation from the start of the 13 th (thirteenth) Tariff Year till the end of the term of this Agreement;



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"Governmental Instrumentality"	means any legislative, judicial, regulatory, executive or other governmental body (including any agency, department, board, instrumentality, commission, office or authority) of the Government of India or any political subdivision thereof;
"Grid"	means the transmission network beyond the Delivery Point, through which the Energy Output is to be evacuated from the Project and up to the point of drawal into the Purchaser's system;
"Implementation Agreement"	means the agreement dated 18th November, 1999 along with the amendments and assignments thereof entered into between the Project State Government and the Company for facilitating implementation of the Project;
"Indian Electricity Grid Code" or "IEGC"	means the Grid Code specified by the Central Commission under Section 79 of the Electricity Act, 2003;
"Initial Consents"	means the consents specified in Paragraph 10 of Schedule A;
"Initial Performance Test"	means the performance test in accordance with Article 6.3, conducted prior to a Unit or the Project being Commissioned as the case may be;
"Interconnection Facilities"	means the interconnection equipment and associated automatic communications, switching equipment and line protection devices installed, owned, operated and maintained by the CTU / Transmission Licensee or the Company to enable evacuation of Power Output from the Project in accordance with this Agreement;
"Interconnection Point"	means the point adjacent to the Delivery Point where the Project connects to CTU or Transmission Licensee's line;
"Interest on Working Capital"	as defined in paragraph 38(i) of CERC Tariff Regulations;
"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;
"Lender"	means any Indian or foreign institution, corporation, partnership, firm, individual or organization providing Debt to the Company;



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- "Lender's Engineer" means the individual / member / firm appointed by the independent consulting engineering firm / agency / body, appointed by the Lender to monitor the commissioning and testing of the Project on their behalf;
- "Letter of Credit" or "LC" means the letter of credit provided by PTC to the Company as Payment Security Mechanism in accordance with Article 9.5;
- "Maintenance Outage" means the interruption or reduction in Power Output of a Unit or the Project for the purpose of repair or replacement of specific components of equipment and for which some flexibility in scheduling is available;
- "Main Meters" means the meters installed at the Delivery Point for measurement of the Energy Output and other parameters specified in Article 8.2;
- "Maximum Available Capacity" means the maximum capacity in MW that can be made available at the Delivery Point with all Units running, under the prevailing conditions of water levels, flows and with 100% gate opening during the Settlement Periods of the Peak Hours of a day;
- "Meters" means Main Meters and Check Meters;
- "Monitored Capacity Failure" means the failure of the Company to make available the Declared Capacity, pursuant to a Monitoring Notice;
- "Monitoring Notice" has the meaning specified in Article 7.3.5;
- "Month" means a calendar month;
- "Monthly Bill" means a bill raised by the Company for Tariff Payment in respect of each completed Month;
- "Ninety Percent (90%) Dependable Year" means the year having the annual inflow of water at least equal to that which has the probability of delivering the Design Energy for ninety percent (90%) of the Operation Period. For the Project, the 90% Dependable Year shall be represented by Hydrological Year 1993-94 based on the hydrological data for the Years 1966-67 to 1998-99;
- "Nominal Capacity" means:
 in relation to the Units, the gross electrical power output at the Unit's generator terminals
 (i) for Unit 1 : 250 MW;



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- (ii) for Unit 2 : 250 MW;
(iii) for Unit 3 : 250 MW; and
(iv) for Unit 4 : 250 MW;

and

in relation to the Project, 1000 MW of gross electrical power at the generator terminals of the Project:

at the site reference conditions and in accordance with the limits of Grid conditions specified in Schedule C;

"Normative Capacity Index" is the Capacity Index for recovery of full capacity charges pursuant to CERC Tariff Regulations;

"O&M Contract" means the contract entered into, or to be entered into, between the Company and the Operator, relating to the operation and maintenance of the Project, in accordance with this Agreement;

"O&M Payment" has the meaning specified in paragraph 38(iv) of CERC Tariff Regulations;

"Off peak Hours" hours other than Peak Hours in a day;

"Operating Procedures" has the meaning specified in Article 7.7.1;

"Operation Period" means the period from the Commercial Operation Date of the Project to the Expiry Date;

"Operation Year" means the period beginning on the COD of the Project and ending on the following thirty first (31st) day of March, and each successive twelve (12) Month period beginning on the first (1st) day of April thereafter till the Expiry Date;

"Operator" means one or more contractors appointed as operator of power generation facilities of the Project pursuant to an O&M Contract, if any;

"Party" and "Parties" has the meaning specified in the recital to this Agreement;

"Payment Rebate" means the rebate admissible to PTC for amounts paid within the Due Date, in accordance with Article 9.3.5;

"Payment Security Mechanism" means the payment security provided by PTC to the Company, in accordance with Article 9.5;

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"Payment Surcharge"		means the surcharge payable by either Party for delay in payment of a Monthly Bill or a Supplementary Bill, as the case may be, beyond a period of sixty(60) days;
"Peak Hours"		means in relation to a day, the hours of peak demand as notified by the Control Centre to the Company in writing from time to time, provided that the Peak Hours shall be not less than a total of three (3) hours in a day and as may be mutually agreed by PTC and the Company in writing;
"Performance Test Procedures"		has the meaning specified in Article 6.2.1;
"Periodic Capacity Test"		means the capacity test conducted on a Unit or the Project during the Operation Period as specified in Article 7.6;
"Power Output"		means the electrical power in kW or multiples thereof, delivered by the Company at the Delivery Point;
"Power Sale Agreement" or "PSA"		means the document containing the terms and conditions for sale by PTC to the Purchaser, of power purchased from the Company, coinciding with the Term of Agreement and enforceable under the Law;
"PTC India Limited" or "PTC"		means the PTC India Limited as defined in the recitals;
"Project"		means the hydroelectric generating facilities, specified in Recital B, whether completed or at any stage of development and construction including without limitation, all land, buildings, dams, gates, spillways, hoists, weirs, canals, penstocks, tunnels, surge tanks, electrical energy generating equipment (and its auxiliary equipment), switchyard and the Interconnection Facilities designed, built, owned, operated and maintained by the Company and including any residential colony / unit welfare facilities and offices;
"Project Capacity Test"		means the tests to demonstrate the Nominal Capacity or Rated Capacity of the Project;
"Project Characteristics Test"		means the tests to demonstrate parallel operation of the Units with equitable sharing of load;
"Project State"		means the state in which the Project is located;
"Project State Government"		means the government of Himachal Pradesh;
"Prudent Utility"		means exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected



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Practices"	from a skilled and experienced agency or operator, engaged in the same type of undertaking, and adopting the practices, methods and standards that are generally followed by electric utilities in India including customary industry practice in regard thereto and any improvements or innovations that may be made to all such practices, methods and standards during the Term of Agreement for ensuring the safe, efficient, and economic construction, commissioning, operation and maintenance of power generation facilities of a size and type applicable to the Project and of the Grid;
"PTC Event of Default"	has the meaning specified in Article 14.2;
"PTC Preliminary Termination Notice"	means the notice issued by PTC to the Company stating PTC's intention to terminate this Agreement due to a Company Event of Default;
"PTC Termination Notice"	means the notice issued by PTC to the Company for termination of this Agreement due to a Company Event of Default;
"Purchaser"	means one or more entities to which PTC may sell the power and energy purchased from the Company;
"Rated Capacity"	means, in relation to a Unit, the lesser of: (i) the Nominal Capacity of the Unit; and (ii) the gross Tested Capacity of the relevant Unit; and in relation to the Project, the lesser of: (a) the Nominal Capacity of the Project; and (b) the gross Tested Capacity of the Project, in each case such Tested Capacity being that determined at rated head and rated flow in each case in the Initial Performance Test or the Periodic Capacity Test, as the case may be;
"Reactive Power"	means the product of voltage and current and the sine of the phase angle between them, measured in units of volt-amperes reactive, or multiples thereof;
"Real Time Gross Settlement"	shall mean real time gross settlement arrangements made available by banks currently or any other such arrangements that may become available in future;



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"RPC"	means the relevant Regional Power Committee or successors thereof, as defined in the Electricity Laws;
"Regional Energy Accounts" or "REA"	means the accounts of power and energy delivered by the Company and drawn by the Purchaser, as issued by the appropriate agency for each Week and for each Month, including the revisions and amendments thereof;
"Repeat Tests"	means the repeat tests specified in Article 6.9 for Initial Performance Test and Article 7.6 for Periodic Capacity Test;
"Required Commercial Operation Date" or "Required COD" or "RCOD"	means in relation to the Units, the following number of months from the zero date of the Project i.e. 18 th November, 2005. (i) for Unit 1 : 69 Months; (ii) for Unit 2 : 70 Months; (iii) for Unit 3 : 71 Months; (iv) for Unit 4 : 72 Months; and in relation to the Project : 72 Months;
"Return on Equity"	has the meaning specified in paragraph 38(iii) of CERC Tariff Regulations;
"Revised Despatch Schedule"	means the revised 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 notified by the Control Centre to the Company;
"RLDC"	means the relevant Regional Load Despatch Centre as defined in the Electricity Laws, in the region in which the Project is located;
"Rupees" or "Rs."	means the lawful currency of India;
"Saleable Energy"	means in relation to a period, the Despatched Energy during such period, less the Free Energy during such period;
"Saleable Power"	means in relation to a Settlement Period, the Despatched Power in the relevant Settlement Period, less the Free Power during the relevant Settlement Period;
"Scheduled Outage"	means a planned interruption of the generating capacity of a Unit or the Project for the purpose of inspection, testing, preventive maintenance, repair or replacement of components or equipment, or improvement in the performance of equipment;



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"Scheduled Synchronisation Date"	means in respect of a Unit, the date which falls 15 days before the Required COD of such Unit;
"Secondary Energy"	means the Energy Output during a period, less the Design Energy during the relevant period;
"Secondary Energy Charge"	means the payment per kWh of Secondary Energy output determined in accordance with paragraph 12 of Schedule E;
"SERC"	means the State Electricity Regulatory Commission, as defined in the Electricity Act, 2003, or its successors, having jurisdiction over the Purchaser;
"Settlement Period"	means the time block for issue of daily generation, drawal and despatch schedules as may be defined by IEGC (presently a fifteen (15) minute block);
"Site"	means the land, spaces, waterways, roads and rights for the purpose of building, operating and maintaining the Project;
"SLDC"	means the State Load Despatch Centre as defined in the Electricity Act, 2003, in relation to the Purchaser;
"State Bank of India Prime Lending Rate or SBI PLR"	means the short term prime lending rate of State Bank of India, and in the absence of the same, the lowest lending rates that are available to the highest rated borrowers of similar lending institutions in India;
"Supplementary Bill"	means a bill other than a Monthly Bill raised by either Party in accordance with Article 9;
"Tariff"	means the tariff payable in accordance with Schedule E;
"Tariff Adjustment"	means increase or decrease in the payment of the Monthly Bill on account of Change in Law or any applicable changes, other than on account of: (i) Payment Rebate, or (ii) Payment Surcharge;
"Tariff Payment"	means the Tariff payable to the Company in accordance with Schedule E and this Agreement;
"Tariff Year"	means (i) the block of months from COD of the Project till the following 31 st day of March; (ii) thereafter, the block of any twelve (12) consecutive months commencing from 1 st April and end on the last day of March, except in the final year of the Term of the Agreement in which case it would end on the Expiry Date;
"Tax"	means any Indian tax, duty, cess, fees, impost, surcharge or levy of any nature howsoever called charged, levied or imposed

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	by a Governmental Instrumentality (whether central, state or local) in relation to the Project;
"Tax on Income"	means the tax on income of the Company, in accordance with Paragraph 7 of CERC Tariff Regulations, in proportion to PTC's annual revenue contribution as a ratio of the total annual revenue of the Company;
"TEC"	means techno-economic clearance issued by CEA to the Company for the Project on 31 st March, 2003.
"Technical Limits"	means the technical limits of the Project specified in Schedule C;
"Technical Specifications"	means the salient technical features in Schedule B and the elaboration of such technical features as may be provided in the construction contracts of the Construction Contractor, covering the design, construction, testing and commissioning of the Project, provided that in the event of any difference between the technical features in Schedule B and the technical features specified in the contract between the Company and the Construction Contractor, technical features in Schedule B shall prevail;
"Term Agreement"	of has the meaning specified in Article 2.1;
"Tested Capacity"	means, in relation to a Unit or the Project, the tested capacity during the Initial Performance Test or the Periodic Capacity Test under specific conditions as applicable for each test;
"Testing Laboratory"	means a reputed laboratory for testing and calibration of Main Meters and Check Meters, acceptable to the CTU and the Company;
"Transmission Facilities"	means the Transmission Line set up to transmit electricity from the Project bus bar to the Delivery Point;
"Transmission Licensee"	means the person holding the transmission license to set up and operate the Transmission Facilities.
"Unit"	means a generating set and all equipment and installation that can be assigned independently and exclusively to such generating set;
"Unit Capacity Test"	means the tests to demonstrate Nominal Capacity or Rated Capacity of a Unit;
"Unit Characteristics Test"	means the tests to demonstrate the Contracted Performance Parameters of a Unit;

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- "Unscheduled Interchange" means the energy corresponding to the difference between the Despatched Power and the Power Output over a given period;
- "Week" means a calendar week commencing from 00:00 hours of Monday, and ending at 24:00 hours of the following Sunday;

1.2 Interpretation

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

- 1.2.1 a "Recital", an "Article" a "Schedule" and a "Paragraph" shall be construed as a reference to a "Recital", an "Article" a "Schedule" and a "Paragraph" respectively of this Agreement.
- 1.2.2 a "day" means a calendar day.
- 1.2.3 an "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.
- 1.2.4 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.
- 1.2.5 the "winding-up", "dissolution", "insolvency", or "reorganization" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganization, dissolution, arrangement, protection or relief of debtors.
- 1.2.6 words importing the singular shall include the plural and *vice versa*.
- 1.2.7 this Agreement or any other agreement or document shall be construed as a reference to this or to such other agreement or document as it may have been, or may from time to time be, amended, varied, novated, replaced or supplemented.
- 1.2.8 a Law shall be construed as a reference to such Law including its amendments or re-enactments from time to time.
- 1.2.9 a time of day shall, save as otherwise provided in any agreement or document, be construed as a reference to Indian Standard Time.

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- 1.3 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. If, however, any such inconsistency cannot be reconciled, the Schedules shall supersede the main body of the Agreement.
- 1.4 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.
- 1.5 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.



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ARTICLE 2 TERM OF AGREEMENT

2.1 Effective Date and Term of Agreement

This Agreement shall become effective upon the date of its execution by the Parties. The Agreement shall have a term from such date of execution by the Parties until the Expiry Date ("Term of Agreement"), when it shall automatically terminate, unless:

- (i) terminated earlier, pursuant to Article 2.2, or
- (ii) extended, pursuant to Article 2.3.

2.2 Early Termination

This Agreement shall terminate before the Expiry Date:

- (i) If either the Company or PTC exercises its right to terminate, pursuant to Article 14 or Article 3.3; or
- (ii) In such other circumstances as the Company and PTC may subsequently agree, in writing.

2.3 Extension of Term

Between one hundred and eighty (180) and three hundred and sixty five (365) days prior to the Expiry Date, either Party may notify the other Party that it wishes to extend this Agreement for an additional period to be specified by that Party. Upon the receipt of such notice, the Parties shall meet and discuss an extension of this Agreement, which may be extended on such terms including the period of extension, tariff, capacity and operating characteristics, as the Parties may mutually agree in writing. Such extension shall commence upon the end of the last day of the Term of Agreement.



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ARTICLE 3 CONDITIONS PRECEDENT

3.1 Conditions Precedent

The Conditions Precedent and obligations of the Parties with regard thereto are as specified below. The Parties shall make reasonable endeavours to provide the required documents and take all actions to satisfy the Conditions Precedent within twelve (12) months from the date of execution of this Agreement or such extended period as may be mutually agreed by the Parties.

3.1.1 Conditions Precedent that may be waived by the Company

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

- (i) The Company shall have received a legal opinion, reasonably satisfactory to the Company, from a legal counsel to PTC, confirming PTC's authority to enter into this Agreement and the enforceability of the provisions contained herein;
- (ii) The Company shall have received copies of resolutions adopted by the PTC's Board of Directors authorizing the execution, delivery and performance by PTC of this Agreement, which resolutions shall be certified by the PTC's Company Secretary;

3.1.2 Conditions Precedent that may be waived by PTC

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

- (i) PTC shall have received copies of the charter/constituent documents of the Company, duly certified by the Company's secretary;
- (ii) PTC shall have received copies of resolutions adopted by the Company's board of directors authorizing the execution, delivery and performance by the Company of this Agreement, which resolutions shall be certified by the Company's secretary;
- (iii) PTC shall have received a legal opinion, reasonably satisfactory to PTC, from a legal counsel to the Company, confirming the Company's authority to enter into this Agreement and the enforceability of the provisions contained herein; and



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 Jaiprakash Associates Limited
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- (iv) PTC shall have received from the Company, copy of the estimated capital cost as appraised/re-appraised by the Lenders for the purpose of Financial Close;

3.1.3 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 Company shall have received valid, enforceable and unencumbered right to use/possession of the Site and such other tangible and intangible property rights as may be required or necessary to construct, Commission and operate the Project;
- (ii) The Company shall have received all Initial Consents;
- (iii) The Company shall have achieved Financial Close in relation to the Project;
- (iv) PTC shall have executed the Power Sale Agreement(s) with the Purchaser, approved by Appropriate Commission, for the entire Contracted Power and made a copy of the same available to the Company;
- (v) Long term open access in accordance with CERC Interstate Transmission Regulations for the supply of power and energy to the Purchaser shall have been granted;

The Party that is responsible for satisfying a particular Condition Precedent under this Article 3.1.3 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 Satisfaction of Conditions Precedent

Each Party, that is responsible for satisfying a particular Condition Precedent, shall keep the other Party informed in writing of the progress being made in fulfilling such Condition Precedent and also upon the fulfilment or waiver of such Condition Precedent, as the case may be.

Each Party shall use reasonable endeavour to satisfy the conditions precedent, which it is responsible for.

3.3 Right to terminate

If the Conditions Precedent listed in Article 3.1 are not duly satisfied or waived by PTC or the Company, as the case may be, within twelve (12) months of the date of execution of this Agreement, or such extended time as may be mutually



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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 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 Article.



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ARTICLE 4 PRINCIPAL OBLIGATIONS OF THE PARTIES

4.1 The Company's Obligations

Notwithstanding anything to the contrary specified in this Agreement, the Company agrees and undertakes to:

- (i) Always be in compliance with Law and obtain and maintain in full force and effect all Consents and insurances pursuant to this Agreement and Law, and if required by PTC, provide PTC with evidence that all such Consents have been duly obtained;
- (ii) Design, construct, complete, test, and commission the Project using only material and equipment that are new and of international/Indian utility-grade quality, and always in accordance with Prudent Utility Practices, in such a manner as to ensure that the useful life of the Project, with proper maintenance and operations, shall be at least equal to the Term of Agreement;
- (iii) Own the Project throughout the Term of Agreement, free and clear of encumbrances, except those permitted by Article 15.7.
- (iv) Ensure reliable availability of the Contracted Performance Parameters to PTC throughout the Term of Agreement by use and application of Prudent Utility Practices, and in accordance with the provisions of the TEC granted by CEA;
- (v) Inform PTC of any change of promoter shareholding, diluting it by more than 10% of, or the promoter shareholding coming below 51% in, the Company;
- (vi) Maintain insurance coverage in accordance with the requirement of the Lenders during the construction and repayment period; and also ensure adequate insurance coverage of Project's assets after the repayment period;
- (vii) Coordinate and cooperate with the CTU, including with regards to any acquisition of land for construction and installation with regards to the Interconnection Facilities;
- (viii) Sell Contracted Power and Contracted Energy to PTC in accordance with this Agreement;
- (ix) Coordinate with CTU with regards to installation of Transmission Line between the Project bus-bar and designated Delivery Point.

4.2 PTC's Obligations

PTC agrees and undertakes to:

- (i) Always be in compliance with Law;
- (ii) offtake Contracted Power and Contracted Energy and pay Monthly Bills and Supplementary Bills in accordance with this Agreement;

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- (iii) co-operate, wherever necessary, with the Company to facilitate the Initial Performance Tests and Commissioning of the Units and the Project;
- (iv) require the Purchaser to make arrangements 30 days prior to RCOD or in case of PTC having agreed to an early synchronisation in accordance with Article 6.1.1, 30 days prior to COD corresponding to such early synchronisation, to evacuate the Contracted Power & Contracted Energy;
- (v) obtain and maintain or require its Purchasers to obtain and maintain the requisite transmission open access to evacuate the Contracted Power and Contracted Energy from the Delivery Point for the Term of Agreement;
- (vi) maintain at all times the required trading license as required under law to purchase and further sell the Contracted Power and Contracted Energy;
- (vii) sell Contracted Power and Contracted Energy in accordance with this Agreement.
- (viii) Obtain, establish and maintain Payment Security Mechanism in accordance with this Agreement.
- (ix) Inform the Company regarding any change in allocation or the identity of the Purchaser throughout the Term of the Agreement.

4.3 Right to Electrical Output

- 4.3.1 The Company undertakes to sell to PTC and PTC undertakes to purchase and pay the Tariff in accordance with this Agreement for the Contracted Power and Contracted Energy from the Project. The risk and title to power and energy shall be transferred from the Company to PTC at the Delivery Point. PTC's share of the Declared Capacity shall be in the proportion of 704 MW to gross Rated Capacity of the Project in each Settlement Period from COD of the first Unit for Term of the Agreement. PTC shall receive Secondary Energy in the same proportion as that of its share in the Design Energy.
- 4.3.2 PTC shall have the right to sell the Contracted Power and Contracted Energy to any Purchaser and shall inform the Company of such Purchaser. This shall not relieve PTC of its obligation to offtake Contracted Power and Contracted Energy from the Project and to make Tariff Payments to the Company.
- 4.3.3 The Company shall not grant or sell to any third party or allow any third party to obtain any entitlement to the Contracted Power and Contracted Energy, except upon the occurrence and during the subsistence of a PTC Event of Default under Article 14.2 or an Extended Force Majeure (where the Company is not the Affected Party, in which case the Company shall duly give prior information to PTC).
- 4.3.4 Subject to Law, the Company shall not, during the Term of Agreement, use any electricity generated by the Project to the extent of the Contracted Power, except for the purpose of meeting the Project's prorata Auxiliary Consumption.

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4.3.5 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 Contracted Power, Contracted Energy and Contracted Performance Parameters under this Agreement shall remain unaffected;
- ii. PTC 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 PTC and the Company; and

In the event that certain facilities of the Project are utilised by the expanded unit, suitable Tariff Adjustments shall be agreed to.

4.4 PTC's Observation Visits

PTC or its authorized representatives shall have the right, upon reasonable prior written notice to the Company (except that no such notice shall be required in an emergency), to observe the progress of the construction of the Project, the commissioning of the Units or Project, as the case may be, or operation of the Project. The Company shall co-operate with all reasonable requests of PTC and assist in arranging any such observation visits to the Project and providing such information regarding the Project as may be reasonably requested by PTC. All such authorized representatives undertaking such observation visits on behalf of PTC shall comply with reasonable safety and other applicable procedures notified to them by the Company. The Company shall provide suitable accommodation for such authorized representatives. All costs in relation to any such visit shall be borne by PTC.

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 shall 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



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ARTICLE 5 CONSTRUCTION

5.1 The Company's Construction Responsibilities

The Company shall be responsible for designing, constructing, completing and Commissioning the Project in accordance with the provisions of the TEC granted by CEA and as amended or modified from time to time and Prudent Utility Practices, and to the satisfaction of the Lender's Engineer, ensuring fulfilment of Contracted Performance Parameters, Technical Limits, Technical Specifications, the terms of this Agreement and Laws applicable to the Project.

The salient technical features of the Project shall be as laid down in Schedule B; Provided that in case of any inconsistency between:

- (a) the provisions in the Technical Specifications; and
- (b) the Contracted Performance Parameters,

the Contracted Performance Parameters shall prevail.

The Company agrees and undertakes to co-ordinate and co-operate with the Central Transmission Utility, including with regard to any acquisition of land for construction and installation in relation to the Interconnection Facilities.

5.2 The Site

The Company agrees that, before entering into this agreement, it has had sufficient opportunity to investigate the site and has carried out a complete investigation thereof. The Company further agrees that it shall not be released from any of its obligations under this agreement or be entitled to any extension of time or financial compensation by reason of the unsuitability of the Site for the Project or the Company's title to the Site.

5.3 Construction Contractor

The appointment of the Construction Contractor shall not release the Company of any of its responsibilities under this Agreement.

5.4 Information Regarding Interconnection Facilities

PTC shall assist the Company, if requested to do so, to co-ordinate with the Central Transmission Utility on a timely basis for all information with regard to the Interconnection Facilities of the CTU, if any, as is reasonably necessary to enable the Company to design, install and operate the Company's portion of the Interconnection Facilities. Such assistance (or failure to provide such assistance) by PTC shall not release the Company of any of its obligation/responsibility under this Agreement.



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5.5 Construction Standards and Design Criteria

- 5.5.1 The Company shall ensure that the Project is designed, built and completed using only material and equipment that is new and of international/Indian utility-grade quality in accordance with Prudent Utility Practices and to achieve the Contracted Performance Parameters set out in Schedule C.
- 5.5.2 The Company agrees that before entering into this Agreement, it has carried out the detailed investigations necessary for preparation and submission of the detailed Project report (DPR) to CEA and that after having satisfied itself of the techno-economic feasibility of the Project, it has obtained the techno-economic clearance of CEA. The Company agrees that it shall fulfil conditions specified in the techno-economic clearance of CEA, which is attached at Schedule F of this PPA and as waived or amended by CEA from time to time.

5.6 Documents to be Submitted by the Company

The Company agrees to provide the following documents to PTC:

- (i) on the Financial Close, the estimated capital cost as appraised/re-appraised by the Lenders for the purpose of Financial Close and details of Debt and Equity of the Project;
- (ii) not later than thirty (30) days prior to the Commercial Operation Date of the first Unit, copies of all insurance policies and certificates of insurance obtained in line with Lenders requirements.

5.7 Company's Construction and Start-up Power

All the electrical power and energy required for the purpose of construction, start-up and Commissioning of the Units shall be arranged by the Company at its own cost and expense.

5.8 Construction Reports

- 5.8.1 Within 10 days of the end of each quarter following commencement of construction and continuing until the Commercial Operation Date of the Project, the Company shall provide PTC with quarterly construction reports (for the immediately preceding quarter) on the status of construction of the Project. However the frequency of the construction reports shall be increased to monthly from quarterly, twelve months prior to the Required COD of the Project. The Company shall comply with any reasonable information request made by PTC in relation to the contents of any such construction report.



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5.8.2 The construction report described in Article 5.8.1 above shall include the following:

- (i) executive summary;
- (ii) status of Initial Consents;
- (iii) bar chart highlighting the progress of engineering, procurement, construction, testing and commissioning activities of the Project, indicating the scheduled and actual progress;
- (iv) summary of any material changes to the Technical Specifications; and
- (v) description of any major problems, which could affect the Commercial Operation Date of the Units or the Project, including corrective measures proposed thereof.

5.9 Material Change in Technical Specification

The Company shall, before undertaking any modification to the Technical Specifications of the Project resulting in change of Contracted Performance Parameters (for the purpose of the PPA, such modifications being referred to as "Material Change") give PTC a written notice of such proposed modification. The Company shall not effect such Material Change to the Technical Specifications without the prior written approval of PTC (except when such modification is required pursuant to a Change in Law). The Company shall provide PTC with a full explanation of the reasons for the proposed Material Change duly certified by the Lender's Engineer and such other information regarding the proposed material change as PTC may reasonably require for PTC's approval, which approval shall not be unreasonably withheld. The final Capital Cost of the Project shall also include any such Material Change to technical specification.



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ARTICLE 6 SYNCHRONISATION, TESTING AND COMMISSIONING

6.2

6.1 Synchronization

6.1.1 The Company shall give PTC at least Forty Five (45) days' written notice of the date on which the Company intends to synchronize a Unit to the Grid, which date shall not be earlier than the Scheduled Synchronization Date, unless PTC consents to an earlier synchronization date in writing, for which the Company shall give a prior notice of one twenty (120) days and PTC shall give such consent if related transmission system is available. In the absence of such consent from PTC, the Company shall be free to carry out early synchronisation to meet the requirements of the offtakers for the power other than Contracted Power without any obligation or liability to PTC.

6.1.2 A Unit may be synchronized to the Grid when:

- (i) its construction has been completed in accordance with the Technical Specifications;
- (ii) a copy of the Performance Test Procedures, which shall be in accordance with the Prudent Utility Practices and as approved by the Lender's Engineer has been provided to PTC;
- (iii) it meets all prevailing connection conditions prescribed in the IEGC and fulfils other requirements provided by Law for synchronization to the Grid; and
- (iv) it is capable of being operated safely in accordance with Prudent Utility Practices.

6.2 Performance Test Procedures

6.2.1 The Company shall along with the notice for synchronisation provide PTC with a document duly approved by the Lender's Engineer specifying the procedure for Initial Performance Tests, Commissioning and Periodic Capacity Tests ("Performance Test Procedures").

PTC shall within fifteen days of receipt of such document be free to inform the company of any suggestions that PTC may have on the said document and the company shall endeavour on best-effort basis to incorporate the same.

6.2.2 The Parties shall comply with the Performance Test Procedures established pursuant to Article 6.2.1. PTC shall arrange to make available necessary load required for the Company to successfully complete the Initial Performance Test and Periodic Capacity Test.



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PTC and the Company shall agree, in writing, to the list of pre-qualified engineering consulting firms, which shall be eligible to be appointed as the Engineer, one(1) year prior to RCOD of the first Unit and shall mandate such Engineer, six(6) months prior to RCOD of the first Unit;

6.3 Initial Performance Test

6.3.1 Following the finalization of the Performance Test Procedures pursuant to Article 6.2 after:

- (i) a Unit is complete in all respects in accordance with the Technical Specifications such that it is capable of safe operation in accordance with Prudent Utility Practices, the Consents, and Laws;
- (ii) the Company has delivered to PTC a completion certificate issued/certified by the Engineer.

The Company shall, at its own expense, conduct an Initial Performance Test comprising:

- (a) Unit Characteristics Tests;
- (b) Unit Capacity Tests;
- (c) Project Characteristics Test; and
- (d) Project Capacity Test;

in accordance with this Article 6.

After synchronisation, the Company shall give PTC and the Engineer at least fifteen (15) days' prior written notice of the date on which an Initial Performance Test will commence. The Company, PTC and the Engineer shall each designate and ensure attendance of their authorized representatives to witness the Initial Performance Test specified in this Article 6, and to monitor the measurements of various parameters required to be met under this Agreement. Testing and measuring procedures used in the Initial Performance Test shall be in accordance with the Performance Test Procedures pursuant to Article 6.2.

6.3.2 If the water flow is insufficient to conduct the Unit Capacity Test to determine the Nominal Capacity of the Unit but the Site conditions and the Grid parameters are within the Technical Limits specified in Schedule C, then, subject to technical feasibility, such test shall be performed under the available conditions and the results shall be extrapolated in accordance with the procedure agreed to before conducting the Initial Performance Test. In the event that such test cannot be conducted, it shall be postponed to a date when sufficient water flow is available

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to conduct such test. In the event that such date after postponement of completion of such Unit Capacity Test is beyond the Required COD of the Project, the Company shall be paid provisional tariff in accordance with Schedule E for the scheduled energy that is made available to PTC until the date when the Initial Performance Test is completed successfully in accordance with the provisions of this Article 6.

Provided that the Engineer certifies that the Unit is ready and in a position to undergo such Unit Capacity Test but for such postponement.

Provided further that the provisional tariff shall be adjusted in accordance with Rated Capacity of the Unit as determined in the Unit Capacity Test.

- 6.3.3 If the water flow is insufficient to conduct the Project Capacity Test, but the Site conditions and the Grid parameters are within the Technical Limits specified in Schedule C, then such test may be postponed to a date, when sufficient water flow is available to conduct such test and the Company shall be paid provisional tariff in accordance with Schedule E, based on the aggregate of the Rated Capacity of the Units, subject to adjustment of the Tariff for the Rated Capacity as determined pursuant to the Project Capacity Test.
- Provided that the Engineer certifies that the Project is ready and in a position to undergo such Project Capacity Test but for such postponement.

Provided further that the provisional tariff shall be adjusted in accordance with Rated Capacity of the Project as determined in the Project Capacity Test.

6.4 Unit Characteristics Tests

- 6.4.1 The Unit Characteristics Tests shall be conducted prior to the Unit Capacity Tests. The Unit Characteristics Tests shall be conducted to determine the following characteristics:

1. start-up time (the time taken between the initiation of the signal to open the main inlet valves (MIV) and the Unit's production of full load);
2. full load rejection test; and
3. Reactive Power capability.

- 6.4.2 The Unit shall have passed the Unit Characteristics Test, if it has successfully demonstrated its ability to operate in accordance with the Contracted Operating Characteristics specified in Schedule C.

6.5 Unit Capacity Test

- 6.5.1 A Unit shall have passed its Unit Capacity Test if it has successfully:

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- (i) passed the Unit Characteristics Test; and
 - (ii) operated continuously for twenty four (24) hours at its Nominal Capacity in the Unit Capacity Test.
- 6.5.2 If the Tested Capacity of the Unit is more than the Nominal Capacity of the Unit, the Nominal Capacity of the Unit shall be taken as the Unit's Rated Capacity. If the Tested Capacity of the unit is less than the Unit's Nominal Capacity, the Tested Capacity shall be taken as the Rated Capacity.
- 6.6 Project Characteristics Test
- 6.6.1 Following the Unit Capacity Test of the last Unit and prior to the Project Capacity Test, the Project Characteristics Test shall be conducted to demonstrate satisfactory and efficient parallel operation of all the Units.
- 6.6.2 The Project shall have passed the Project Characteristics Test, if it has successfully demonstrated that the Units are capable of satisfactory and efficient parallel operation with equitable load sharing.
- 6.7 Project Capacity Test
- 6.7.1 Following the Project Characteristics Test, the Project Capacity Test shall be conducted to determine and demonstrate the Nominal Capacity of the Project. The Project shall have passed the Project Capacity Test, if the Project has successfully operated continuously for eight (8) hours at its Nominal Capacity of the Project during such Project Capacity Test.
- 6.7.2 If the Tested Capacity of the Project is more than the Nominal Capacity of the Project, the Nominal Capacity of the Project shall be taken as the Rated Capacity of the Project. If the Tested Capacity of the Project is less than the Nominal Capacity of the Project the Tested Capacity shall be taken as the Rated Capacity of the Project.
- 6.7.3 If the Tested Capacity of the Project is less than the Nominal Capacity of the Project, the Company shall be entitled to repeat such test in accordance with Article 6.9.
- 6.8 Certification of Test Results and COD

PTC, the Engineer, Lender's Engineer, and the Company, as present to witness the test shall jointly certify that the Unit or the Project has passed its Initial Performance Test on its successful completion. Upon such certification, such Unit or the Project shall be taken as Commissioned on the date on which the test

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was successfully completed. The Company, based on the demonstration of such test, shall declare the date of test as COD of the Unit or the Project.

6.9 Repeat Tests:

If the Company fails to achieve the performance levels prescribed in relation to the Initial Performance Test, the Company shall be entitled to repeat any such test ("Repeat Test"), upon issue of a notice to PTC, in accordance with the procedure set out in Article 6.4 through 6.7. Provided that the Company shall not be entitled to perform more than two (2) Repeat Tests for each category of tests specified in Articles 6.4 through 6.7.

6.10 Initial Performance Test Failure

6.10.1 If, pursuant to the Unit Characteristics Test or the Project Characteristics Tests, a Unit or the Project, as the case may be, fails to pass such test even after Repeat Test(s), such failure shall constitute a Company Event of Default.

6.10.2 If the Tested Capacity of the Project is less than the Nominal Capacity of the Project, either on the Initial Performance Test or after Repeat Tests pursuant to Article 6.9, the Company shall, to the extent that shortfall in generation is attributable to shortfall in Tested Capacity of the Project with respect to the Nominal Capacity of the Project, supply power and energy corresponding to 704 MW in accordance with Schedule D to offset such shortfall in generation.

6.10.3 In the event that shortfall in the Tested Capacity of the Project either on the Initial Performance Test or after Repeat Tests pursuant to Article 6.9, results in the Company not being able to provide to PTC, power and energy corresponding to 704 MW in accordance with Schedule D it shall constitute a Company Event of Default.

6.11 Costs of Tests

6.11.1 The Company shall bear the costs for all Initial Performance Tests and Repeat Tests, except in the event where the provisions of Article 6.11.2(i) below shall apply.

6.11.2 In respect of any of tests specified in this Article, if PTC has any doubt regarding the performance levels notified by the company, PTC shall have the right, by issue of a written notice to the Company to ask the Company to repeat such tests. In such a case:

- (i) if the tests meet the performance levels prescribed under this Agreement, the costs of such tests shall be borne by PTC; and

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- (ii) if the tests fail to meet such prescribed performance levels, the costs shall be borne by the Company.

12 Commercial Operation Date of Project

12.1 In the event that the actual COD of the Project occurs prior to the Required COD of the Project with PTC's consent in accordance with Article 6.1.1, such day shall be taken as COD of the Project.

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

6.13 Delayed/Early Commissioning

6.13.1 Commissioning delay/early Commissioning by the Company

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 not have occurred but for 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 10.1.2(i) or geological surprises. In case of delay due to any 'act of God' as set out in Article 10.1.2(i) or geological surprises, increase in interest during construction or any increase in Capital Cost of the Project that would not have occurred but for such delay shall be allowed to be capitalized after setting off amount received from insurance coverage.

In case of Commissioning of the Project or part thereof before RCOD, the Company shall be eligible for incentive for an amount equal to pro rata reduction in interest during construction, achieved on account of commissioning ahead of schedule. The incentive shall be recovered through tariff in twelve (12) equal monthly instalments during the first year of operation of the Project.

6.13.2 Commissioning Delay on account of Delay in availability of Long Term Open Access

The Project being of vital nature, 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, PTC shall not be liable for any payment to the 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 drawal by the Purchaser(s).



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6.14 Evacuation of Output until COD of Units

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, PTC shall arrange for the absorption of such energy by the CTU/Purchaser in its system subject to technical feasibility and at no expense to PTC. The tariff payment and corresponding reduction of Capital Cost of the Project shall be in accordance with Article 9.4.

6.15 Evacuation of Output after COD of the first Unit but prior to COD of Project

At all times after the COD of any Unit but prior to the COD of the Project, PTC shall arrange for the purchase of such power delivered from the Commissioned Unit. The Tariff payable by PTC to the Company for such Billable Power and Billable Energy shall be in accordance with Schedule E.



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ARTICLE 7 OPERATION AND MAINTENANCE

Company's Operation and Maintenance Responsibilities

7.1.1 The Company shall be responsible, at its own expense, for ensuring that the Project is operated and maintained in accordance with the relevant orders, notifications and regulations of the CERC, RLDC, RPC, Indian Electricity Grid Code, Connection Agreement, the Law, terms of all Consents and Prudent Utility Practices.

7.1.2 For operation and maintenance of the Project pursuant to Article 7.1.1 above, the Company may:

- (i) enter into an O&M Contract with an Operator, or
- (ii) itself operate and maintain the Project,

Provided that the appointment of such Operator or such other contractors by the Company shall not release the Company of any of its responsibilities in this regard under this Agreement.

7.2 Annual Generation and Scheduled Outage Plan

7.2.1 By the first (1st) day of October or any other day as mutually agreed to by the Parties, PTC shall notify to the Company of the anticipated levels of high demand and low demand periods for the following Operation Year and the restricted periods, up to four (4) months, in which Scheduled Outage is to be avoided.

7.2.2 Based on the information supplied by PTC pursuant to Article 7.2.1, the Company shall, within seven (7) days of receipt of such information, submit to PTC in writing, its proposal for the Scheduled Outages and Generation Plan ("Annual Generation Plan") in the following Operation Year along with such non outage period, not exceeding six months, during which scheduled outage may cause spillage of water.

7.2.3 Within fourteen (14) days of receiving the Company's proposal pursuant to Article 7.2.2 above, PTC shall notify the Company in writing whether the Company's proposal for Scheduled Outages for the following Operation Year is acceptable and, if not, PTC shall notify 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 manufacturer or supplier of the equipment; and
- (iii) other than the non outage period notified in accordance with Article 7.2.1 above.

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- (iv) such that single Scheduled Outage for a Unit shall not be split into two or more periods.

7.2.4 The Company may object to a Scheduled Outage proposed by PTC only on the grounds that it would be inconsistent with the requirements of Article 7.2.2. Unless the Company objects in writing within three (3) days after receiving the proposal, the Company shall be deemed to have agreed to the Scheduled Outages proposed by PTC. If the Company does object to a proposed Scheduled Outage within such period, the Parties shall meet and resolve the difference within four (4) days of the date of the Company's communication of objection to PTC, failing which the matter shall be referred to RPC for resolution.

7.2.5 Not later than the day specified in IEGC, the Company shall provide the RPC secretariat / Control Centre, as the case may be, and PTC, the Scheduled Outages for the following Operation Year, as agreed to by the Parties pursuant to Article 7.2.3.

7.2.6 In an emergency, the Control Centre may require the Company, if possible, to reschedule a confirmed Scheduled Outage.

7.2.7 The Annual Generation Plan and Scheduled Outage Plan shall include:

- (i) the availability of equipment, taking into account:
 - (a) the Scheduled Outages;
 - (b) the expected Maintenance Outages;
 - (c) any other relevant factors; and
- (ii) the expected generation based on latest information on the water flow and to avoid spillage of water.

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

7.3 Operation

7.3.1 Despatch Instructions

Control Centre will issue Despatch Instructions directing the 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.

7.3.2 Control Centre

7.3.2.1 The Company shall coordinate only with the Control Centre on all activities pertaining to control and operation of the Project. The Control Centre shall be the load control centre to which the generation notices of the Company including the Daily Generation Capability Schedule and Revised Generation Capability

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Schedule are issued by the Company, and which, in turn shall notify the SLDC and the Purchaser of all such generation notices.

7.3.2.2 During the Operation Period, if PTC establishes a control centre owned and/or operated and/or controlled by it in accordance with the IEGC and Law, then the Parties shall discuss and agree on the scheduling and dispatch procedures in accordance with the IEGC and the Law.

7.3.3 Efficient and Reliable Operation

The Company shall install, operate, and maintain a control system that will ensure efficient utilization of water (and the head and discharge existing at the time), taking into account power and energy requested by the Despatch Instructions by optimizing the number of Units in operation in accordance with their individual efficiency characteristics and Prudent Utility Practices.

7.3.4 Deemed Generation

If the Control Centre issues a Despatch Instruction to the Company such that the Despatched Power is less than the Declared Capacity, and if the same would have resulted in corresponding spillage of water, such Deemed Power being limited to the Design Saleable Energy in any given year, 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 Schedule E. The provisions of Deemed Generation shall not apply to the extent of applicability of Article 8.1.3 and during any Force Majeure arising out of 'act of God' as set out in Article 10.1.2(i), affecting the Project or tie line (if any) or both.

7.3.5 Monitoring Notice

Whenever PTC has reason to believe that the Project may not be capable of performing consistently with the declarations contained in the Daily Generation Capability Schedule or the Revised Generation Capability Schedule, it may issue a notice to the Company through the Control Centre specifying that it wishes to monitor the Project's Declared Capacity ("Monitoring Notice") which shall state its reason for believing that the Project may not be capable of so performing. The Company shall not be entitled to any compensation whatsoever by reason of such monitoring of the Project.

7.3.6 Capacity Failure Adjustment

In the event of the occurrence of a Monitored Capacity Failure, provisions of Paragraph 16 of Schedule E shall apply.

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7.4 Maintenance Outages and Forced Outages

- 7.4.1 Whenever the Company requires a Maintenance Outage, it shall advise PTC of the nature of the work to be carried out, the estimated time required to complete such work and the latest time by which (in the Company's opinion) the work should commence consistent with Prudent Utility Practices (which shall not be earlier than twenty four (24) hours after the time when the Company advised PTC of the need for the Maintenance Outage).
- 7.4.2 Thereafter PTC shall advise the Company of the time for commencement of the requested Maintenance Outage (which shall not be later than three (3) hours prior to the latest time indicated by the Company). The Company shall use its reasonable endeavours consistent with Prudent Utility Practices to take the relevant Unit out of service at the scheduled time.
- 7.4.3 In case of a Forced Outage, the Company shall inform PTC and Control Centre telephonically followed by a message through fax within one hour of the outage, and justification for the Forced Outage shall be given in writing to PTC as soon as possible but not later than 3 days of such Forced Outage.

7.5 Maintenance of Operating Records

- 7.5.1 Each Party shall maintain complete and accurate records and all other data required for proper administration of this Agreement. The Company agrees to maintain an accurate and up-to-date operating log at 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) Billable Energy and 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

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- (x) any emergency conditions and unexpected occurrences discovered during inspections.

7.5.2 The control centre shall maintain the following records, provided that the control centre is PTC's own control centre:

- (i) Declared Capacity and Despatched Power for each Settlement Period;
- (ii) Power Output and Energy Output for each Settlement Period;
- (iii) Billable Energy and 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) details and times of Grid failure and operation of Grid outside the Technical Limits; and
- (vii) results of Periodic Capacity Tests;

7.5.3 Either Party shall have the right, upon reasonable prior written notice to the other Party, to examine the records, documents and data of the other Party relating to operation, maintenance, and despatch of the Project to the Grid at any time during normal business hours including 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. For the purposes of this Agreement, records/data maintained by the Purchaser shall be deemed to have been maintained by PTC.

Provided that the Parties shall not dispose off or destroy any such records after such sixty (60) month period without thirty (30) days' prior written notice to the other Party. Notwithstanding the above, the records of head and discharge of water shall be maintained throughout the Operation Period.

7.6 Periodic Capacity Tests

7.6.1 PTC may, any time between April – September, during the Operation Period, issue a written notice to the Company to conduct one (1) Periodic Capacity Test, once in two (2) Operation Years, to demonstrate the Rated Capacity of the Project. Within fifteen (15) days of issue of a PTC's notice, the Company shall conduct a Periodic Capacity Test in accordance with the procedure for the Initial Performance Test

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specified in Articles 6.3 for a duration not exceeding eight (8) hours in respect of the Project Capacity Test.

PTC shall have the right to witness such Periodic Capacity Test.

- 6.2 For the purpose of despatching and billing, if the Tested Capacity of the Project pursuant to Article 7.6.1 is more than the Nominal of the Project, the Nominal Capacity of the Project shall be taken as the Project's Rated Capacity and if the Tested Capacity of the Project is less than the Project's Nominal Capacity, the Tested Capacity shall be taken as the Rated Capacity until the occurrence of the next such test.
- 7.6.3 If the Tested Capacity of the Project pursuant to Articles 7.6.2 is less than the previous Rated Capacity of the Project the Company shall be entitled to repeat such test ("Repeat Test") upon issue of a notice to PTC, in accordance with the procedure set out in Article 6.3. Provided that the Company shall not be entitled to perform more than two (2) Repeat Tests.
- 7.6.4 The Company shall bear the costs for all the Periodic Capacity Tests specified in Article 7.6.1 and Repeat Tests provided for in Article 7.6.3.
- 7.6.5 PTC, Lender's Engineer, and the Company, as present to witness the test shall jointly certify that the Unit or the Project has passed its Periodic Capacity Test on its successful completion.
- 7.7 Operational Committee Membership and Duties
- 7.7.1 At least six months before the scheduled COD of the project, the parties shall establish an Operational Committee comprising six (6) members. The Company and PTC shall each appoint two (2) members each. One member each from the CTU and the transmission licensee can be co-opted in the committee. The chairman and/or convenor of the Committee will be appointed by the Company. The Operational Committee shall be responsible for the co-ordination of the interface of the Project and the Grid. The duties of Operational Committee shall include,
- (i) Finalization of operating procedures: By one hundred and twenty (120) days before the Scheduled Synchronization Date of the first Unit, the Committee shall finalize the operating procedures dealing with all operation interfaces between PTC and the Company including, but not limited to, the method of day-to-day communication, clearances and switching practices, outage scheduling, emergency power supply, capacity and energy reporting, operating log and Reactive Power support, Monitoring Notice compliance and critical event reporting ("Operating Procedures"). The Parties shall comply with the Operating Procedures.

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The Parties may, by mutual agreement, amend the Operating Procedures at any time during the Term of Agreement, as may be required.

- (ii) the discussion on the steps to be taken on the occurrence of any event of Force Majeure, or the shut down or reduction in capacity or any other event of concern, relating to the interconnection facilities, transmission facilities or the Project;
- (iii) the co-ordination of Scheduled Outage;
- (iv) the co-ordination of demand/generation forecast and/or any other operational requirements from the Project;
- (v) Periodic review of the Operating Procedures.
- (vi) monitoring of implementation of emergency plans developed by PTC for recovery from an electrical blackout, in so far as it relates to the Project;
- (vii) review of protection schemes and devices, including relay settings etc., and
- (viii) any other mutually agreed matter affecting the operation of the Project with the Grid.

7.7.2 The Operational Committee may agree upon timing and procedures for the holding of meetings, the records of meeting and the appointment of sub-committees.

7.8 Unscheduled Interchange charges

Each Party shall be responsible for deviations made by it from the Despatch Schedule and for any resultant liabilities on account of Unscheduled Interchange charges.



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ARTICLE 8 INTERCONNECTION, TRANSMISSION, METERING AND ENERGY ACCOUNTING

8.1 Interconnection Facilities and Transmission Facilities

8.1.1 Responsibilities

The Company shall be responsible for the design, construction, Commissioning, operation and maintenance of the Interconnection Facilities of the Company. PTC shall enter into or require the Purchaser to enter into a bulk power transmission agreement with the CTU, in accordance with the CERC Interstate Transmission Regulations, for transmission of Contracted Power from the Delivery Point to the drawal points of the Purchasers.

8.1.2 Connection Agreement

For facilitating evacuation of the Contracted Power, the Company shall enter into a Connection Agreement with the CTU in accordance with the provisions of IEGC.

8.1.3 Breakdown of the Grid

In the event that Declared Capacity is not evacuated due to breakdown of the Grid beyond the Delivery Point:

- (i) PTC shall not make Tariff Payments to the Company for the period of such breakdown, if such period of breakdown lasts for not more than one hundred sixty eight (168) hours on a cumulative basis in any Tariff Year;
- (ii) Deemed Generation shall apply in accordance with this Agreement to the Company only for the period of such breakdown exceeding one hundred sixty eight (168) hours on a cumulative basis in any Tariff Year.

8.2 Metering

8.2.1 Installation of Meters

All Meters shall be installed by the Company at its own cost. Each Meter shall be of static type, conforming to latest IEC-687/IEC-62053-22, and shall meet the requirements of IEGC. Each Meter shall be capable of displaying the following parameters by turn on demand and storing all such parameters for a period of ten (10) days:

- (i) average frequency for each successive 15 minute block, as a two digit code (00 to 99 for frequency from 49.0 to 51.0 Hz.).

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- (ii) net Wh transmittal during each successive 15 minute block, up to second decimal, with plus/minus sign.
- (iii) cumulative Wh transmittal at each midnight, in six digits including one decimal,
- (iv) cumulative VARh transmittal at voltages above 103% of the nominal voltage at Interconnection Point, at each midnight, in six digits including one decimal,
- (v) cumulative VARh transmittal at voltages below 97% of the nominal voltage at Interconnection Point, at each midnight, in six digits including one decimal, and
- (vi) date and time blocks of failure of voltage transformer supply on any phase, as a star (*) mark.

A set of Meters comprising (a) a set of Main Meters and (b) a set of Check Meters shall be installed by the Company on each circuit of the outgoing transmission lines so as to record fundamental frequency quantities of both Active Energy and reactive energy for (a) energy exported by the Project to the Grid during each Settlement Period and (b) energy imported by the Project from the Grid during each Settlement Period.

One such set of Meters shall be installed by the Company at the Interconnection Point and One complete set of tested, calibrated and sealed Meters shall be kept as spare in safe custody of the Company. All such Meters shall be sealed in the presence of the CTU (Project State Utility) and the Company, which seal shall remain intact unless it is broken by the Testing Laboratory for testing and calibration.

8.2.2 Accuracy class, Testing and Calibration of Meters

8.2.2.1 The accuracy class of measuring instruments shall be equal to or better than:

- (a) 0.2% for Wh measurement of Meters;
- (b) 2% for KVARh measurement of Meters; and
- (c) 0.5% for current transformers and voltage transformers;

8.2.2.2 All the Main Meters and Check Meters shall be tested and calibrated by a reputed Testing Laboratory. The Meters (and associated circuits, if necessary) shall be tested and calibrated in accordance with the provisions set out in the Connection Agreement and IEGC, at least once in two (2) Tariff Years, or at any time when the difference between the readings of the Main Meter and the corresponding Check Meter is found to exceed zero point four percent (0.4%). The Company shall bear the cost of testing and calibration of the Meters. The

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Meters shall be sealed in the presence of PTC, CTU/Transmission Licensee and the Company. PTC may also witness, at their cost, such testing and calibration of the Meters. The Meter calibration report shall be furnished to all the parties concerned. The Party, which requests for any additional testing and calibration of the Meters, shall bear the cost of such testing and calibration. A notice of seven (7) days shall be issued by the Party which arranges for such testing and calibration, to enable authorized representatives of the other parties to witness the testing and calibrating of Meters.

8.2.3 Inaccuracy of Meters

- 8.2.3.1 If during any testing and calibration, a Main Meter is found to be within zero point two percent (0.2%) permissible limit of error and the corresponding Check Meter is found to be beyond such limit of error, the Monthly Bill shall be as per the reading of the Main Meter. The corresponding Check Meter shall be replaced forthwith with the spare tested Meter and the defective Check Meter shall be repaired and calibrated by the Testing Laboratory or replaced by a new and tested Meter.
- 8.2.3.2 If during any testing and calibration, a Main Meter is found to be beyond zero point two percent (0.2%) permissible limit of error but the corresponding Check Meter is found to be within limit of error, the Monthly Bill shall, for that Month and till the date and time of the repair and calibration or replacement of the defective Main Meter, be as per the reading of the Check Meter. The corresponding Main Meter shall be replaced forthwith with a spare tested and calibrated Meter, and the defective Main Meter shall be repaired and calibrated by the Testing Laboratory or replaced by a new and tested Main Meter.
- 8.2.3.3 If during any testing and calibration, a Main Meter and the corresponding Check Meter are both found to be beyond zero point two percent (0.2%) permissible limit of error, both the Meters or at least the Main Meter shall be replaced forthwith with a spare tested calibrated meter.

8.2.3.4 For the purpose of payment adjustment for a period:

- (a) commencing from the earlier of:
- (i) the time when the difference between the readings of the Main Meter and the Check Meter exceeded zero point four percent (0.4%), or
 - (ii) the time when both the Main Meter and the Check Meter were found to be beyond permissible error; and
- (b) ending on the date of replacement by:
- (i) new and tested Meters, or



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- (ii) repair, calibration and reinstallation of the old Meters,

the Power Output and Energy Output shall be recalculated as ninety eight point eight percent (98.8%) of the metered gross power and gross energy respectively at generator terminals and further adjusted for transmission losses up to the Delivery Point, if any.

- 8.2.3.5 If both the Main Meter and Check Meter fail to record, then the Tariff shall be computed for that period of defect or failure by calculating the Power Output and Energy Output as ninety eight point eight percent (98.8%) of the metered gross power and gross energy respectively at generator terminals and further adjusted for transmission losses up to the Delivery Point, if any.

8.2.4 Daily Meter Output

Meter output of the Main Meters and Check Meters installed at the Interconnection Point shall be taken as at 24:00 hours on each day and the following data shall be furnished by the Company to PTC by 12:00 hours on the following day:

- (i) total Energy Output and the Billable Energy from 00:00 hours to 24:00 hours of the relevant day;
- (ii) Deemed Generation from 00:00 hours to 24:00 hours of the relevant day;

- 8.2.5 On or before the fifth (5th) day of each Month, the Company shall furnish the following data along with the Monthly Bill (along with a soft copy by courier and / or electronic mail):

- (i) the total Energy Output, Billable Power and Billable Energy during the relevant Month, and up to the last day of the relevant Month, commencing from the first (1st) day of the Tariff Year;
- (ii) the Deemed Generation during the relevant Month and up to the last day of the relevant Month, commencing from the first (1st) day of the Tariff Year;
- (iii) the Billable Energy, Energy Output and the Deemed Generation of each day of the relevant Month;
- (iv) details of the capacity reduction attributable to Monitored Capacity Failure and the Settlement Period in which such Monitored Capacity Failure has occurred each day of the relevant month; and
- (v) The Company shall submit Maximum Available Capacity for Peak Hours and relevant documents and detailed calculation in support of the claim of

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- (a) Deemed Generation;
- (b) capacity reduction for Monitored Capacity Failure;

8.2.6 The Company and PTC shall each maintain, in respect of the Project

- (i) all Daily Generation Capability Schedules and revised Daily Generation Capability Schedules and corresponding Daily Despatch Schedules and Revised Despatch Schedules;
- (ii) all meter records;
- (iii) all data collected for the purpose of Article 8.2.4 and 8.2.5 above;
- (iv) records of the Daily Generation Capability Schedules on monthly and annual basis ;
- (v) records of Scheduled Outages, Maintenance Outages and Forced Outages; and
- (vi) any other records in relation to the Energy Output and the Power Output.

Such records may be inspected by the other Party during normal business hours upon reasonable written notice of the same (including at any time during the pendency of any breach under this Agreement). For the purposes of this Agreement, records/data maintained by the Purchaser shall be deemed to have been maintained by PTC.

8.3 Energy Accounting

8.3.1 Regional Energy Account

The appropriate agency shall issue Regional Energy Accounts (REA) based on the data provided by the Control Centre and such REAs shall be subject to subsequent corrections by such appropriate agency. The REA as finalized shall be binding on the Parties. The values of the Deemed Generation and Monitored Capacity Failure used for determination of Tariff Payment in the previous Monthly Bills and Supplementary Bills shall be adjusted in accordance with the finalized REA. Accordingly, the Company or PTC, as the case may be, shall raise a Supplementary Bill for adjustment of the Tariff Payment or any other amounts due.

8.3.2 Determination of Deemed Generation



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The Deemed Generation arising out of Despatch Instructions shall be determined in accordance with Schedule E. The claim of Deemed Generation shall be supported by the relevant Despatch Instructions / directions issued by the Control Centre.

- 8.3.3 If the energy delivered by the Project at the Delivery Point in accordance with the REA differs from that computed in accordance with the Despatched Power notified by the Control Centre in its Despatch Schedule or Revised Despatch Schedule, the adjustment in the computation of the energy and power for the purpose of Tariff Payment shall be made in accordance with REA.

8.4 Load despatch centre charges

All Control Centre/SLDC charges applicable up to the Delivery Point shall be borne by the Company and billed to PTC in accordance with Schedule E while those beyond the Delivery Point shall be borne directly by PTC.



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ARTICLE 9 BILLING AND PAYMENT

9.1 General

- 9.1.1 From the Commercial Operation Date (COD) of the first Unit of the Project, PTC shall pay the Company, Tariff Payment calculated in accordance with this Article 9 and Schedule E. The payment shall be made against the Monthly Bills raised by the Company for each Month. All Tariff Payments by PTC shall be in Indian Rupees.
- 9.1.2 Determination of Tariff would be subject to approval by Appropriate Commission, subject to Article 9.1.1.
- 9.1.3 A petition for approval of Tariff for sale of the generated power in accordance with this Agreement shall be filed by the Company before the Appropriate Commission and PTC shall extend all possible assistance and cooperation to the Company for the same. The Tariff as approved by such Appropriate Commission will be applicable for purchase and sale of the Contracted Power and Contracted Energy.

9.2 Delivery of Monthly Bills

The Company shall issue to PTC a signed Monthly Bill for the immediately preceding Month on the 5th day of each month, in accordance with this Agreement.

Provided that:

- (i) if the first Unit has achieved COD during the period between the first (1st) day and up to and including the fifteenth (15th) day of a Month, the first Monthly Bill shall be issued for the period until the last day of such Month, or
- (ii) if the first Unit has achieved COD after the fifteenth (15th) day of a Month, the first Monthly Bill shall be issued for the period commencing from the COD of the first Unit until the last day of the immediately following Month.

Provided further that if a Monthly Bill is received before the fifth (5th) day of a Month, it shall be deemed to have been received on the fifth (5th) day of such Month and if such fifth (5th) day is not a Business Day, the immediately succeeding Business Day.

Each Monthly Bill shall include:

- (i) Meter output for the relevant Month referred to in Article 8.2;

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- (ii) the Company's computation of Tariff Adjustment;
- (iii) the Company's computation of Tariff Payment for the relevant Month in accordance with Schedule E; and
- (iv) supporting data, documents and calculations and Due Date in accordance with this Agreement.

9.3 Payment of Monthly Bills

- 9.3.1 Both Parties expressly agree that the essence of Articles 9.3 and 9.4 is timely payment by PTC for the Monthly Bills issued by the Company to PTC in accordance with this Agreement.
- 9.3.2 PTC shall remit the amount payable under the Monthly Bill on the Due Date to the Designated Account of the Company, as shall have been previously notified by the Company to PTC in accordance with 9.3.4 below.
- 9.3.3 All payments required to be made under this Agreement shall be made without any deduction or set off except for:
- (i) rebates provided under this Agreement;
 - (ii) deductions required by the Law;
 - (iii) any debit note raised for adjustments in Tariff required by the terms of this Agreement but not reflected in the Monthly Bill; and
- 9.3.4 The Company shall open a separate bank account, with a scheduled bank at a branch, having Real Time Gross Settlement facility, in Delhi (the "Designated Account") for all payments to be made by PTC to the Company, and notify PTC of the details of such account at least thirty (30) days before the dispatch of the first Monthly Bill to PTC. PTC shall instruct its bankers to make all payments under this Agreement to the Designated Account and shall notify the Company of such instructions within three (3) Business Days. The date of such amount being made available to the bank of the Company shall be deemed to be the date of payment by PTC under this Agreement. PTC shall also designate a bank account at Delhi for payments to be made by the Company (including Supplementary Bills) to PTC and notify the Company of the details of such account by the COD of the first (1st) Unit.
- 9.3.5 If PTC pays amounts against a Monthly Bill or Supplementary Bill (either directly or through drawdown of Letter of Credit on request from PTC) within ten (10) days of receiving such bill, PTC shall be entitled to a Payment Rebate of 2%, and if PTC pays amounts against a Monthly Bill or Supplementary Bill after 10 days of

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its receipt but not later than the Due Date, PTC shall be entitled to a Payment Rebate of 1%. Such rebate shall be deducted from the amount of the Monthly Bill or Supplementary Bill, as applicable, by PTC, at the time of payment, and the payment shall be made to the Company accordingly.

- 9.3.6 In the event of delay in payment of a Monthly Bill by PTC or Supplementary Bill by either Party, beyond a period of thirty (30) days from the Due Date, a Payment Surcharge shall be payable at the rate of simple interest of 1.25% per month on the outstanding amount of payment, calculated for each day of delay, and such Surcharge shall be added to the amount of the Monthly Bill or Supplementary Bill as the case may be, and the payment made to the Company accordingly.

9.4 Payments for Infirm Power

PTC shall pay to the Company, should the Company claim, for the Infirm Power generated by a Unit and to the extent sold onwards by PTC. The rate for Infirm Power shall be as per Schedule E. Each monthly payment should be made within the Due Date of payment as applicable for Monthly Bill. The Capital Cost shall however be reduced by an amount equal to the total amount of bill(s) for infirm energy subject to payment by PTC.

9.5 Payment Security Mechanism

- 9.5.1 PTC shall provide to the Company a monthly revolving and irrevocable Letter of Credit opened and maintained by PTC which may be drawn upon by the Company in accordance with Articles 9.5.2 through 9.5.6 in respect of all payments due under this Agreement.

- 9.5.2 By one (1) Month prior to the COD of the first (1st) Unit, PTC shall through a scheduled bank at Delhi, open a monthly, revolving and irrevocable Letter of Credit valid for one (1) year, in favour of the Company, to be made operative from the COD of the first (1st) Unit under this Agreement. Notwithstanding PTC's obligations under Article 9.5.1, the value of L/C will be computed separately for each half year period on the basis of the Contracted Energy figures for the respective half year period in accordance with Schedule D. Such value of L/C for each half year shall be one (1) Month's peak Monthly Bill for that half year.

The two half years of a year shall be April to September and October to March respectively. However in case the COD of a Unit/Project is not on the first (1st) day of the half year, then that half year will start from the date of COD till end of that half year.

Provided that the Company shall not draw upon such Letter of Credit prior to the Due Date, unless such drawal is made on the request of PTC in accordance with Article 9.3.5;

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- 9.5.3 PTC shall require the scheduled bank issuing the irrevocable Letter of Credit to intimate the Company regarding establishing of such irrevocable Letter of Credit to the Company in writing.
- 9.5.4 If PTC fails to pay a Monthly Bill or part thereof within and including the Due Date, then, the Company may draw upon the Letter of Credit for an amount equal to such Monthly Bill or part thereof plus Payment Surcharge, if applicable, by presenting to the scheduled bank, issuing the Letter of Credit, the following documents:
- (a) a copy of the Monthly Bill which has remained unpaid by PTC;
 - (b) a certificate from the Company to the effect that the bill at item (i), or specified part thereof, above has remained unpaid beyond the Due Date; and
 - (c) calculations of applicable Payment Surcharge in accordance with Article 9.3.6.
- 9.5.5 PTC shall ensure that the Letter of Credit shall be renewed not later than 30 days prior to its expiry.
- 9.5.6 All costs relating to opening and renewal of the Letter of Credit, including commitment and usance, negotiation and drawal of bills against such Letter of Credit shall be borne by PTC. If confirmation of the Letter of Credit is required by the Company, charges towards the same shall be borne by the Company.
- 9.5.7 By mutual agreement between the Company and PTC, the Letter of Credit may also be substituted by an unconditional and irrevocable bank guarantee or an equivalent instrument.
- 9.5.8
- (a) PTC shall ensure that payments due from the Purchaser under the Power Sale Agreement shall be received in a Bank Account (hereinafter referred to as the "Revenue Collection Account"), maintained by PTC in a scheduled Bank at New Delhi ("Designated Bank").
 - (b) The Company shall during the Term of this Agreement have a lien on the amounts due and received in the Revenue Collection Account. PTC shall give irrevocable instruction in accordance with Article 9.5.2 to the Designated Bank that in the event PTC does not replenish the L/C or if enforceable L/C is not in place to secure payment to the Company at any time for whatever reason, the Designated Bank shall forthwith cease to honour any withdrawal or transfer instructions from PTC, and make only payments due to the Company in accordance with this Agreement.

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Intimation by the managing director/chief executive officer of the Company evidencing PTC's failure to replenish the L/C alongwith the documents set out in Article 9.5.4, shall be taken as final and binding instructions for the the Designated Bank to release the amounts due to the Company.

- (c) In the event the Company is unable to realize the payments due from PTC under this Agreement by recourse to the Revenue Collection Account, PTC shall be obliged to invoke the Payment Security Mechanism under the Power Sale Agreement and discharge its payment obligations under this Agreement.

9.6 Disputed Bill

- 9.6.1 If a Party does not dispute a Monthly Bill or a Supplementary Bill raised by the other Party within thirty (30) days of receiving it, such bill shall be taken as 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.

- 9.6.2 If a Party disputes the amount payable under a Monthly Bill or a 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 invoicing 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 If the invoicing Party agrees to the claim raised in the Bill Dispute Notice issued pursuant to Article 9.6.2, the invoicing Party shall revise such bill within fifteen (15) days of receiving such notice and make a refund to the disputing Party within thirty (30) days of receiving such notice.

- 9.6.4 If the invoicing Party does not agree to the claim raised in the Bill Dispute Notice issued pursuant to Article 9.6.2, it shall, within fifteen (15) days of receiving the Bill Dispute Notice, furnish a notice to the disputing Party 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.

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Upon receipt of such notice of disagreement to the Bill Dispute Notice, authorized representative(s) of a director of the board of directors of each Party shall meet and make best endeavours to amicably resolve the dispute within fifteen (15) days of receiving such notice of disagreement to the Bill Dispute Notice.

- 9.6.5 If the Parties do not amicably resolve the dispute within fifteen (15) days of receipt of notice of disagreement to the Bill Dispute Notice pursuant to Article 9.6.4, the matter shall be referred to Arbitration in accordance with Article 13.
- 9.6.6 Notwithstanding the Bill Dispute Notice issued pursuant to Article 9.6.2, all amounts under a Monthly Bill or a 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. A Supplementary Bill with respect to Change in Law, which is disputed by PTC shall be payable by PTC to the Company only upon conclusion of Arbitration and in accordance with the award. The amounts payable consequent to such Arbitration award relating to original bill amount shall attract Payment Surcharge at the rate of simple interest of 1.25% per month, calculated for each day of delay from the original Due Date.
- 9.6.7 If a dispute regarding a Monthly Bill or a Supplementary Bill is settled pursuant to Article 9.6.4 or by Arbitration in favour of the Party that issues a Bill Dispute Notice, the other Party shall refund the amount incorrectly charged by it from the disputing Party within five (5) days of the dispute either being amicably resolved by the Parties pursuant to Article 9.6.4 or settled by arbitration in accordance with Article 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 the simple interest of 1.25% per month, 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 Article 11, the procedure for claim and payment set out in this Article 9.7 applies if a Change in Law occurs during the Operation Period.

Provided that any payment on account of a Change in Law claim shall normally be made through Tariff Adjustments and until such time through:

- (i) issue of a Supplementary Bill by the Party which claims the Change in Law; and
- (ii) payment by the other Party against such Supplementary Bill.

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- 9.7.2 The Tariff Adjustment for Change in Law shall be determined in accordance with Article 11.2 and such adjustments shall take place once in a Tariff Year. Until such Tariff Adjustment, payment for Change in Law shall be made through Supplementary Bills.
- 9.7.3 For claiming a Change in Law under this Article, the Company shall issue a notice to PTC as soon as reasonably practicable after it becomes aware of the Change in Law event, but not later than one(1) year after the date of notification of such Change in Law. PTC may also issue a notice to the Company for claiming a Change in Law under this Article after it becomes aware of such Change in Law event, but not later than one(1) year after the date of notification of such Change in Law.
- 9.7.4 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.
- 9.7.5 In the event the Change in Law notice is issued by PTC to the Company, the Company shall notify in writing its consent to or disagreement with such notice to PTC within a period of thirty (30) days of receipt of such notice.
- In the event the Change in Law notice is issued by the Company to PTC, PTC shall notify in writing its consent to or disagreement with such notice to the Company within a period of forty five (45) days of receipt of such notice.
- Provided that if PTC notifies its consent to the Company in relation to a Change in Law notice issued by the Company, the Company and PTC shall issue an amendment to effect the agreed change in Tariff within thirty (30) days of reaching such agreement.
- Provided that if the Company notifies its consent to PTC in relation to a Change in Law notice issued by PTC, the Company and PTC shall issue an amendment to effect the agreed change in Tariff within thirty (30) days of reaching such agreement.
- Provided further that if either Party notifies its disagreement with the subject matter of such notice, such disagreement shall be settled in accordance with the procedure laid down in Article 13.



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In case, the matter goes to Arbitration in relation to a Change in Law notice, the Company acknowledges that with the Company's consent, which it shall not unreasonably withhold, the Purchaser may, on PTC's behalf, participate in such Arbitration. The Arbitration award shall be binding on the Parties. In case any Party does not participate in the Arbitration process, it shall also be bound by such Arbitration award.

9.8 Quarterly and Annual Reconciliation

Both Parties acknowledge that all payments made against Monthly Bills and Supplementary Bills shall be subject to quarterly reconciliation at the end of each quarter of each Tariff Year and annual reconciliation at the end of each Tariff Year to take into account REA, Tariff Adjustments, or any other reasonable circumstance provided under this Agreement. The Parties, therefore, agree that as soon as all such data in respect of any quarter of a Tariff Year or a full Tariff Year as the case may be, has been finally verified and adjusted, the Parties shall jointly sign such reconciliation statement. Within fifteen (15) days of signing of a reconciliation statement, the Company or PTC, as the case may be, shall raise a Supplementary Bill for the Tariff Adjustments for the relevant Tariff Year and payment of such Supplementary Bill shall be made in accordance with Article 9.6.

9.9 Payment of Supplementary Bill

9.9.1 Either Party may raise a bill on the other Party ("Supplementary Bill") for payment on account of:

- (i) adjustments required by the REA,
- (ii) Tariff Adjustment,
- (iii) Change in Law,
- (iv) Tax on Income,
- (v) Any other payment due in accordance with this Agreement;

and such Bill shall be paid by the other Party.

9.9.2 PTC shall remit all amounts due under a Supplementary Bill raised by the Company to the Company's Designated Account by the Due Date and notify the Company of such payment within three (3) Business Days. Similarly, the Company shall pay all amounts due under a Supplementary Bill raised by PTC by the Due Date to PTC's designated bank account and notify PTC of such remittance within three (3) Business Days. For such payments, rebates as

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applicable to Monthly Bills pursuant to Article 9.3.5 shall apply and surcharge as applicable to Monthly Bills pursuant to Article 9.3.6 shall apply.

Provided that the Due Date for Supplementary Bills raised by the Company for Change in Law, and not disputed by PTC, shall be forty five (45) days from the date of billing.

9.10 Payment for Construction and Start-up Power

The Company shall pay the Project State Utility / CTU for the power and energy consumed, if any, for start up of the Units in accordance with any agreements as the Project State Utility / CTU may require the Company to execute.



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ARTICLE 10 FORCE MAJEURE

10.1 Definitions

In this Article 10, the following terms shall have the following meanings:

10.1.1 Affected Party

means the Company or PTC, whose performance has been affected by an event of Force Majeure.

An Event of Force Majeure affecting the CTU or Transmission Licensee shall be deemed to be an event of Force Majeure affecting the Party which has taken long term open access, subject to such Party complying with the other requirements of this Article.

An Event of Force Majeure affecting the Purchaser shall be deemed to be an event of Force Majeure affecting PTC, subject to PTC complying with the other requirements of this Article.

An event of Force Majeure affecting the performance of the Construction Contractor shall be deemed to be an event of Force Majeure affecting the Company, subject to the Company complying with the other requirements of this Article.

10.1.2 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

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- (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
- (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 the 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, or
- (xi). any event or circumstance of a nature analogous to any of the foregoing.

10.2 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 Construction Contractor, or
- (iii) strikes or boycotts interrupting supplies and services to the Project particular to the Company and involves the Company, the Company's contractors or their respective employees, agents or representatives or any strike or boycott attributable to any unfair policy or practice of the aforementioned persons.
- (iv) economic hardship or financial inability.

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10.3 Notification of Force-Majeure Event

10.3.1 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 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.

10.3.2 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.

10.4 Duty to perform and duty to mitigate

To the extent not prevented by a Force Majeure event pursuant to Article 10.1.2, 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. Provided that no Party shall be required under this Article to settle any strike or labour dispute it considers being unfavourable to it.

10.5 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 or contributed to by one or more events of Force Majeure or their effects or by any combination thereof subject to Article 14.1 or Article 14.2, as applicable. The period allowed for the performance by the Affected Party of its obligations hereunder shall be extended by one 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 demobilisation and remobilisation of personnel and restoration of the Project or the Transmission Facilities or the Interconnection Facilities, as the case may be,

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after cessation of an event or events of Force Majeure, to the pre-delay condition, assuming diligent compliance by such Party.

10.6 Extended Force Majeure

The continuance of Force Majeure for a period of 12 consecutive months shall constitute Extended Force Majeure. In the event of an Extended Force Majeure, either Party may terminate the Agreement pursuant to Article 14.

10.7 Consequences of Payment During Force Majeure Event

Except for any Force Majeure arising out of 'act of God' as set out in Article 10.1.2(i), affecting the Project or tie line (if any) or both, the Company shall be entitled to claim Deemed Generation in accordance with Schedule E.



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ARTICLE 11 CHANGE IN LAW

11.1 Definitions

In this Article 11, the following terms shall have the following meanings:

11.1.1 "Change in Law" means:

(i) the enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal, after the date of this Agreement, of any statute, decree, ordinance or other law, regulation, notice, circular, code, rule or direction by any Governmental Instrumentality or a change in its interpretation by a Competent Court of law, tribunal, government or statutory authority.

(ii) The imposition by any Governmental Instrumentality of any material condition in connection with the issuance, renewal, modification, revocation or non-renewal (other than for cause) of any Consent after execution date of this Agreement.

11.1.2 "Competent Court" means:

the Supreme Court of India or any High Court, or any tribunal or any similar judicial or quasi-judicial body that has jurisdiction in relation to issues relating to the Project.

11.2 Tariff Adjustment Payment for Change in Law

11.2.1 Impact of Change in Law to the Project till COD of the Project shall be as approved by CEA/CERC for final approval of Capital Cost at COD of the Project. If a Change in Law results in the Company's revenue or costs directly attributable to the Project being decreased or increased during Operation Period of this Agreement, the Tariff Payment to the Company shall be adjusted, subject to Article 11.2.2.

11.2.2 The Company or PTC, as the case may be, shall provide the other Party with a certificate stating that the adjustment in the Tariff Payment is directly as a result of the Change in Law and shall provide supporting documents to substantiate the same. And, such certificate shall correctly reflect all increases or decreases till the date of such certificate.

11.2.3 The adjustment in Tariff Payment for reasons attributable to Article 11.2.1 shall be effective from:

- (i) the date of adoption, promulgation, amendment, re-enactment or repeal of the Law;

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- (ii) the date of order/judgment of the Competent Court, if the Change in Law is on account of a change in interpretation of Law;
- (iii) the date of impact resulting from the occurrence of Article 11.1.1(ii).

11.3 Appeal against Change in Law

PTC may by furnishing a legal opinion, require the Company to challenge any Change in Law, having an impact set out in Article 11.2.1, by initiating appropriate legal proceedings before the Competent Court. If the Company fails to initiate such legal proceedings, PTC may initiate such legal proceedings on the Company's behalf. The Parties shall share in equal proportion, the costs and expenses incurred in connection with such legal proceedings.



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ARTICLE 12 LIABILITY AND INDEMNIFICATION

12.1 Indemnity

12.1.1 The Company shall indemnify, defend and hold PTC harmless against:

- (a) any and all third party claims, actions, suits or proceedings for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the 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 PTC; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest suffered or incurred by PTC by reason of a breach by the Company of any of its obligations under this Agreement (provided that this Article 12 shall not apply to such breaches by the 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 PTC

the above losses together shall constitute "Indemnifiable Losses".

12.1.2 PTC shall indemnify, defend and hold the Company harmless against:

- (a) any and all third party claims, actions, suits or proceedings for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by PTC 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 Company, its contractors, servants or agents; and
- (b) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest suffered or incurred by the Company by reason of a breach by PTC of any of its obligations under this Agreement (provided that this Article 12 shall not apply to such breaches by PTC, 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 Company, its contractors, servants or agents.

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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 Article 12 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 up to 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 Article 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 Article 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 thirty (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,

the 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 Article 12.1.1(a) or 12.1.2(a) and the indemnifying Party shall reimburse to the Indemnified Party all reasonable costs and expenses incurred by the Indemnified party. However, such Indemnified Party shall not settle or

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compromise such claim, action, suit or proceedings without first getting the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

An Indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the Indemnified Party if it acknowledges its obligation to indemnify such Indemnified Party, gives such Indemnified Party prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost that is reasonably satisfactory to the Indemnified Party.

12.3.2 Indemnifiable Losses

Where an Indemnified Party is entitled to Indemnifiable Losses from the Indemnifying Party pursuant to Article 12.1.1(b) or 12.1.2(b), the Indemnified Party shall promptly notify the Indemnifying Party of the Indemnifiable Losses. The Indemnifiable Losses shall be paid by the Indemnifying Party within thirty (30) days of receipt of the notice seeking Indemnifiable Losses by the Indemnified Party.

12.4 Limitation on Liability

Except as expressly provided in Article 14.6.1 and Article 14.6.2 and / or elsewhere in this Agreement, neither the Company nor PTC nor 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 indemnities under Article 12.1.1 and 12.1.2.



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ARTICLE 13 GOVERNING LAW AND DISPUTE RESOLUTION

13.1 Governing Law

This Agreement shall be governed by the Laws of India. Subject to Article 13.4, the courts of Delhi shall have exclusive jurisdiction in all matters arising out of or in connection with this Agreement.

13.2 Amicable Settlement

13.2.1 Either Party is entitled to raise any matter, dispute or difference of whatever nature arising under, out of or in connection with this Agreement including its existence 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 dispute notice issued under Article 13.2.1, furnish:

- (i) its counter-claim and defences if any regarding the Dispute; and
- (ii) all written material in support of its defences and counter-claim.

13.2.3 Within thirty (30) days of issue of notice by other Party pursuant to Article 13.2.2, both the Parties shall meet to settle such Dispute amicably, failing which the Dispute shall be resolved in accordance with Article 13.3, as applicable.

13.3 Arbitration

Where any Dispute arising out of or in connection with this Agreement,

- a) is not resolved as provided for in Article 13.2;
- b) not used
- c) falls within the scope and purview of statutory arbitration under the provision of the Law;

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then such Disputes shall be submitted to arbitration in accordance with the Arbitration and Conciliation Act, 1996 ("Arbitration Act") at the request of either Party in writing to the other Party. The following provisions shall then apply:

- i. The rights and obligations of the Parties shall remain effective during the arbitration proceedings;
- ii. the place of arbitration shall be New Delhi, India;
- iii. the language of the arbitration shall be English;
- iv. any Dispute submitted to arbitration shall be considered by three arbitrators, two of whom shall be nominated, one by PTC and one by the Company. If within 30 days of the receipt of a party's notification of the 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 the appointment of the second arbitrator, shall be appointed in accordance with the Arbitration Act.

13.4 Arbitration Awards to be Binding

13.4.1 PTC and the Company undertake to carry out any decision or award of the arbitrator relating to such Dispute without delay. Awards relating to any Dispute shall be final and binding on the parties to such Dispute as from the date they are made.

13.4.2 The arbitrators shall give a reasoned decision or award in writing. The arbitrators shall have power to grant interim relief and pass an interim award.

13.5 Finality and Enforcement of Award

The award of the arbitration 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.

The Parties hereby waive any right to appeal such award except on the grounds set out in the Arbitration Act.



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13.6 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.

13.7 Costs of Arbitration

The Parties shall bear their own costs of Arbitration. The costs and fees payable to the arbitrators shall be shared equally by the Parties, unless decided otherwise pursuant to the award of such Arbitration.



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ARTICLE 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 PTC of its obligations under this Agreement, shall constitute a Company Event of Default:

- (i) the Construction Contractor fails to mobilize its workforce for the construction of the Project within three (3) months of the Financial Close, or
- (ii) after the commencement of the construction of the Project, the Company or its Construction Contractor abandons the Project for a continuous period of six(6) months, or
- (iii) if, pursuant to the Unit Characteristics Test or the Project Characteristic Tests, a Unit or the Project, as the case may be, even after Repeat Tests, fails to pass such test;
- (iv) if shortfall in the Tested Capacity of the Project either on the Initial Performance Test including after Repeat Tests pursuant to Article 6.10 or the Periodic Capacity Test including after Repeat Tests pursuant to Article 7.6, results in the Company not being able to provide to PTC, power and energy corresponding to 704 MW in accordance with Schedule D; or
- (v) the Project fails to pass the Initial Performance Test till six (6) months after the Required Commercial Operation Date of the Project, other than for reasons relating to the non-availability of water to the Project.
- (vi) after Commercial Operation Date of the Project, except for reasons of Force Majeure, the Company fails to deliver seventy five percent (75%) of the prorata Design Saleable Energy in accordance with Schedule D for a period of twelve (12) consecutive months to PTC.
- (vii) after Commercial Operation Date of the Project, except for reasons of Force Majeure or non-availability of water, the Company fails to deliver seventy five percent (75%) of the Maximum Available Capacity during Peak Hours for a period of twelve (12) consecutive months.
- (viii) the Company fails to make any payment required to be made to PTC under this Agreement within two (2) Months after the due date for such payment, or
- (ix) the Company assigns or purports to assign its assets or rights in violation of this Agreement, or
- (x) the Company transfers or novates any of its rights and/or obligations under this Agreement, in violation of this Agreement, or
- (xi) if the Company becomes voluntarily or involuntarily the subject of proceedings under any bankruptcy or insolvency laws or goes into liquidation or dissolution or has a receiver appointed over it or a liquidator is appointed, pursuant to Law, except where such dissolution of the

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- Company is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement and creditworthiness not inferior to the Company and expressly assumes all obligations under this Agreement and is in a position to perform them; or
- (xii) the Company is in material breach of this Agreement, or
 - (xiii) the Company suspends payments of its debts or is unable to pay its debts, and such suspension or inability is not caused by a failure of PTC to pay the full amounts due under this PPA, or
 - (xiii) the Company repudiates this Agreement.

14.2 PTC 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 or a breach by the Company of its obligations under this Agreement, shall constitute a PTC Event of Default:

- (i) PTC fails to pay any undisputed portion of a Monthly Bill or Supplementary Bill for a period of 30 days after the Due Date (either directly or through a draw down of the Letter of Credit) or fails to ensure the issue, maintenance, replenishment, renewal or restoration the Letter of Credit, to the required amount pursuant to Article 10 resulting in the Company not being able to draw upon such Letter of Credit, as per terms of this Agreement, for a period of 30 days;
- (ii) the dissolution or transfer of rights or obligations of PTC, in violation of Article 15.7, except where:
 - (a) such transfer does not affect the ability of the transferee to perform its obligations under this Agreement;
 - (b) such transferee expressly assumes obligations of PTC 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 PTC; or
- (iii) PTC repudiates this Agreement; or
- (iv) if PTC becomes voluntarily or involuntarily the subject of proceedings under any bankruptcy or insolvency laws or goes into liquidation or dissolution or has a receiver appointed over it or a liquidator is appointed, pursuant to Law, except where such dissolution of PTC is for the purpose of a merger, consolidation or reorganization and where the resulting entity has the financial standing to perform its obligations under this Agreement

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and creditworthiness not inferior to PTC and expressly assumes all obligations under this Agreement and is in a position to perform them;

- (v) PTC is in material breach of this Agreement.

14.3 Extended Force Majeure

The occurrence of Force Majeure and its continuance for a period of 12 months continuously shall constitute an Extended Force Majeure. On the occurrence of Extended Force Majeure, either Party shall be entitled to terminate this Agreement 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 on account of Extended Force Majeure.

14.4 Termination procedure for Company Event of Default

14.4.1 Upon the occurrence and continuation of any Company Event of Default, PTC shall have the right to deliver to the Company a PTC Preliminary Termination Notice, which shall specify in reasonable detail the circumstances giving rise to the issue of such notice.

14.4.2 Following the issue of a PTC Preliminary Termination Notice, Consultation Period of ninety (90) days or such longer period as the Parties may agree shall apply.

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.

14.4.4 Within a period of seven (7) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or the Company Event of Default giving rise to the Consultation Period shall have been remedied, PTC may terminate this Agreement by delivering a PTC Termination Notice, whereupon this Agreement shall terminate on the date of such notice.

14.5 Termination procedure for PTC Event of Default

14.5.1 Upon the occurrence and continuation of any PTC Event of Default, the Company shall have the right to deliver to PTC a Company Preliminary Termination Notice, which notice shall specify in reasonable detail the circumstances giving rise to its issue.

14.5.2 Following the issue of a Company Preliminary Termination Notice, Consultation Period of ninety (90) days or such longer period as the Parties may agree shall apply.

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14.5.3 During the Consultation Period, the Party in default shall, save as otherwise provided in this Agreement, continue to perform its obligations under this Agreement.

14.5.4 Within a period of seven (7) days following the expiry of the Consultation Period and unless the Parties shall have otherwise agreed to the contrary or the PTC Event of Default giving rise to the Consultation Period shall have been remedied, the 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

Where this Agreement is terminated by PTC pursuant to Article 14.4 for a Company Event of Default, the Company shall pay compensation to PTC, an amount equal to Rupees two hundred thirty seven point five crore only (Rs 237.5 crore only) to be passed on by PTC to the Purchaser as the Purchaser's compensation and an amount equal to Rupees twelve point five crore only (Rs 12.5 crore only) as PTC's compensation. However, in case any compensation pursuant to CERC Interstate Transmission Regulations for relinquishment of transmission access is payable by PTC or the Purchaser, then such compensation amount and the above amount of Rupees two hundred fifty crore only (Rs 250 crore only) shall be payable by the Company. Such amount shall be paid within thirty (30) days of the day of termination of this Agreement.

14.6.2 Consequence of Termination for PTC Event of Default

Where this Agreement is terminated by the Company pursuant to Article 14.5 for a PTC Event of Default, PTC shall pay compensation to the Company, an amount equal to Rupees two hundred thirty seven point five crore only (Rs 237.5 crore only). However, in case any compensation pursuant to CERC Interstate Transmission Regulations for relinquishment of transmission access is payable by the Company, then such compensation amount and above amount of Rupees two hundred thirty seven point five crore only (Rs 237.5 crore only) shall be payable by PTC. Such amount shall be paid within thirty (30) days of the day of termination of this Agreement.

14.6.3 Consequence of Termination for Extended Force Majeure

Where this Agreement is terminated by either Party pursuant an Extended Force Majeure in accordance with Article 14.3, then in such event this Agreement shall stand terminated without any further liability to either party, from the date of such termination.

14.6.4 The Party liable to make payment of the termination amount shall not be discharged of its obligations under this Agreement until the termination amount has been paid to the other Party.



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ARTICLE 15 MISCELLANEOUS PROVISIONS

15.1 Amendment

This Agreement may only be amended or supplemented by a written agreement between the Parties.

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 Remedies

Where this Agreement provides for any rebate or other remedies for any breach or shortfall in performance, the Parties shall not be entitled to make any other claim or pursue other remedies under law.

15.6 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 Company and PTC, executed in connection with the Project.

15.7 Assignment

15.7.1 This Agreement shall not be assigned by either Party other than by mutual agreement between the Parties in writing.

15.7.2 Notwithstanding Article 15.7.1 the Company may assign its rights and transfer its obligations under this Agreement to its Lenders or Affiliates and PTC may assign its rights and transfer its obligations under this Agreement to its Lenders or Affiliates.

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Provided that, in case of an assignment to Affiliates:

- (i) an entity shall qualify as an "Affiliate" if it, directly or indirectly, controls, is controlled by or is under common control with the relevant Party; the term "control" meaning ownership of more than fifty percent (50%) of the equity share capital or voting rights of the 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 the Party under this Agreement and such affiliate has the financial standing to perform payment obligations under this Agreement and creditworthiness similar to that of the Company;
- (iii) such Affiliate expressly assumes such obligations.

PTC shall execute necessary agreements with the Lenders as may be required for such assignment or the required acknowledgment of the creation of any security in favour of the Company's Lenders on the Project and any other assets, as is reasonably requested by the Company.

15.8 Confidentiality

- 15.8.1 (a) Each of the Parties shall hold in confidence all documents and other technical or commercial information, supplied to it by or on behalf of the other Party relating to the design, construction, insurance, operation, maintenance, management and financing of the Project or in relation to this Agreement ("Confidential Information") and shall not, save as required by law or appropriate regulatory/legislative authorities, use the same for its own purpose or publish or otherwise disclose such Confidential Information, other than to the prospective lenders to, or investors in the Company or PTC, or to the professional advisors of the Parties hereto or of such lenders or investors, as aforesaid, and as may be required to perform its obligations under this Agreement.

Provided further that each Party shall be entitled to disclose such Confidential Information to a third party for the purposes of entering into or meeting its obligations under the PSA.

- (b) The provisions of paragraph (a) above shall not apply to:
- (i) any information in the public domain, otherwise than by breach of this Agreement.
 - (ii) information in the possession of the receiving party thereof, before divulgence as aforesaid, and which was not obtained under any obligation of confidentiality and;

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- (iii) information obtained from a third party who is free to divulge the same, and which is obtained without any obligation of confidentiality.
- (iv) disclosure of any information to any Governmental Instrumentality for obtaining, receiving, and/or maintaining any government authorizations.
- (c) The provisions of this Article 15.8 shall survive the termination or expiry of this Agreement.

15.8.2 Notwithstanding Article 15.8.1, each Party may disclose Confidential Information to the extent that such Confidential Information:

- (i) was 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 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.

15.9 Affirmation

The Company and PTC each 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

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procure this Agreement, and the Company and PTC hereby undertake not to engage in any similar acts during the Term of Agreement.

15.10 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 adopt a replacement provision to carry out, in effect, the Parties' original intention to the extent permitted by applicable Laws.

15.11 No Partnership

None of the provisions of this Agreement shall constitute a partnership or agency or any such similar relationship between the Company and PTC.

15.12 Survival

Notwithstanding anything to the contrary herein, the provisions under Article 12 (Liability and Indemnification), Article 13 (Governing Law and Dispute Resolution), Article 14 (Events of Default and Termination), and Article 15 (Miscellaneous) shall continue and survive for a period of 5 years from expiry or termination of this Agreement.

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.

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 by facsimile transmission to the addresses below:

For the Company:

Address: JA House, 63, Basant Lok, Vasant Vihar
 New Delhi - 110 057

Attention: Shri Manoj Gaur

Facsimile No.: 011-26145389/26143591



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Telephone No.: 011-26141540/26145073
E mail address: manoj.gaur@jalindia.co.in

For PTC:

Address: PTC India Limited,
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,
New Delhi-110066.

Attention: Group Head - DCS

Facsimile No.: 011-41659142

Telephone No.: 011-41659131
E mail address: controlroom@ptcindia.com

15.14.3 All notices shall be effective: (i) if sent by facsimile transmission, when sent (on receipt of confirmation of the correct number or address); (ii) if sent by registered or certified mail, within 5 days of dispatch; and (iii) if delivered personally, on receipt by intended recipient. Provided that all notices given by facsimile transmission shall be confirmed by registered or certified mail.

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 facsimiled.

15.15 Schedules

Schedules and other attachments hereto shall be treated as part of this Agreement.



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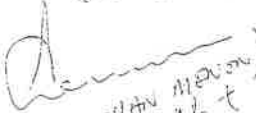
IN WITNESS WHERE OF the Parties have executed these presents through
their authorized representatives at New Delhi.


For and on behalf of
PTC India Limited (formerly known as
Power Trading Corporation of India
Limited)

For and on behalf of the
Jaypee Karcham Hydro Corporation
Limited




Signature with seal
Rajiv Bhardwaj
Executive Vice President

Witness:

1. 
(S.S. SHARMA) SVP
2. 
(A. MOHAN MEHTA)
Sr. Vice President


Signature with seal
D P Goyal
Managing Director

Witness:

1. 
(S.S. SHARMA)
Director
2. 
(S.M. ARORA)
Director



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SCHEDULE A CONSENTS

- 1.0 Initial Consents
 - 1.1 Registration of the Company under the Companies Act, 1956.
 - 1.2 Clearance by appropriate Governmental Instrumentality to set up and operate the Project at the Site for generation of electricity.
 - 1.3 Approval, in writing, by the Appropriate Authority for the establishment of the Project by the Company.
 - 1.4 Diversion of forest land, if any, for the Project by the appropriate Governmental Instrumentality.
 - 1.5 Clearance of the Project by the Ministry of Environment and Forests, Government of India.
- 2.0 All consents required for Construction and Commissioning of the Project.
- 3.0 All consents for Operation of the Project
 - 3.1 Approval of the Tariff by the Appropriate Commission, as required by Law;
 - 3.2 Approval of Chief Electrical Inspector of the State in accordance with Law.



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SCHEDULE B SALIENT TECHNICAL FEATURES OF PROJECT

Location	District Kinnaur (H.P.)
River	Satluj
State	Himachal Pradesh
Installed Capacity	4 × 250 MW
Diversion Dam	
Max. Pond Level	El. 1810.00 m
Min. Pond Level	El. 1799.00 m
River Bed Level	El. 1770.00 m
Intake	
Crest Level	El. 1786.00 m
Max. Discharge	130.25 cumec each bay × four bays
Sedimentation Chamber	4 Nos.
Head Race Tunnel	
Design Discharge	417 cumec
Size	10.48 m dia, Circular
Pressure Shafts	4 No. Steel lined 4.75 m dia
Power House	
Type of P.H.	Underground
Type of Turbines	Francis
Max. Head	303.50 m
Min. Head	258.20 m
Speed	214.3 rpm
Type of Generator	Vertical, Semi-Umbrella
Generator output	277.70 MVA
Generator voltage	17 kV
Excitation system	Static
Type and Rating of Transformers	Single phase, 93 MVA 17/400 kV $\sqrt{3}$
Type of H.V. Switchgear	400 kV, Gas-Insulated type

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SCHEDULE C TECHNICAL LIMITS AND CONTRACTED CHARACTERISTICS

1. Electrical System Characteristics

Grid Voltage 400 \pm m 5% kV
Grid Frequency 50 Hz \pm 3%
Power Factor 0.90 lagging to .95 leading PF

2. Capacity of Generating Equipment

With respect to each generating unit, continuous capacity shall be as under:
Continuous rating = 277.70 MVA for each generating unit
Rated load = 250 MW
Maximum reactive load = 0.9 lagging PF at full load
0.95 leading PF

3. Minimum stable load with respect to each unit = Forty Five (45) percent of rated load up to rated load

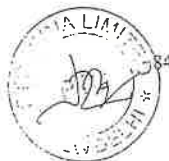
4. Start-up time

Maximum time for cold start = 30 minutes
Maximum start up time = 15 minutes
Maximum interval for Restart of each unit = 15 minutes

5. Availability of Peak Power

S. No.	Description	Particulars
(i)	Peaking Capacity of Project (net), MW	988
(ii)	Peaking Duration, hours	3

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SCHEDULE D ENERGY GENERATION IN 90% DEPENDABLE YEAR (1993-94)

Energy Generation in 90% Dependable Year (On 95% Machine Availability Basis)

1	2	3	4	5	6	7	8	9	10	11	12	13
Month	Period	10 daily discharge	Release for aquatic life	Available discharge	Power at 95% plant availability	Power MW	Energy, GWH	Design Energy	* Design Saleable Energy		Contracted Energy	
									First 12 years-	13th to 35th year	First 12 years- 80% of saleable Energy	13th to 35th year 85.88% c saleable Energy
									(DE- 1.2%)* .88	(DE- 1.2%)* .82	Col. 10*704/8 80	Col. 11*704/8 0
		cumecs	cumecs	cumecs	MW	MW	million units	million units	million units	million units	million units	million units
JUN	I	499	6.80	499.00	950.00	950.00	228.00					
	II	698	6.80	698.00	950.00	950.00	228.00					
	III	617	6.80	617.00	950.00	950.00	228.00	684.00	594.70	554.15	475.76	475.76
JUL	I	716	6.80	716.00	950.00	950.00	228.00					
	II	1085	6.80	1085.00	950.00	950.00	228.00					
	III	686	6.80	686.00	950.00	950.00	250.80	706.80	614.52	572.62	491.62	491.62
AUG	I	731	6.80	731.00	950.00	950.00	228.00					
	II	579	6.80	579.00	950.00	950.00	228.00					
	III	554	6.80	554.00	950.00	950.00	250.80	706.80	614.52	572.62	491.62	491.62
SEP	I	513	6.80	513.00	950.00	950.00	228.00					
	II	469	6.80	469.00	950.00	950.00	228.00					
	III	272	6.80	265.20	950.00	660.43	158.50	614.50	534.27	497.85	427.42	427.42
OCT	I	194	6.80	187.20	950.00	466.19	111.89					
	II	157	6.80	150.20	950.00	374.05	89.77					
	III	126	6.80	119.20	950.00	296.85	78.37	280.03	243.47	226.87	194.77	194.77
NOV	I	119	6.80	112.20	950.00	279.41	67.06					
	II	111	6.80	104.20	950.00	259.49	62.28					
	III	102	6.80	95.20	950.00	237.08	56.90	186.24	161.92	150.88	129.54	129.54
DEC	I	91	6.80	84.20	950.00	209.69	50.33					
	II	82	6.80	75.20	950.00	187.27	44.94					
	III	78	6.80	71.20	950.00	177.31	46.81	142.08	123.53	115.11	98.82	98.82
JAN	I	71	6.80	64.20	950.00	159.88	38.37					
	II	74	6.80	67.20	950.00	167.35	40.16					
	III	68	6.80	61.20	950.00	152.41	40.24	118.77	103.26	96.22	82.61	82.61
FEB	I	69	6.80	62.20	950.00	154.90	37.18					
	II	69	6.80	62.20	950.00	154.90	37.18					
	III	82	6.80	75.20	950.00	187.27	35.96	110.31	95.91	89.37	76.72	76.72
MAR	I	78	6.80	71.20	950.00	177.31	42.55					
	II	95	6.80	88.20	950.00	219.65	52.72					
	III	103	6.80	96.20	950.00	239.57	63.25	158.52	137.82	128.42	110.26	110.26

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1	2	3	4	5	6	7	8	9	10	11	12	13
Month	Period	10 daily discharge	Release for aquatic life	Available discharge	Power at 95% plant availability	Power MW	Energy, GWH	Design Energy	* Design Saleable Energy		Contracted Energy	
									First 12 years-	13th to 35th year	First 12 years- 80% of saleable Energy	13th to 35th year 85.88% saleable Energy
									(DE-1.2%)* 88	(DE-1.2%)* 82	Col. 10*704/8 80	Col. 11*704/8 0
		cumecs	cumecs	cumecs	MW	MW	million units	million units	million units	million units	million units	million units
APR	I	124	6.80	117.20	950.00	291.87	70.05					
	II	107	6.80	100.20	950.00	249.53	59.89					
	III	127	6.80	120.20	950.00	299.34	71.84	201.78	175.43	163.47	140.35	140.35
MAY	I	233	6.80	226.20	950.00	563.31	135.19					
	II	288	6.80	281.20	950.00	700.28	168.07					
	III	621	6.80	621.00	950.00	950.00	250.80	554.06	481.72	448.88	385.38	385.38
	TOTAL ENERGY							4463.88	3881.08	3616.46	3104.86	3104.86

Design Energy minus 0.5% auxiliary consumption & 0.7% transformation losses(such reduction being defined for this Agreement as Auxiliary consumption and the values used here being the ceiling values) minus 12% free power from the resultant during first 12 years and 18% free power from the resultant during 13th to 35th year
The Design Energy figures shall be subject to final confirmation by CEA



Karcham Wangtoo Hydro Electric Project

SCHEDULE E TARIFF

General

PTC shall pay Tariff to the Company based on the Capital Cost and means of financing thereof, as approved by CEA/CERC on completion of the Project, in proportion to the ratio of Contracted Power to the Rated Capacity, such Rated Capacity being adjusted for Free Power. The Tariff will be payable by PTC in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (relevant provisions of which are stated below) and as may be modified or amended up to the date of execution of this Agreement.

For the purpose of this Schedule the definitions for the capitalised terms used hereunder shall be as per the definitions contained in Article 1 of this Agreement.

The definitions for the capitalised terms used hereunder but not defined in Article 1 of this Agreement but defined under CERC Tariff Regulations, shall have the meaning set out therein. The Company shall get such Tariff approved by CERC in accordance with Article 9.1.3.

In addition to the generation tariff as above, PTC shall pay to the Company, the charges for transmission of power from the Project busbar up to the Delivery Point, as may be approved by CERC, in case the Delivery Point is not the Project bus bar.

Tariff

The tariff payable for the energy supplied by the Company and delivered to PTC will be determined as laid down hereunder.

Provisional Tariff

Till the final completion Capital Cost and the means of financing thereof, as stipulated above, is approved by CEA/CERC, the Capital Cost and the means of financing thereof as appraised/re-appraised and funded by the Lenders, evidence of which is furnished by the Company in compliance of the 'Conditions Precedent' at Article 3.1.2(iv), shall be considered for the purpose of determination of provisional Tariff. However, if the Tested Capacity of the Project is less than Nominal Capacity and the Tested Capacity of the Project has been accepted as the Rated Capacity of the Project pursuant to the Initial Performance Test or Periodic Capacity Test, the Tariff shall be recalculated based on prorata reduced Capital Cost of the Project with reference to the Nominal Capacity of the Project. The differential between the Tariff as approved by CERC after completion of the Project and such provisional Tariff shall be payable by PTC to the Company or vice versa.

Tariff computation

Tariff shall be computed by the Company thirty (30) days prior to each Tariff Year commencing from the COD of the first Unit, in accordance with the terms of this

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Agreement and made available to PTC for their verification. In the event of any discrepancy, PTC shall intimate the same to the Company within 15 days of receipt of the tariff computations. The Company shall intimate its views relating to the discrepancies within 15 days of receipt thereof. Notwithstanding the aforesaid, the payment shall be made by PTC to the Company at notified rates by the Company subject to future adjustments along with interest at the State Bank of India Prime Lending Rate thereon in respect of over billed / under billed amounts if any.

Quantification of Secondary Energy

During a Tariff Year, the Saleable Energy delivered to the extent of Design Saleable Energy set out in Schedule D shall be "Saleable Primary Energy" and energy in excess of the same shall be "Saleable Secondary Energy". PTC shall be entitled to a share of Saleable Secondary Energy in proportion to its share of Design Saleable Energy.

Tariff for the purpose of this Agreement shall be determined as specified herein below:

1. Tariff determination:

- (a) Tariff in respect of this Project shall be determined, Unit-wise or for the whole Project.
 (b) For the purpose of Tariff, the Capital Cost of the Project shall be broken up into stages and by distinct Units forming part of the Project. Where the Unit wise break up of the Capital Cost of the Project is not available, the common facilities shall be apportioned on the basis of the installed capacity of the Units.

2. **Core Business:** For the purpose of this Schedule, core business means the regulated activities of generation and does not include any other business or activity, like consultancy, telecommunication etc, of the Company.

3. **Tax on Income:** (1) Tax on the income streams of the Company from its core business, shall be computed as an expense and shall be recovered from PTC.
 (2) Any under-recoveries or over-recoveries of tax on income shall be adjusted every year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors.

Provided that tax on any income stream other than the core business shall not constitute a pass through component in tariff and tax on such other income shall be payable by the Company.

Provided further that the Project-wise profit before tax in the case of the Company as estimated for a year in advance shall constitute the basis for distribution of the corporate tax liability to the Project.

Provided further that the benefits of tax-holiday as applicable in accordance with the provisions of the Income-Tax Act, 1961 shall be passed on to the beneficiaries.

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Provided further that the credit for carry forward losses and unabsorbed depreciation shall be given in the proportion to PTC's annual revenue contribution as a ratio of the total annual revenue of the Company.

Provided further that the Tax on Income shall be charged from PTC in proportion to PTC's annual revenue contribution as a ratio of the total annual revenue of the Company;

4. **Recovery of foreign exchange rate variation:** Subject to CERC's approval, recovery of foreign exchange rate variation towards interest payment, loan repayment and Return on Equity shall be done by the Company from PTC.

5. **Recovery of Tax on Income:** Recovery of Tax on Income shall be done directly by the Company from PTC. Tax on Income for a Month shall be included in the Monthly Bill in proportion to the ratio of the relevant Month's Design Energy to Design Energy.

6. **Capital Cost:** The actual expenditure incurred on completion of the Project shall form the basis for determination of final Tariff. The final Tariff shall be determined based on the admitted capital expenditure actually incurred upto COD of the Project and shall include capitalised initial capital spares subject to a ceiling norm of 1.5% of the original project cost as on the cut-off date.

Additional Capitalisation: Additional Capitalisation shall form part of the capital cost in accordance with the CERC Regulations referred to above.

7. **Norms of operation:** The norms of operation shall be as under, namely:

- (i) **Normative Capacity Index for recovery of full Capacity Charges**
- (a) During first year of COD of the Project - 80%
- (b) After first year of COD of the Project - 85%

Note

There shall be *pro rata* recovery of capacity charges in case the Project achieves capacity index below the prescribed normative levels. At Zero capacity index, no capacity charges shall be payable to the Project. Adjustment of Capacity Index for the purpose of Tariff payment shall be done every month based on Capacity Index achieved from the beginning of the relevant Tariff Year and up to and including the month for which Tariff Payment is to be made.

- (ii) **Auxiliary Energy Consumption:** 0.7% of energy generated
- (iii) **Transformation losses**

From generation voltage to transmission voltage - 0.5% of energy generated.

8. **Sale of Infirm Power:** Any revenue earned by the Company from sale of Infirm Power, shall be taken as reduction in Capital Cost and shall not be treated as revenue. The rate for Infirm Power shall be same as the Primary Energy Rate of the Project. Infirm Power shall mean electricity generated prior to COD of a Unit.

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9. **Debt-Equity Ratio:** (1) Debt-Equity ratio as on the COD shall be 70:30 for determination of Tariff. Where Equity employed is more than 30%, the amount of Equity for determination of Tariff shall be limited to 30% and the balance shall be considered as the normative loan. Provided that in case actual Equity employed is less than 30%, the actual Debt and Equity shall be considered for determination of Tariff.

(2) The Debt and Equity amounts arrived at in accordance with clause (1) shall be used for calculating Interest on Loan Capital, Return on Equity and Advance Against Depreciation.

10. **Computation of Annual Charges:** The two-part tariff for sale of electricity shall comprise of recovery of Annual Capacity Charge and Primary Energy Charges:

(i) **Capacity Charges:** The Capacity Charges shall be computed in accordance with the following formula:
$$\text{Capacity Charges} = (\text{Annual Fixed Charge} - \text{Primary Energy Charge})$$

Note: Recovery through Primary Energy Charge shall not be more than Annual Fixed Charge.

(ii) **Annual Fixed Charges:** Annual Fixed Charges shall consist of:

- (a) Interest on loan capital;
- (b) Depreciation, including Advance Against Depreciation;
- (c) Return on equity;
- (d) Operation and maintenance expenses; and
- (e) Interest on working capital.

11. **Computation of Annual Fixed Charges:** The Annual Fixed Charges shall be computed on the following basis:

(i) **Interest on loan capital**

- (a) Interest on loan capital shall be computed loan wise on the loans arrived at in the manner indicated in Para 9.
- (b) The Company shall make every effort to swap the loan as long as it results in net benefit to PTC. The costs associated with such swapping shall be borne by PTC.
- (c) The changes to the loan terms and conditions shall be reflected from the date of such swapping and benefit passed on to PTC.
- (d) In case any moratorium period is availed of by the Company, Depreciation provided for in the Tariff during the years of moratorium shall be treated as repayment during those years and the Interest on loan capital shall be calculated accordingly.
- (e) The Company shall not make any profit on account of swapping of loan and Interest on loan.

(ii) **Depreciation, including Advance Against Depreciation**

(a) **Depreciation**

For the purpose of Tariff, Depreciation shall be computed in the following manner, namely:

- (i) The value base for the purpose of Depreciation shall be the historical cost of the asset.

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- (ii) Depreciation shall be calculated annually based on straight line method over the useful life of the asset and at the rates prescribed under the CERC Regulations referred above.
The residual life of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset.
- (iii) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (iv) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on *pro rata* basis.

b) **Advance Against Depreciation**

In addition to allowable depreciation, the Company shall be entitled to Advance Against Depreciation, computed in the manner given hereunder:
AAD = Loan repayment amount as per Paragraph 11(i) subject to a ceiling of 1/10th of loan amount as per Para 9 minus Depreciation as determined above.
Provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year.
Provided further that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation up to that year.

(iii) **Return on Equity**

Return on equity shall be computed on the equity base determined in accordance with Paragraph 9 and shall be @ 14% per annum.

Explanation

The premium raised by the Company while issuing share capital of the Project, if any, for the funding of the project, shall also be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount are actually utilised for meeting the capital expenditure of the generating station and forms part of the approved financial package.

(iv) **Operation and Maintenance expenses**

The base O&M Payment shall be fixed at 1.5% of the actual Capital Cost as admitted by the Commission, in the year of commissioning and shall be subject to an annual escalation of 4% per annum for the subsequent years.

(v) **Interest on Working Capital**

(a) Working Capital shall cover:

- (i) Operation and Maintenance expenses for one month;
(ii) Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the COD; and
(iii) Receivables equivalent to two months of fixed charges for sale of electricity, calculated on Normative Capacity Index.

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(b) Rate of interest on working capital shall be the short-term Prime Lending Rate of State Bank of India as on 1st April of the year in which the generating unit/station is declared, under commercial operation. The Interest on working capital shall be payable on normative basis notwithstanding that the Company has not taken working capital loan from any outside agency.

12. Primary and Secondary Energy Charges: (1) Primary Energy Charge shall be worked out on the basis of paise per kWh rate on ex-bus energy scheduled to be sent out from the Project after adjusting for Free Power.

(2) Rate of primary energy shall be equal to the lowest variable charges of the central sector thermal power generating station of the Northern region. The Primary Energy Charge shall be computed based on the primary energy rate and saleable energy of the station.

Provided that in case the primary energy charge recoverable by applying the above primary energy rate exceeds the Annual Fixed Charge of the Project, the primary energy rate shall be calculated by the following formula:

Primary energy rate = Annual Fixed Charge/Saleable Primary Energy

(3) Primary Energy Charge = Saleable Primary Energy x Primary Energy Rate

Secondary Energy Rate shall be equal to Primary Energy Rate.

Secondary Energy Charge = Saleable Secondary Energy x Secondary Energy Rate.

13. Incentive: (1) Incentive shall be payable in the first year of operation, when the Capacity Index (CI) exceeds 85% and incentive shall accrue up to a maximum Capacity Index of 100%.

(2) Incentive shall be payable to the Company in accordance with the following formula:

Incentive = $0.65 \times \text{Annual Fixed Charge} \times (\text{CIA} - \text{CIN})/100$

(If incentive is negative, it shall be set to zero.)

Where, CIA is the Capacity Index achieved and CIN is the Normative Capacity Index, which is 85%.

(3) The incentives on account of Capacity Index and payment for Secondary Energy shall be payable on monthly basis, subject to cumulative adjustment in each month of the financial year, separately in respect of each item, and final adjustment shall be made at the end of the financial year.

(4) The total incentive payment calculated on annual basis shall be shared by PTC in proportion to the ratio of Contracted Power to the Rated Capacity, such Rated Capacity being adjusted for Free Power.

(5) Incentive for Commissioning of Project ahead of RCOD or provisions for delayed commissioning shall be in accordance with Article 6.13.

14. Deemed Generation: (1) Subject to Article 7.3.4, in case of reduced generation due to the reasons beyond the control of Company or on account of non-availability of transmission lines or on receipt of backing down instructions from the concerned Regional Load Despatch Centre resulting in spillage of water, the energy charges on account of such spillage shall be payable to the Company. Apportionment of energy charges for such spillage among PTC and the other offtakers shall be in proportion of

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their shares in saleable capacity of the Project or in proportion attributable to each of PTC and such other off-takers, as the case may be.
(2) Energy charges on the above account shall not be admissible if the energy sold to PTC during the year is equal to or more than the prorata Design Saleable Energy.

15. Unscheduled Interchange (UI): (1) Variation between actual generation or actual drawal and scheduled generation or scheduled drawal shall be accounted for through Unscheduled Interchange (UI) charges. UI for the Project shall be equal to its actual generation minus its scheduled generation. UI for a beneficiary shall be equal to its total actual drawal minus its total scheduled drawal. UI shall be worked out for each 15 minute time block. Charges for all UI transactions shall be based on average frequency of the time block and the rates as applicable from time to time shall apply:
(2) (i) Any generation up to 105% of Declared Capacity in any time block of 15 minutes and averaging up to 101% of the average Declared Capacity over a day shall not be construed as gaming, and Company shall be entitled to UI charges for such excess generation above the scheduled generation (SG).
(ii) For any generation beyond the prescribed limits, the Regional Load Despatch Centre shall investigate so as to ensure that there is no gaming, and if gaming is found by the Regional Load Despatch Centre, the corresponding UI charges due to the Project on account of such extra generation shall be reduced to zero and the amount shall be adjusted in UI account of beneficiaries, in the ratio of their capacity share in the Project.

This Paragraph 15 is a reproduction of the relevant CERC Tariff Regulations and shall be only for the reference of the Parties.

16. Demonstration of Declared Capability: (1) The Company may be required to demonstrate the Declared Capacity of the Project as and when asked by the Regional Load Despatch Centre of the region in which the Project is situated. In the event of the Company failing to demonstrate the Declared Capacity, within the tolerance as specified by the Central Transmission Utility, the capacity charges due to the Project shall be reduced as a measure of penalty.
(2) The quantum of penalty for the first mis-declaration for any duration or block in a day shall be the charges corresponding to two days fixed charges. For the second misdeclaration the penalty shall be equivalent to fixed charges for four days and for subsequent mis-declarations, the penalty shall be multiplied in the geometrical progression.
(3) The operating log books of the Project shall be available for review by the Regional Power Committee or the Regional Electricity Board, as the case may be. These books keep record of machine operation and maintenance, reservoir level and spillway gate operation.

17. Billing and Payment of Capacity Charges: Billing and payment of Capacity Charges shall be done on a monthly basis in the following manner:
(i) PTC shall pay the Capacity Charges in proportion to the ratio of Contracted Power to the Rated Capacity, such Rated Capacity being adjusted for Free Power.

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(ii) The Capacity Charges shall be paid by PTC to the Company every month in accordance with the following formulas and in proportion to their share as in (i) above.

$ACC1 = AFC - (SPE1 + DE \text{ 2nd to 12th months}) \times \text{Primary Energy Rate}$
 $ACC2 = AFC - (SPE2 + DE \text{ 3rd to 12th months}) \times \text{Primary Energy Rate}$
 $ACC3 = AFC - (SPE3 + DE \text{ 4th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC4 = AFC - (SPE4 + DE \text{ 5th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC5 = AFC - (SPE5 + DE \text{ 6th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC6 = AFC - (SPE6 + DE \text{ 7th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC7 = AFC - (SPE7 + DE \text{ 8th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC8 = AFC - (SPE8 + DE \text{ 9th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC9 = AFC - (SPE9 + DE \text{ 10th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC10 = AFC - (SPE10 + DE \text{ 11th to 12th months}) \times \text{Primary Energy Rate}$
 $ACC11 = AFC - (SPE11 + DE \text{ 12th month}) \times \text{Primary Energy Rate}$
 $ACC12 = (AFC) - SPE12 \times \text{Primary Energy Rate}$

Where,

AFC = Annual Fixed Charges

ACC1, ACC2, ACC3, ACC4, ACC5, ACC6, ACC7, ACC8, ACC9, ACC10, ACC11 and ACC12 are the amount of Annual Capacity Charge for the cumulative period up to the end of 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th months respectively.

SPE1, SPE2, SPE3, SPE12 are the ex-bus Scheduled Primary Energy values up to 1st, 2nd, 3rd 12th months of the year respectively. The Scheduled Primary Energy as referred to in CERC Tariff Regulations dated 26th March 2004 shall be the quantum of energy to be generated at the Project over a twenty four hour period, as scheduled by the Control Centre and shall be limited to Design Energy

$CC1 = ACC1 \times DE1 / DE$
 $CC2 = ACC2 \times DE2 / DE$
 $CC3 = ACC3 \times DE3 / DE$
 $CC4 = ACC4 \times DE4 / DE$
 $CC5 = ACC5 \times DE5 / DE$
 $CC6 = ACC6 \times DE6 / DE$
 $CC7 = ACC7 \times DE7 / DE$
 $CC8 = ACC8 \times DE8 / DE$
 $CC9 = ACC9 \times DE9 / DE$
 $CC10 = ACC10 \times DE10 / DE$
 $CC11 = ACC11 \times DE11 / DE$
 $CC12 = ACC12 \times DE12 / DE$

Where,

CC1, CC2, CC3, CC12 is the monthly capacity charge up to 1st, 2nd, 3rd 12th months of the year respectively.

DE = Annual Design Energy

DE1, DE2, DE3, DE12 are the ex-bus design energy values up to 1st, 2nd, 3rd 12th months of the year respectively.

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Total capacity charges payable to the Company for the:

1st month = (CC1)
 2nd month = (CC2 - CC1)
 3rd month = (CC3 - CC2)
 4th month = (CC4 - CC3)
 5th month = (CC5 - CC4)
 6th month = (CC6 - CC5)
 7th month = (CC7 - CC6)
 8th month = (CC8 - CC7)
 9th month = (CC9 - CC8)
 10th month = (CC10 - CC9)
 11th month = (CC11 - CC10)
 12th month = (CC12 - CC11)
 and, PTC and other off-takers having firm allocation in capacity of the Project shall pay for the:

1st month = $[CC1 \times WB1]/100$
 2nd month = $[CC2 \times WB2 - CC1 \times WB1]/100$
 3rd month = $[CC3 \times WB3 - CC2 \times WB2]/100$
 4th month = $[CC4 \times WB4 - CC3 \times WB3]/100$
 5th month = $[CC5 \times WB5 - CC4 \times WB4]/100$
 6th month = $[CC6 \times WB6 - CC5 \times WB5]/100$
 7th month = $[CC7 \times WB7 - CC6 \times WB6]/100$
 8th month = $[CC8 \times WB8 - CC7 \times WB7]/100$
 9th month = $[CC9 \times WB9 - CC8 \times WB8]/100$
 10th month = $[CC10 \times WB10 - CC9 \times WB9]/100$
 11th month = $[CC11 \times WB11 - CC10 \times WB10]/100$
 12th month = $[CC12 \times WB12 - CC11 \times WB11]/100$

Where,
 And, WB1, WB2, WB3, WB4, WB5, WB6, WB7, WB8, WB9, WB10, WB11 and WB12 are the weighted average of percentage allocated capacity share of PTC and other off-takers during the cumulative period up to 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th and 12th month respectively.

Adjustment of Capacity Index for the purpose of Tariff payment shall be done every month based on Capacity Index achieved from the beginning of the relevant Tariff Year and up to and including the month for which Tariff payment is to be made.



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SCHEDULE F TEC

A copy of TEC – techno economic clearance issued by CEA to the Company for the Project on 31st March, 2003 is placed below.



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GOVERNMENT OF INDIA
CENTRAL ELECTRICITY AUTHORITY
SEWA BHAWAN : R.K. PURAM
NEW DELHI - 110066

Dated: March, 2003.

File No.2/HP/11/96-PAC/1409-1436

OFFICE MEMORANDUM

Subject: 4x250 MW (1000 MW) Karcham Wangtoo Hydro-Electric Project in Himachal Pradesh by M/s Jaypee Karcham Hydro Corporation Limited (M/s JKHCL) at an Estimated Completed Cost of US \$ 117.44 Million + Rs. 5345.88 Crores including IDC & FC of Rs.1549.99 Crores at Foreign Exchange Rate of 1 US \$ = Rs. 48.00 - Issue of Techno-Economic Clearance.

With reference to letter No JIL/205, dated 15.12.2000 from M/s Jayprakash Industries Limited (M/s JIL) (subsequently new Company JKHCL incorporated on 27.04.02 for execution of the project), submitting generation scheme under section 29 of the Electricity (Supply) Act, 1948 and in accordance with the Government of H.P. letter No.MPP-F(2)15/93-IV, dated 19.02.2003 under Section 18-A of E(S) Act, 1948, it is stated that the proposal for establishment of 4x250 MW (1000 MW) Karcham Wangtoo Hydro-Electric Project in Kinnaur District in Himachal Pradesh proposed by M/s JKHCL, as specified in the Detailed Project Report and other documents, papers, notes etc. submitted to CEA and various clarifications made in SPAC Meeting held on 23.1.03 and specified in the Agenda note circulated vide CEA letter No.3/106/260th/2003-PAC/988-1012(H), dated 11.03.03 has been considered in the 260th Meeting of CEA held on 12.03.03 at Sewa Bhawan, R.K. Puram, New Delhi-110066. Subsequently, documents submitted by M/s JKHCL vide their various letters, latest being dated 31.03.2003 in pursuance to decisions taken in the above meetings, have also been considered.

2. In exercise of the powers vested with the Authority as per the GOI direction contained in the Gazette Notification vide F.No.2(ii)/76-EL II, dated 23.11.1977 issued under Section 4(B) of E(S) Act, 1948, the Central Electricity Authority accords techno-economic clearance to the aforesaid scheme at an Estimated Completed Cost of US \$ 117.44 Million + Rs.5345.88 Crores including IDC & FC of Rs.1549.99 Crores at Foreign Exchange Rate of 1 US \$ = Rs.48.00, with the stipulations that:

- i) The completed cost of the scheme shall not exceed the above cost except on account of -
 - a. Variation in Foreign Exchange Rate in respect of US \$ only
 - 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 techno-economic clearance.
 - c. Change in Indian Law resulting in change in cost.

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- ii) Interest During Construction and the Financing Charges shall be as per actuals but not exceeding the amount as indicated at Annex-I.
- iii) No foreign exchange protection shall be allowed in ROE or repayment of loan / interest
- iv) The abstract of the Completed Capital Cost approved by CEA is furnished at Annex-I, Summary of Financial Package, as submitted by M/s JKHCL and considered by CEA, is at Annex-II and the Salient Features of the Scheme are set forth at Annex-III
- v) The following conditions/circumstances shall not be a re-opener of completed cost/ techno-economic clearance:
 - a) Non-acquisition of land.
 - b) Non-finalisation of Power Purchase Agreement.

This techno-economic clearance is subject to the fulfillment of the following conditions:

- i) M/s JKHCL shall take into account the suggestions of CWC regarding Hydrology & Civil Design aspects at the time of detailed design (Annex-IV) and report thereon shall be submitted to CEA / CWC.
- ii) M/s JKHCL would take into account the observations of CEA on design of electro-mechanical works (Annex-V).
- iii) M/s JKHCL shall ensure that all the surveys and investigations, proposed in DPR and in the comments by GSI / CWC and agreed upon by the project authorities are carried out before detailed design. Various suggestions of GSI are summarised at Annex-VI. The report of additional investigations conducted shall be submitted to CEA / CWC / GSI.
- iv) In case geological surprises in underground works are met, M/s JKHCL shall systematically maintain a record of geological surprises, those are encountered. At the same time, M/s JKHCL shall request Govt. of Himachal Pradesh to constitute an expert committee of representatives from Govt. of H.P., HPSEB, Geological Survey of India, CWC and CEA. Once a committee is constituted, M/s JKHCL shall submit their proposal for the enhanced cost to the expert committee, which in turn, shall examine and recommend the cost thereof subject to a ceiling of 10% of the cost of respective underground works.
- v) Government of Himachal Pradesh shall comply with the following:-
 - a) The exact quantity of the losses due to evaporation of the Karcham Reservoir shall be furnished to CEA/CWC.

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- b) Government of Himachal Pradesh shall prepare a perspective plan bringing out the consumptive uses through hydro electric projects and irrigation projects in Satluj river basin so as to have an overall idea about the likely consumptive use by Himachal Pradesh in the basin
- vi) M/s JKHL shall obtain the environmental clearance of the project from MOEF and various stipulations made by the Ministry of Environment & Forests while according environment and forest clearances shall be complied with by the Project Authorities
- vii) A provision of Rs 54 464 crores has been considered in the cost estimates under the head "Environment & Ecology". This may need to be reviewed as per the conditions contained in the clearance letter of the project from MOEF.
- viii) M/s JKHCL shall submit the compliance report in respect of the equipment and facilities for E&M works procured / created in accordance with the Cost Estimates of E&M works considered in TEC
- ix) The promoter has indicated only IFIs / Nationalised Banks as source(s) of loan; with whom he shall negotiate to achieve an interest rate lower than 15% p.a., in view of the declining interest rate(s) regime. However, ceiling of IDC indicated in the TEC letter is based upon 15% p.a. interest rate, which shall be changed pro-rata on account of such lower interest rate
- x) 50% of the promoters equity shall be deployed upfront
- xi) Actual number and size of trenches of the public equity shall not exceed the assumed number of four trenches of equal amount. The proceeds of the public equity issue in trench shall be first deployed.
- xii) The public equity issue and expenses shall be governed by MOF Notification / SEBI guidelines applicable.
- xiii) The Insurance premium of Rs.15 Crores has been considered for civil construction works which shall be adjusted as per the actuals.
- xiv) The final financial package shall not be inferior to the tentative financial package as contained in the TEC letter.
- xv) Approval of the Competent Government for the Final Financial Package shall be made available before submission to the Authority for its approval
- xvi) The project shall be executed with the Final Financial Package approved by the Authority.

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- xvii) The promoter shall negotiate with IFIs to achieve lower interest rate for Operation period – when construction risks are deemed to have been addressed
- xviii) Tariff shall be decided by Central Electricity Regulatory Commission
- xix) Letters of comfort to avail power from the project shall be obtained & furnished to CEA
- xx) The moratorium period (of 1 year for loan) beyond Commercial Operation Date (COD) shall not be applicable for computation of tariff

4 The commercial operation dates of the units shall be as under (the zero date of the project shall be January, 2004) :-

COD of Unit -1	August, 2009 (68 months)
COD of Unit -2	October, 2009 (70 months)
COD of Unit -3	November, 2009 (71 months)
COD of Unit -4	December, 2009 (72 months)

5 (a) Monthly Progress Report of the project shall be submitted to Hydro-Monitoring Division of CEA. Three (3) copies of the semi-annual progress reports on physical progress of the scheme and expenditure actually incurred, duly certified by statutory auditors shall be submitted to the Authority till the COD of the plant. The project promoters/project authorities shall give free accessibility to the CEA officers and staff to have on the spot assessment of various aspects of the project.

(b) Final Financial Package and issues related to that shall be submitted to Secretary, CEA.

6 Monthly status of the project from the period of TEC to Financial closure/ Investment decision shall be furnished to Secretary, CEA as per the proforma enclosed at Annex-VII.

7 The completion cost of the scheme shall be submitted to Authority duly recommended by Himachal Pradesh Government for approval as soon as possible after the COD of the plant but not later than three (3) months from the COD of the Plant. Authority shall be intimated the COD duly certified by the State Government / SEB within two weeks of its occurrence

8 The concurrence of the CEA to the scheme under Section 31 of the Electricity (Supply) Act, 1948 shall be considered by the Authority on submission of Firm Financial Package (FFP) and tying-up of balance inputs/ clearances by the company within a period of six months from the date of issue of TEC.

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9. In case the time gap between the Techno-Economic Clearance of the scheme by CEA and actual start of work on the project by the generating company is three years or more, a fresh Techno-Economic Clearance of CEA shall be obtained by the generating company before start of actual work

10. The Authority reserves the right to revoke the Techno-Economic Clearance, if the conditions stipulated in this Office Memorandum are not complied with to the satisfaction of the Authority.

Encls Annex I, II, III, IV, V, VI & VII


(GURDIAL SINGH)
SECRETARY, CEA

- 1 Chairman-cum-Managing Director, M/s Jaypee Karcham Hydro Corporation Limited (JKHCL), JA House, 63, Basant Lok, Vasant Vihar, New Delhi-110057
- 2 Chief Secretary, Government of Himachal Pradesh, Shimla
- 3 Commissioner-cum-Secretary, Government of Himachal Pradesh, Department of Power, Shimla-171002
- 4 Chairman, Himachal Pradesh State Electricity Board, Shimla-171004
- 5 Chairman, Central Electricity Regulatory Commission, 5th Floor, Core-3, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003
- 6 CMD, Power Grid Corporation of India Limited, Hemkunt Chambers, 10th Floor, 89, Nehru Place, New Delhi-110049
- 7 Secretary, Ministry of Power, Government of India, Shram Shakti Bhawan, New Delhi-1
- 8 Secretary, Ministry of Environment & Forests, Government of India, Paryavaran Bhawan, Lodhi Road, New Delhi-110003
- 9 Joint Secretary-(IPC)/(Hydro), Ministry of Power, Shram Shakti Bhawan, New Delhi-1
- 10 Adviser (Energy), Planning Commission, Yojana Bhawan, New Delhi-110001
- 11 Shri S. Chopra, Director, Geological Survey of India, Room No 203/204, C-II, Pushpa Bhawan, Madangir Road, New Delhi-110062
- 12 Chairman, CWC, Sewa Bhawan, R.K. Puram, New Delhi-110066

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13. Member (D&R), CWC, Sewa Bhawan, R.K. Puram, New Delhi-110066.
14. Member (Hydro), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
15. Member (Planning), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
16. Member (Thermal), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
17. Member (Grid Operation), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
18. Member (Economic & Commercial), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
19. Member (Power Systems), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
20. Chief Engineer (HPA), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
21. Chief Engineer (SP&PA), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
22. Chief Engineer (F&CA), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
23. Chief Engineer (TCD), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
24. Chief Engineer (Legal), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
25. Chief Engineer (HM), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
26. Chief Engineer (IRP), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
27. Chief Engineer (LD&T), CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066.
28. Chief Engineer (PAO), CWC, Sewa Bhawan, R.K. Puram, New Delhi-110066.



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Annex-I

KARCHAM WANGTOO H.E. PROJECT (4X250 MW) IN HIMACHAL PRADESH BY
M/s JAYPEE KARCHAM HYDRO CORP. Ltd. (M/s JKHCL)

ABSTRACT OF COST

(1 x US \$ = Rs.48.00)

COMPLETION COST

	Domestic Component Rs. Crores	Foreign Component M US \$	Total Equ. Cost Rs. Crs.
I. CIVIL WORKS	3278.39 x		3278.39
II. a) E&M WORKS	228.52	117.44	792.23
b) TAXES & DUTIES	156.87		156.87
c) FREIGHT & INSURANCE	46.54		46.54
d) ERECTION & COMMISSIONING	70.57		70.57
SUB TOTAL E&M WORKS	502.50	117.44	1066.21
III. TOTAL COST WITHOUT IDC & FC	3780.89	117.44	4344.60
IV. IDC	1456.50		1456.50
V. FC	93.49		93.49
VI. INSURANCE PREMIUM ON CIVIL CONSTRUCTION WORKS	15.00 x		15.00
VII. TOTAL COST WITH IDC & FC	5345.88	117.44	5909.59

karchamwangtoo



Annexure-II

Karcham Wangtoo HEP(4x250 MW) in Himachal Pradesh by M/s
Jaypee Karcham Hydro Corp. Ltd. (M/s JKHCL)

I. Tentative Financial package

Debt Equity Ratio = 70:30

Exchange Rate 1 US \$ = Rs. 48.00

Description	Foreign component		Domestic component (Rs.crs)	Total (Rs.crs)
	US\$ (Million)	Eqv. INR (Rs.crs)		
A. Equity				
i) Promoter			904.17	904.17
ii) Public			868.71	868.71
Sub Total(Equity)			1772.88	1772.88
B. Debt				
i) IFI/Banks(Rupee loan)			3344.86	3344.86
ii) Rupee tied loan	117.44 [@]	563.71 [@]	563.71	563.71
iii) IDC on Rupee tied loan			228.14 [@]	228.14
Sub total (Debt)	117.44	563.71	3573.00	4136.71
Total (Debt + Equity)	117.44	563.71	5345.88	5909.59

[@]Variation in the amount shall be allowed based on FE rate prevailing on the date of drawl and consequent change in IDC and FC for this portion, which shall be denominated only in Rupees

II. Terms of Loan

Sl. No.	Description	Package I	Package II	Package III
1	Source of debt	IFI/Banks	Rupee tied loan for imports	IDC on Rupee tied loan
	Currency	INR	INR	INR
2	Amount	Rs 3344.86 Crores	Rs 563.71 crores	Rs 228.14 crores
3	Interest rate	15 % p.a.	15 % p.a.	15% p.a.
4	Repayment period	10 years	10 years	10 years
5	Moratorium period	One year after completion	One year after completion	One year after completion
6	Financing charges	1% of loan amount	1% of loan amount	1% of loan amount



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Annex -III
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KARCHAM WANGTOO HYDROELECTRIC PROJECT (4X250 MW),
HIMACHAL PRADESH
SALIENT FEATURES

LOCATION

State	HIMACHAL PRADESH
District	Kinnaur
River	Satluj

HYDROLOGY

Catchment area at dam site	48755 Sq.km
Snow catchment	38760 Sq.km
Maximum observed average 10 daily discharge	1870.48 cumec
Design flood	5660 cumec
Average run off in 90% availability year	9413 MCM
Average run off in 50% mean year	12148 MCM
Discharge for 90% availability	80.8 cumec
Discharge for 50% availability	176.0 cumec

RIVER DIVERSION WORKS

Diversion Tunnel	
Dia	10.5 m
Length	456 m
Coffer Dams	
Type	Rock fill with impervious core
Upstream	20.5 m high
Downstream	8.5 m high

DIVERSION DAM

Type	Concrete Gravity
Top of dam	EL 1813.00 m
Height from deepest foundation level	98 m
Total length at top	177.8 m
No. of blocks	12
Minimum river bed level at dam axis	El 1770.00 m
Deepest foundation level	El 1715.00 m
Maximum pond level	El 1810.00 m
Minimum pond level	El 1799.00 m

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Annex III
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Live storage capacity	544.97 Ha-m
MAIN SPILLWAY (SLUICES)	
No. of bays	76
Size of each sluice	9 m (W) x 9.0 m (H)
Crest elevation	1782.00 m
Size of each gate	9 m (W) x 9.25 m (H)
Type of gates	Radial gates (top sealing type)
Maximum flood level	1808 m
Discharge capacity of sluices	8260 cumec
INTAKE	
Number of intake bays	Four
Size of each bay at trash-racks	18 m (W) x 7.5 m (H)
Crest level	1786.00 m
Minimum water level U/s	1799.00 m
Discharge through each intake bay	130.25 cumec
Number of intake gates	Four
Size of each gate	6.00 M (W) X 5.25 M (H)
Size of intake tunnels	6.0 m modified Horse Shoe shaped
SEDIMENTATION CHAMBERS	
Number of Sedimentation Chambers	Four
Particle size to be excluded	0.2 mm and above
Size of each chamber	505 m x 16.0 m x 28 m
Design discharge	521.25 cumec
Flushing discharge	104.25 cumec
LINK TUNNELS	
Size	Four individual link tunnels of 6.0 m dia
Length of each tunnel	Outer link tunnels – 125.5 m Inner link tunnels – 65.5 m
Gates at start of link tunnels	4 nos.
Size	6.0 m (W) x 6.0 m (H)
FLUSHING CONDUITS	
Number	4
Size	2.75 m dia circular
Lengths	300 m, 330 m, 370m and 405 m



Annex III
P3/5
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HEADRACE TUNNEL

Size & type	10.48 m dia circular	
Length	17.2 km.	
Velocity through tunnel	4.83 m/sec	
Design discharge	417 cumecs	
Slope	1:150	
Adits		
	Chainage from intake axis (m)	Length (m)
Inlet Adit	900	225
Intermediate adit 1	3104	470
Intermediate adit 2	5092	450
Intermediate adit 3	7385	250
Intermediate adit 4	11860	100
Intermediate adit 5	14310	600
Surge shaft adit	17750	140

SURGE SHAFT

Type	Restricted orifice
Diameter	16 m upto EL 1755.00 m and 27 m from EL 1755.00 m to EL 1852.00 m
Bottom elevation	EL 1667.950 m
Top elevation	EL 1852.00 m
Maximum upsurge	1848.880 m
Minimum upsurge	1717.103 m

PRESSURE SHAFTS

No. and type	4 nos. steel lined
Diameter	4.75 m
Length of each penstock	290.50 m

VALVE CHAMBER

Location	Downstream of surge shaft
Size of chamber	95 m x 10 m x 22 m (LxBxH)
Type of valves	Butterfly valves
Diameter of each valve	4750 mm



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POWER STATION COMPLEX POWER HOUSE/TRANSFORMER CAVITY

Type	Underground
Installed Capacity	1000 MW (4x250 MW)
Size of machine hall	143 m (L) x 21 m (W) x 49 m (H)
Size of transformer hall	143 m (L) x 15.5 m (B) x 25 m (H)
Average gross head	298.73 m
Net head at 417 cumec tunnel discharge	275.93 m
Length of cable tunnel	528.71 m

ELECTRO-MECHANICAL EQUIPMENT

TURBINES

No. and type	4 (four) nos., Francis turbines
Rating	255 MW/347,000 MHP
Maximum/Minimum Head	303.50/258.20 m
Design head	275.93 m
Design discharge	104.25 cumecs
Speed	214.30 rpm

MAIN INLET VALVES

No. and Type	4 Nos., Spherical type
Diameter	3200 mm

PENSTOCK BUTTERFLY VALVE

No. and Type	4 Nos., Butterfly type
Diameter	4000 mm

GENERATORS

No. and Type	4 nos., semi-umbrella, vertical synchronous generators
Rated output	277.70 MVA
Rated voltage	15.75 kv
Speed	214.30 rpm

GENERATOR-TRANSFORMERS

Number	13 (Thirteen), including one spare
Rating	4 banks of three single phase transformers, 93 MVA, 15.75/400/√3 kV



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420 kV GAS INSULATED SWITCHGEAR

Type	Indoor/Outdoor G.I.S.
Rating	420 kV, 4000/2000 A (bus bar/feeder ratings), 40 kA
No. of bays	Symm. S.C. current for one second 11 (eleven) comprising generator-transformer and Bus-coupler bays (located underground) and 6 Nos Feeder bays outdoor type

COLLECTION GALLERY CUM D/s SURGE CHAMBER

Size	220 m (L) x 16 m (W) x 42.5 m (H)
Maximum surge level	1523.065 m
Minimum surge level	1497.812 m

TAIL RACE TUNNEL

Size & Type	10.48 m dia circular shape
Length	909 m
Invert level of tail race tunnel at outfall	1505.00 m
Normal tail water level	1508.00 m
Maximum tail water level	1516.25 m

POWER GENERATION

Installed Capacity	1000 MW
Annual generation-90% dependable year	4559.77 GWH
Plant load factor-90% dependable year	52.05 %



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Annex-IV

Karcham Wangtoo H.E. Project (4x250 = 1000 MW) – Himachal Pradesh
by M/s JKHCL

Observations of CWC on water availability and design flood

Hydrological Aspects

The cause of flood occurred in August, 2000 in Sutluj basin as well as its magnitude are yet to be re-assessed, it can not be used for estimating the design flood at Karcham dam site. At this stage a design flood of 5660 Cumecs, which was recommended for Nathpa Jhakri H.E. Project, under construction about 40 Km downstream of Karcham Dam Site on the same river may be used tentatively for planning of the project. The design flood may, however, be reviewed after collecting sufficient site specific hydro meteorological data as well as assessment of the flood occurred in August, 2000 before taking up of construction design.

Gates Design

A separate and suitable air vent be provided downstream of intake gate at the time of detailed design.

Concrete Masonary Dam Design Aspects

1. The NOF and OF sections should have a suitable downstream profile in order that a most economical and stable section is obtained. Foundation gallery near the upstream face should be provided as per IS 12966-1922 in order to reduce the uplift pressure.
2. Seismic design parameters should be got studied by the National committee of Seismic Design Parameters.
3. Reservoir rim stability should be got studied by a reputed geological organisation like GSI, etc.
4. Consolidation Grouting as proposed in the DPR i.e. 15 m deep @ 3 m c/c may be retained in the DPR although this aspect should be finalised on the basis of actual geological strata encountered during excavation. Similarly, the exact depth and spacing of curtain grouting should be ascertained on the basis of actual geological strata.
5. Spillway & Energy Dissipation should be finalised on the basis of model testing to be conducted before construction stage.
6. Additional samples should be tested to estimate the Uniaxial Compressive Stress properly. Permeability of the rock should also be tested.

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 Annex - V 45

Karcham Wangtoo H.E. Project (4x250 = 1000 MW) – Himachal Pradesh
 by M/s JKHCL

Observations of CEA on Design of Electro-Mechanical Works

- i) The detailed system studies and optimum value of S.C.R. etc. will be got conducted by M/s Jaiprakash Industries Limited vide their letter No. JIL/205 dated 18th March, 2002 at the time of order of equipment.
- ii) In view of equipment parameters like Short Circuit ratio, line charging capacity, generator voltage etc. to be optimized at the time of detailed designs, no increase in cost will be admissible subsequently.
- iii) Any reduction, if any in cost of equipment will be to project account.

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ANNEX-VII

PROFORMA

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

1. Name of the Project Karcham Wangtoo Hydro-Electric Power Project (4x250 MW) in Himachal Pradesh.
2. Name of Power Company M/s Jaypee Karcham Hydro Corporation Limited (JKHCL), JA House, 63, Basant Lok, Vasant Vihar, New Delhi - 110 057.
3. Date of TEC 31.3.2003
4. Status of Power Purchase Agreement
5. Status of tie-up of Finances
6. Status of EPC Contract
7. Status of O&M Contract
8. Status of Firm Financial Package
(to be submitted by 30.9. 2003)
9. Date of Financial Closure
10. Expected COD
11. Status of Site Activities
(Land acquisition, R&R activities,
site development works etc.)
12. Status of Compliance of the conditions
imposed at the time of issue of TEC
13. Reasons/ constraints for delays in achieving
the financial closure



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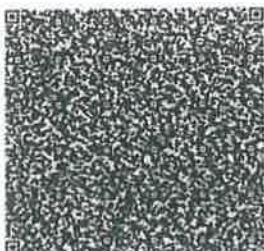
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Certificate Issued Date	: 02-Aug-2013 02:03 PM
Account Reference	: IMPACC (PF)/ dl763913/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DLDL76391389608910216951L
Purchased by	: JAIPRAKASH POWER VENTURES LTD
Description of Document	: Article 5 General Agreement
Property Description	: NA
Consideration Price (Rs.)	: 0
	(Zero)
First Party	: JAIPRAKASH POWER VENTURES LTD
Second Party	: NA
Stamp Duty Paid By	: JAIPRAKASH POWER VENTURES LTD
Stamp Duty Amount(Rs.)	: 100
	(One Hundred only)



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**SETTLEMENT AGREEMENT BETWEEN PTC INDIA LIMITED AND
JAIPRAKASH POWER VENTURES LIMITED**

THIS Settlement Agreement (hereinafter referred to as "Agreement") is being made at New Delhi, on this 5th day of August 2013 by and between:




Statutory

1. The authenticity of this Stamp Certificate should be verified at "www.delhistamp.com". Any discrepancy in the details on this Certificate and as available on the website renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

PTC India Ltd., a company incorporated under the Companies Act, 1956 having its registered office at 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi - 110066 (hereinafter referred to as "PTC" which expression shall, unless repugnant to the context, means and includes its successors and permitted assigns), represented herein by its Director, Mr. S.N. Goel of the **FIRST PART**; and

Jaiprakash Power Ventures Limited, a company incorporated under the Companies Act, 1956 having its registered office at JUIT Complex, Wagnaghat, P.O. Dumehar Bani, Kandaghat, District Solan., Himachal Pradesh and Corporate Office at Sector-128, Noida 201304 (Uttar Pradesh) (hereinafter referred to as "JPVL" which expression shall unless repugnant to the context means and includes its successors and permitted assigns), represented herein by its Managing Director and CFO, Mr. Suren Jain of the **SECOND PART**;

each also individually referred to as the "Party", and collectively referred to as "Parties".

WHEREAS:

- (A) PTC is a company engaged in trading of electricity and has been established with an objective, inter-alia, to carry out in India and abroad, the business of purchase of all forms of electrical power from independent power producers, captive power plants and other generating companies, state electricity boards, state government statutory bodies, licensees, power utilities, and sale of all forms of electrical power to the state electricity boards, power utilities, bulk consumers of power and other organizations buying power, whether in the private or public sector.
- (B) JPVL is a generating company as defined in the Electricity Act, 2003 that owns, operates and maintains the Karcham Wangtoo Hydro Electric Project in the District of Kinnaur in the State of Himachal Pradesh (hereinafter referred to as the "Project"). The said Project was being earlier implemented by Jaypee Karcham Hydro Corporation



Limited (hereinafter referred to as "JKHCL") which got amalgamated in JPVL by a scheme of amalgamation as approved by High Court of Himachal Pradesh vide its order dated 25.07.2011 passed in Company Petition No. 19 of 2011.

- (C) PTC and erstwhile JKHCL had entered into a Power Purchase Agreement on 21.03.2006 (hereinafter referred to as "PPA") whereby PTC had agreed to purchase and erstwhile JKHCL had agreed to sell 704 MW gross capacity, and corresponding energy, from the Project at the Project bus bar for a period of 35 (thirty five) years from the Commercial Operation Date (hereinafter referred to as "COD") of the Project for onward sale on long term basis for which subsequently PTC has entered into Power Sale Agreements with State Utilities.
- (D) The said PPA dated 21.03.2006 envisaged in Article 9 read with Schedule E thereof that the Capital Cost of the Project shall be approved by the Central Electricity Authority (hereinafter referred to as "CEA")/ Central Electricity Regulatory Commission (hereinafter referred to as "CERC") and the Tariff on the basis of such Capital Cost shall be approved/determined by the CERC.
- (E) The erstwhile JKHCL filed petition no. 153/2009 before the CERC for approval of revised capital cost and for declaration and confirmation that CERC, based on appropriate filing, shall consider and approve the final capital cost and/or tariff. The said petition was dismissed by CERC vide its order dated 26.10.2009.
- (F) Subsequent to the dismissal of petition no.153/2009 by CERC, erstwhile JKHCL vide its letter dated 17.12.2009, declared the PPA to be void as the procedure contemplated in the PPA for determination of the tariff on the basis of which alone the price for supply of electricity by JKHCL



to PTC was payable, could not be enforced. PTC had disputed the said stand of the erstwhile JKHCL and claimed that the PPA is valid. PTC in this regard filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 before the High Court of Delhi for restraining erstwhile JKHCL from entering into any agreement for sale of the Contracted Power under the said PPA dated 21.03.2006 with any third party. The said application was rejected by the Single Judge. PTC thereafter filed an appeal against the order of the Single Judge in the Division Bench, which was also dismissed. PTC thereafter filed Special Leave Petition being SLP (C) No. 26883 of 2010 in the Supreme Court of India against the orders of the Division Bench of High Court of Delhi. The Supreme Court of India passed an interim order on 21.09.2010 that *"...Pending hearing and disposal of this Special Leave Petition, if the respondent enters into any agreement for sale of electricity with any third party, the same will abide by and be subject to the result of the Special Leave Petition"*. The said SLP is pending before the Supreme Court of India.

- (G) PTC also invoked arbitration claiming that the said PPA was valid and enforceable under law. The Arbitral Tribunal vide its Award dated 28.04.2011 declared the PPA to be void. PTC challenged the said Award under Section 34 of the Arbitration and Conciliation Act 1996 before the High Court of Delhi by filing a petition OMP No. 677 of 2011. The Single Judge of the High Court of Delhi vide its order and judgment dated 15.05.2012 set aside the Award passed by Arbitral Tribunal and declared the PPA to be valid and directed JPVL to approach the CERC for fixation of the tariff for supply of electricity to the PTC within a period of four weeks from date of judgment i.e. 15.05.2012. JPVL filed an appeal FAO (OS) No. 244 of 2012 against the said order and judgment dated 15.05.2012 passed in OMP No. 677 of 2011. The Division Bench of the High Court of Delhi on 29.05.2012 passed an interim order stating that "1. Under the impugned order dated May 15, 2012 the appellant is required to approach CERC for fixation of tariff pertaining to supply of electricity within a period of 4 weeks commencing from the date of order impugned, which period would expire on June 12, 2012. 2. Since hearing of the appeal has been



expedited the appellant need not approach CERC for fixation of the tariff as per the impugned order". The said Appeal is pending before the Division Bench of the High Court of Delhi.

- (H) In the meantime Haryana Power Generation Corporation Limited (hereinafter referred to as "HPGCL"), one of the buyers of PTC, filed a petition before Haryana Electricity Regulatory Commission (hereinafter referred to as "HERC") on 25.05.2011 for enforcing the PPA and its Power Sale Agreement with PTC. The said petition was opposed by JPVL by filing an application on the ground of jurisdiction of HERC on the PPA and JPVL. HERC vide its order dated 25.08.2011 held that it has jurisdiction to decide the petition filed by HPGCL. JPVL filed an appeal No. 130 of 2011 against the said order dated 25.08.2011 before the Appellate Tribunal for Electricity (hereinafter referred to as "APTEL"). APTEL vide its judgment dated 20.07.2012 allowed the said appeal of JPVL and held that HERC has no jurisdiction over JPVL and PPA. PTC filed a Civil Appeal No. 92 of 2013 against the said judgment dated 20.07.2012 before the Supreme Court of India which has been admitted and pending. HPGCL also filed an appeal on 06.11.2012 before the Supreme Court of India against the said judgment dated 20.07.2012 of APTEL. The said appeal filed by HPGCL is yet to be admitted.
- (I) JPVL, in the meantime, commenced commercial operations of the Project and has been selling and continues to sell the power generated from the Project through bilateral transactions, under different agreements / arrangements with various third parties, and Power Exchanges.
- (J) The Parties, in order to settle their disputes arising in relation to the PPA discussed and agreed to enter into this Settlement Agreement.

NOW THEREFORE IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:



1. Definitions.

In this **Agreement**, unless the context otherwise requires;

- a. **Agreement** or **Settlement Agreement** shall mean this Settlement Agreement.

The words and expressions used herein and not defined, but defined in the Electricity Act, 2003 or the **PPA** shall have the meanings respectively assigned to them in the Electricity Act, 2003 or the **PPA**.

2. Conditions Precedent and Consequences of non-fulfillment.

- 2.1 The present **Agreement** between the **Parties** is subject to the following conditions precedent to be fulfilled by a **Party** or **Parties**, as the case may be, within the period specified against the condition precedent or such extended period as may be mutually agreed by the **Parties** in writing:

- (i) **JPVL** shall file an application for withdrawal of pending appeal **FAO (OS) No. 244 of 2012; "Jaiprakash Power Ventures Limited vs. PTC India Ltd"** from the Division Bench of the High Court of Delhi and **PTC** shall file applications for withdrawal of **SLP (Civil) No. 26883 of 2010; "PTC India Ltd. vs. Jaypee Karcham Hydro Corporation Limited"** and **Civil Appeal No. 92 of 2013; "PTC India Ltd. vs. Haryana Electricity Regulatory Commission, JPVL and Others"** from the Supreme Court of India simultaneously on the date of signing of this **Agreement**. **Parties** will make all endeavours to withdraw the aforestated cases from the respective courts as early as possible.

- (ii) **JPVL** shall file a petition before **CERC** for approval of **Tariff** within 30 days from the date of signing of this **Agreement**



2.2 In the event any **Party** or **Parties** are not able to fulfill the above mentioned conditions precedent within the specified period or such extended period as may be mutually agreed by the **Parties** in writing due to any reasons whatsoever, this **Agreement** may be terminated by a written notice by the **Party** who is not responsible for completion of the said condition precedent.

3. Tariff Petition.

3.1 **JPVL** brought to the notice of **PTC** that there have been some changes in the facts and circumstances relating to the Tariff Regulations, Capital Cost, Plant Capacity, Hydrological Series, Mandatory release of water, Free Power and Design Energy etc. after the date of execution of the **PPA** (21.03.2006) and the Tariff petition shall be filed before CERC based on the changed parameters for determination of Tariff.

4. Term of the PPA and Effective Date of Supply.

4.1 The COD of the Project is 13.09.2011. The supply of power from the Project to **PTC** as per this **Agreement** shall commence within 30 days of issue of Tariff order by CERC. The term of **PPA** read with this **Agreement** shall be a period reckoned from the date of supply of power from the Project to **PTC** under this **Agreement** till the expiry of 35 years from the date of commencement of power supply, subject to early termination under the provisions of **PPA** read with this **Agreement**. The applicable Tariff for 35 years from COD shall be as determined by CERC. The tariff for the extended period, i.e. beyond 35 years from COD shall be as per mutual terms and conditions to be decided by the **Parties** 12 months prior to the expiry of 35 years from COD. In the event the **Parties** are not able to agree upon such tariff, for the extended period of **PPA** within the stipulated time then the **PPA** and this **Agreement** shall expire on the last day of 35th year from COD.



4.2 The supply of power to **PTC** shall be subject to the following:

- (i) CERC determines the Tariff for supply of power by **JPVL** to **PTC** from the Project.
- (ii) **JPVL** shall be entitled to enter into short term agreements/ arrangements for sale of power intended to be sold to **PTC** under the **PPA** till the issue of Tariff order by CERC on the Tariff petition filed by **JPVL**. **JPVL** shall supply only that much quantum of power and corresponding energy to **PTC** out of Contracted Power and corresponding Contracted Energy, as may be available with **JPVL** after honouring its agreements / arrangements entered by it till the issue of Tariff order by CERC. Once the said agreements / arrangements are over by efflux of time or otherwise, **JPVL** shall supply Contracted Power and corresponding Contracted Energy to **PTC**.

5. No Claim by either Party.

5.1 Each **Party**, irrevocably and unconditionally surrender their right for any Claim related to and/or arising from the legal cases withdrawn under **Clause 2.1 (i)** above.

6. Long Term Open Access.

6.1 The Long Term Access (hereinafter referred to as "**LTA**") of 704 MW was earlier taken by **PTC** as per the terms and conditions of the **PPA**. The **LTA** has been transferred to **JPVL** with modifications in target region. **PTC** and **JPVL** shall make joint efforts to modify the target region of **LTA** to ensure that sufficient **LTA** is available in Northern Region for the **PPA** quantum of power.



6.2 Since now **JPVL** holds the LTA instead of **PTC** the following mechanism shall operate:

- (i) The payment of LTA charges to CTU as per the bills raised by CTU on **JPVL** shall be made by **PTC**. **JPVL** shall forward the bills received from CTU to **PTC** on the same day they are received by **JPVL**. The **PTC** shall make the payment within the due date mentioned in the bills for making payment or as prescribed in the relevant regulations. Any loss incurred by **JPVL** or any fine/penalty levied on **JPVL** due to delay in payment of bills by **PTC** to CTU shall be recoverable by **JPVL** from **PTC**.
- (ii) Amount of Letter of Credit (hereinafter referred to as "LC") to be opened by **PTC** in favour of **JPVL** under the **PPA** as payment security for payment of bills for supply of power shall be increased suitably to also secure the payments of the LTA charges.
- (iii) In case LC is provided by **JPVL** in favour of CTU, LC commission charges and any other charges of like nature incurred by **JPVL** for opening and/or maintaining the said LC, shall be shared equally by the Parties.

6.3 **PTC** shall indemnify and hold harmless, protect, defend and save **JPVL**, its directors, officers, employees, successors and permitted assigns from and against any and all losses, liabilities, damages, costs and expenses by reason of it non-payment or delay in payment of the transmission charges to CTU during the tenure of the **PPA**. Notwithstanding anything contained under this **Agreement**, **PTC** shall not be liable for transmission charges after the termination or invalidation of the **PPA**.



7. No Admission by either Party.

7.1 The **Agreement** has been reached agreeing to certain terms and conditions to put an end to the disputes involving the **Parties** and without going into the merits of the contentions of the respective **Parties** in the pending legal cases as mentioned in the **Clause 2.1 (i)** above. The withdrawal of the cases mentioned in **Clause 2.1 (i)** above, as part of amicable settlement, does not preclude the **Parties** from raising questions of law in other matters not related to sale of power by JPVL from the **Project** to **PTC** under the **PPA** as modified by this **Agreement**, either in support of or against the decisions rendered by Courts/ Tribunals in the cases agreed to be withdrawn hereby under this **Agreement**. The transactions contemplated hereby are a settlement. No person or **Party** is admitting to any legal contention of any person or **Party** by negotiating this **Agreement**, entering into this **Agreement** or complying with any of the terms set forth herein.

8. Terms of PPA.

8.1 Except to the extent affected by the provisions of this **Agreement** all other terms of the **PPA** shall remain unaltered.

9. Mutual Drafting.

9.1 This **Agreement** is the mutual product of the **Parties**, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of each of the **Parties** and shall not be construed for or against any **Party**.

10. Amendment.

10.1 This **Agreement** may only be amended or supplemented by a written agreement between the **Parties**.



11. Notice.

- 11.1 All notices, requests, demands or other communications required or permitted to be given or made under this Agreement shall be in writing and deemed to have been given when received at the address of the Parties given herein above.

IN WITNESS WHEREOF the Parties have executed these presents the day month and year first above written.


For and behalf of
PTC India Limited


Signature with Seal
S.N. GOEL

Director
PTC India Limited
2nd Floor, NBCC Tower
15, Bhikaji Cama Place, New Delhi-110066

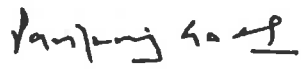
For and behalf of
Jaiprakash Power Ventures Limited


For Jaiprakash Power Ventures Limited


(Suren Jain)
Managing Director & CFO

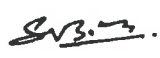
Signature with Seal


In the presence of:

1. 
PANKAJ GOEL
Vice President
PTC India Ltd

2. 
RAVI SHANKAR
Manager
PTC India Ltd.

In the presence of:

1. 
SANKU K. GOEL
S/o Late Shri LOKPAL GUPTA
D-402, PARASHURAMA MANSION
SECTOR-93A, NOIDA

2. 
KAPIL AHUJA
S/o Babha Das Ahuja
Flat 908B, Block C, GaurVihar
Indirapuram, Ghaziabad

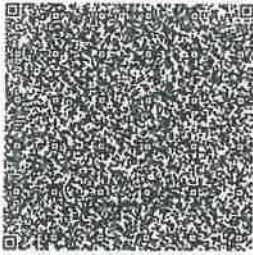




सत्यमेव जयते

INDIA NON JUDICIAL**Government of National Capital Territory of Delhi****e-Stamp**

Certificate No.	: IN-DL58267949475513P
Certificate Issued Date	: 28-Nov-2017 05:21 PM
Account Reference	: IMPACC (IV)/ dl806603/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL80660319067468144253P
Purchased by	: PTC INDIA LIMITED
Description of Document	: Article 5 General Agreement
Property Description	: AGREEMENT FOR SALE AND PURCHASE OF POWER
Consideration Price (Rs.)	: 0 (Zero)
First Party	: PTC INDIA LIMITED
Second Party	: AS APPLICABLE
Stamp Duty Paid By	: PTC INDIA LIMITED
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)



Please write or type below this line.....

Supplementary PPA to the Power Purchase Agreement dated 21 March, 2006 read with Settlement Agreement dated 05 August, 2013 between PTC India Limited and Himachal Baspa Power Company Limited.

This Supplementary PPA to the Power Purchase Agreement dated 21st March, 2006 and Settlement Agreement dated 5th August 2013 ("Supplementary PPA") is made at New Delhi on the 01st day of December, 2017;

BY AND BETWEEN**PTC INDIA LIMITED** (Formerly known as Power Trading Corporation of India Limited),**Statutory Alert:**

1. The authenticity of this Stamp Certificate should be verified at "www.shcilestamp.com" available on the website and it is invalid.
2. The onus of checking the authenticity is on the user of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



a public limited company incorporated under the Companies Act 1956 or Companies Act 2013, having its registered office at 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi – 110 066 (hereinafter referred to as "**PTC**", which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the FIRST PART; AND

HIMACHAL BASPA POWER COMPANY LIMITED (earlier Jaypee Karcham Hydro Corporation Limited), a company incorporated under the Companies Act, 1956 or Companies Act 2013, having its Registered office at Karcham Wangtoo H.E. Project, Sholtu Colony, P.O. Tapri, District Kinnaur, Himachal Pradesh - 172104 (hereinafter referred to as the "**Company**", which expression shall, unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns) of the SECOND PART.

"**PTC**" and the "**Company**" as the context may require, are individually referred to as "**Party**" and collectively referred to as "**Parties**".

WHEREAS:

- A. PTC and the Company has entered into a Power Purchase Agreement dated March 21, 2006 read with the Settlement Agreement dated August 05, 2013 (hereinafter collectively referred as to "**PPA**") for purchase and onward sale of 704 MW gross power at the Project bus bar and corresponding energy on long term basis from 1000 MW Karcham Wangtoo Hydroelectric Project on the terms and conditions set out therein.
- B. Subsequently, PTC has entered into Power Sale Agreement(s) with the various State Utilities (Purchasers).
- C. The Company has expressed its desire for sale of additional gross power of 176 MW till September 13, 2023 and thereafter 116 MW till the term of the existing PPA, in addition to the gross capacity of 704 MW, and corresponding energy at the Project bus bar to PTC on long term basis.
- D. In the above context, the Parties have now entered into this Supplementary PPA to perform their respective obligations necessary to complete the transactions contemplated herein and to enable PTC to perform its obligations for onward sale of the additional capacity and corresponding energy.

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

1. The Company undertakes to sell and PTC undertakes to purchase additional gross power of 176 MW till September 13, 2023 and thereafter 116 MW till the term of the existing PPA, and the corresponding energy at the Project bus bar ("**Additional Contracted Power**").




2. Contracted Energy for this Additional Contracted Power shall be worked out in proportion to 176 MW or 116 MW for the respective period to the saleable capacity of the Project in each settlement period as per Column 12 and Column 13 of Schedule D of the PPA.
3. The Long Term Open Access for this Additional Contracted Power shall be obtained by the Company.
4. Since this Additional Contracted Power is being sold to the Purchaser already having a Power Sale Agreement with PTC, the existing Contracted Power plus this Additional Contracted Power put together shall be considered for the purpose of calculation of PAFM.
5. This Supplementary PPA shall become effective from the date of its execution by the Parties.
6. This Supplementary PPA shall form an integral part of the PPA for the Additional Contracted Power/Contracted Energy as mentioned herein, all other terms and conditions of the PPA, shall remain unmodified and in full force and effect. The references of all aforesaid provisions shall be read as supplemented/ amended by this Supplementary PPA and Tariff and all other terms and conditions for sale of this Additional Contracted Power shall be as per the existing PPA. Further, it was agreed by the Company that the issue of secondary energy shall be treated at par for the total power supply including this Additional Contracted Power to the existing Purchaser already having a Power Sale Agreement with PTC and no previous loading in respect of 176 MW shall be there on the tariff in future.
7. In case the term of the existing PPA is extended, then the term for this Additional Contracted Power shall also be automatically extended coinciding with the extended term of the existing PPA.

IN WITNESS WHEREOF, the Parties have executed this Supplementary PPA to the PPA through their authorized representatives at New Delhi.

For and on behalf of
PTC India Limited


For and on behalf of
Himachal Baspa Power Company Ltd.


HARISH SARAN
Executive Director (Marketing)
PTC India Limited
2nd Floor, NBCC Tower
15, Bhikaji Cama Place, New Delhi-110066


(SATISH JINDAL)
CEO (Trading)

Signature with Seal


Witness:

1. 
(RAVI SHANKAR)
PTC India Ltd.



Signature with Seal

Witness:

2. 
(ANURAG MAHESHWARI)
SR. MANAGER (F&A)
HBPCL



MYT Tariff Forms**Name of the Petitioner : JSW Hydro Energy Limited****Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant****Checklist of Forms and other information/ documents for tariff filing for Hydro Stations**

Particulars	Title of Tariff Filing Forms (Hydro)	Tick
FORM-1	Summary of Tariff	✓
Enclosure-1 to Form 1	Computation of Saleable Design Energy	✓
FORM-1 (I)	Statement showing claimed capital cost- (A+B)	✓
FORM-1 (II)	Statement showing Return on Equity at Normal Rate	✓
FORM-2	Details of COD, Type of Hydro Station, Normative Annual Plant Availability Factor (NAPAF) & Other normative parameters considered for tariff calculation	✓
Enclosure-1 to Form 2	Design Energy Generation (1000 MW)	✓
FORM-3	Salient Features of Hydroelectric Project	✓
FORM-4	Details of Foreign loans	✓
FORM-4A	Details of Foreign Equity	✓
FORM-5	Abstract of Admitted Capital Cost for the existing Projects	✓
FORM-5A	Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects	✓
FORM-5B	Break up of Capital Cost for New Hydro Power Generating	✓
FORM-5C	Break Up Of Capital Cost For Plant & Equipment (New Projects)	✓
FORM-5D	Break up of Construction / Supply / Service Packages	✓
FORM-5Ei	In case there is cost over run	✓
FORM-5Eii	In case there is time over run	✓
FORM-6	Financial Package upto COD	✓
FORM-7	Details of Project Specific Loans	✓
FORM-7A	Details of Project Specific Loans (Loans A)	✓
FORM-7B	Details of Project Specific Loans (Loans B)	✓
FORM-7C	Details of Project Specific Loans (Loan C- Re-financed)	✓
Enclosure-1 to Form 7	Repayment Schedule	✓
Enclosure-2 to Form 7	Repayment Schedule (Loans A + Loans B)	✓
Enclosure-3 to Form 7	Repayment Schedule (Loans C - Refinanced)	✓
FORM- 8	Details of allocation of corporate loans to various projects	✓
FORM-9A	Year wise Statement of Additional Capitalisation after COD (FY	✓
FORM-9A	Year wise Statement of Additional Capitalisation after COD (FY	✓
FORM-9A	Year wise Statement of Additional Capitalisation after COD (FY	✓
FORM-9A	Year wise Statement of Additional Capitalisation after COD (FY	✓
FORM-9A	Year wise Statement of Additional Capitalisation after COD (FY	✓
FORM-9B	Statement of Additional Capitalisation during end of the Project	✓
FORM-9Bi	Details of Assets De-capitalized during the period	✓



Particulars	Title of Tariff Filing Forms (Hydro)	Tick
FORM-9C	Statement showing reconciliation of ACE claimed with the capital additions as per books	✓
FORM-9D	Statement showing items/assets/works claimed under Exclusions:	✓
FORM-9E	Statement of Capital cost	✓
FORM-9F	Statement of Capital Woks in Progress	✓
FORM-10	Financing of Additional Capitalisation	✓
FORM-11	Calculation of depreciation on original project cost	✓
FORM-12	Statement of Depreciation	✓
FORM-13	Calculation of Weighted Average Rate of Interest on Actual Loans	✓
Enclosure-1 to Form 13	Calculation for Form-13	✓
(Appendix-1 to 7) to Enclosure-1 to Form 13	Calculation for Enclosure-1 to Form-13	✓
Enclosure-2 to Form 13	Calculation for Form-13	✓
(Appendix-1 to 7) to Enclosure-2 to Form 13	Calculation for Enclosure-2 to Form-13	✓
FORM-13A	Calculation of Interest on Normative Loan	✓
FORM-13B	Calculation of Interest on Working Capital	✓
FORM- 13C	Non-Tariff Income	✓
FORM- 13D	Incidental Expenditure during Construction	✓
FORM-14	Draw Down Schedule for Calculation of IDC & Financing Charges	✓
FORM-14A	Actual Cash Expenditure	✓
FORM- 15A	Design Energy and peaking capability (month wise) - ROR with Pondage / Storage type new stations	✓
FORM- 15B	Design Energy and MW Continuous (month wise) - ROR type stations	✓
FORM- 16	Statement of Liability Flow	✓
FORM- 17	Operation and Maintenance expenses (Commercial operation on or after 1.4.2024)	✓
FORM- 18	Details of statutory charges , if applicable	✓
FORM- 19	Summary of issue involved in the petition	✓
Other Information/ Documents		
Sl. No.	Information/Document	Tick
All the other relevant documents are enclosed with True up Traiff forms		



Summary of Tariff

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Region : Northern District : Kinnaur State : Himachal Pradesh

S.No.	Particulars	Form No.	Existing	2024-25	2025-26	2026-27	2027-28	2028-29
			2023-24					
1	2		3	4	5	6	7	8
1.1	Depreciation	12	34,496	8,824	8,874	8,898	8,963	9,032
1.2	Interest on Loan	13A	4,010	2,307	1,640	950	296	-
1.3	Return on Equity	1(II))	50,667	50,717	50,777	50,810	50,911	51,012
1.4	Interest on Working Capital	13B	1,978	1,622	1,652	1,683	1,715	1,758
1.5	O & M, Security & insurance Expenses	13B	14,718	16,275	17,165	18,104	19,094	20,138
	Total (Annual Fixed Cost)		1,05,869	79,745	80,109	80,445	80,979	81,939

(Rs. in lacs)



(Petitioner)

Note

1. Details of calculations, considering equity as per regulation, to be furnished

PART - II

Enclosure - 1 to Form 1

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Computation of Saleable Design Energy

S.No.	Particulars	(In million units)				
		2024-25	2025-26	2026-27	2027-28	2028-29
	Installed Capacity (MW) *	1000	1000	1000	1000	1000
1	Design Energy ^	4131.06	4131.06	4131.06	4131.06	4131.06
2	Less: Auxiliary Consumption (1.2%)	49.57	49.57	49.57	49.57	49.57
3	Net Design Energy (1 - 2)	4081.49	4081.49	4081.49	4081.49	4081.49
4	Less: Free Power to GoHP (12%)	489.78	489.78	489.78	489.78	489.78
5	Saleable Design Energy	3591.71	3591.71	3591.71	3591.71	3591.71

Note: * Installed capacity of the plant has been updated by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA.

^ Calculation and approval from CEA for revised design energy against 1091 MW, shall be obtained after final stage uprating approval.



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Region : Northern District : Kinnaur State : Himachal Pradesh

(Rs. in lacs)

Statement showing claimed capital cost- (A+B)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Opening Capital Cost	6,66,177.48	6,66,913.58	6,67,765.79	6,67,765.79	6,70,422.57
2	Add: Addition during the year/period	1,159.62	970.00	-	-	-
3	Less: Decapitalisation during the year/period	423.52	117.79	-	-	-
4	Less: Reversal during the year/period	-	-	-	-	-
5	Add: Discharges during the year/period	-	-	-	2,656.78	-
6	Closing Capital Cost	6,66,913.58	6,67,765.79	6,67,765.79	6,70,422.57	6,70,422.57
7	Average Capital Cost	6,66,545.53	6,67,339.68	6,67,765.79	6,69,094.18	6,70,422.57

Statement showing claimed capital cost eligible for RoE at normal rate (A)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Opening Capital Cost	6,66,177.48	6,66,913.58	6,67,765.79	6,67,765.79	6,70,422.57
2	Add: Addition during the year/period	1,159.62	970.00	-	-	-
3	Less: Decapitalisation during the year/period	423.52	117.79	-	-	-
4	Less: Reversal during the year/period	-	-	-	-	-
5	Add: Discharges during the year/period	-	-	-	2,656.78	-
6	Closing Capital Cost	6,66,913.58	6,67,765.79	6,67,765.79	6,70,422.57	6,70,422.57
7	Average Capital Cost	6,66,545.53	6,67,339.68	6,67,765.79	6,69,094.18	6,70,422.57

Statement showing claimed capital cost eligible for RoE at Base rate of SBI MCLR + 350 basis points as on 1st April (B)

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Opening Capital Cost	-	-	-	-	-
2	Add: Addition during the year/period	-	-	-	-	-
3	Less: Decapitalisation during the year/period	-	-	-	-	-
4	Less: Reversal during the year/period	-	-	-	-	-
5	Add: Discharges during the year/period	-	-	-	-	-
6	Closing Capital Cost	-	-	-	-	-
7	Average Capital Cost	-	-	-	-	-



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Region : Northern District : Kinnaur State : Himachal Pradesh

Statement showing Return on Equity at Normal Rate

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Gross Opening Equity (Normal)	1,99,853.24	2,00,074.07	2,00,329.74	2,00,329.74	2,01,126.77
2	Less: Adjustment in equity	-	-	-	-	-
3	Adjustment during the year	-	-	-	-	-
4	Net Opening Equity (Normal)	1,99,853.24	2,00,074.07	2,00,329.74	2,00,329.74	2,01,126.77
5	Add: Increase in equity due to addition during the year/period	347.89	291.00	-	-	-
6	Less: Decrease due to de-capitalisation during the year/period	127.06	35.34	-	-	-
7	Less: Decrease due to reversal during the year/period	-	-	-	-	-
8	Add: Increase due to discharges during the year/period	-	-	-	797.03	-
9	Net Closing Equity (Normal)	2,00,074.07	2,00,329.74	2,00,329.74	2,01,126.77	2,01,126.77
10	Average Equity (Normal)	1,99,963.66	2,00,201.91	2,00,329.74	2,00,728.25	2,01,126.77
11	Rate of ROE	25.363%	25.363%	25.363%	25.363%	25.363%
12	Return on Equity	50,716.78	50,777.21	50,809.63	50,910.71	51,011.78
13	Total ROE (With in and beyond Original scope)	50,716.78	50,777.21	50,809.63	50,910.71	51,011.78

Statement showing Return on Equity at Base rate of SBI MCLR +350 basis points as on 1st April

S. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Gross Opening Equity	-	-	-	-	-
2	[pertaining to Proviso to Regulation 30(2)]	-	-	-	-	-
3	Less: Adjustment in equity	-	-	-	-	-
4	Adjustment during the year	-	-	-	-	-
5	Net Opening Equity	-	-	-	-	-
6	Add: Increase in equity due to addition during the year/period	-	-	-	-	-
7	Less: Decrease due to de-capitalisation during the year/period	-	-	-	-	-
8	Less: Decrease due to reversal during the year/period	-	-	-	-	-
9	Add: Increase due to discharges during the year/period	-	-	-	-	-
10	Net Closing Equity [pertaining to Proviso to Regulation 30(2)]	-	-	-	-	-
11	Average Equity [pertaining to Proviso to Regulation 30(2)]	18.676%	18.676%	18.676%	18.676%	18.676%
12	Rate of ROE (weighted average rate of interest on actual loan portfolio)	-	-	-	-	-
13	Total ROE	-	-	-	-	-

Note: 1. Adjustment of equity as per Proviso to Regulation 18(3) of 2019 Tariff Regulations.
2. With respect to Equity infusion, the Generating Company is required to substantiate with supporting documents such as board resolutions, balance sheet/ reconciliation statement with balance sheet.



(Petitioner)

**Details of COD, Type of Hydro Station, Normative Annual Plant Availability Factor (NAPAF) &
Other normative parameters considered for tariff calculation**

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

S.No.	Description	Unit	Year Ending March					
			Existing 2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7	8	9
1	Installed Capacity *	MW	1000	1000	1000	1000	1000	1000
2	Free Power to home state	%	12%	12%	12%	12%	12%	12%
3	Free Power under Local Area Development Fund (LADF) ^	%	0%	0%	0%	0%	0%	0%
4	Date of commercial operation							
	Unit - 1 (Actual)	26.05.2011						
	Unit - 2 (Actual)	23.06.2011						
	Unit - 3 (Actual)	08.09.2011						
	Unit - 4 (Actual)	13.09.2011						
5	Type of Station							
	a) Surface / underground	Underground						
	b) Purely ROR / Pondage / Storage	Pondage						
	c) Peaking / non-peaking	Peaking						
	d) No. of hours of peaking	3 Hrs						
	e) Overload capacity (MW) & period	100 MW	During monsoon period (Jun-Sep months)					
6	Type of excitation							
	a) Rotating exciters on generator							
	b) Static excitation	Static						
7	Design Energy (Annual) ¹	Gwh	4131.06	4131.06	4131.06	4131.06	4131.06	4131.06
8	Auxiliary Consumption including Transformation losses	%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
9	Normative Plant Availability Factor (NAPAF)	%	90%	90%	90%	90%	90%	90%
9.1	Maintenance Spares for WC	% of (O&M+ Security)	15%	15%	15%	15%	15%	15%
9.2	Receivable for WC	in Months	2	-	-	-	-	-
		in days	-	45	45	45	45	45
9.3	Base Rate of Return on Equity	%	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%
9.4	Base Rate of Return on Equity on: @							
	Add. Capitalization after cut off date with in original scope	%		16.50%	16.50%	16.50%	16.50%	16.50%
	Add. Capitalization after cut off date beyond original scope	%		12.15%	12.15%	12.15%	12.15%	12.15%
9.5	Tax Rate ²	%	34.944%	34.944%	34.944%	34.944%	34.944%	34.944%
9.6	Effective Tax Rate ⁴	%	34.944%	34.944%	34.944%	34.944%	34.944%	34.944%
9.7	Bank rate (SBI MCLR) as on 1st April every year	%	8.50%	8.65%	8.65%	8.65%	8.65%	8.65%
	SBI Base Rate + 350 basis points		12.00%	11.90%	11.90%	11.90%	11.90%	11.90%

Note:

1. Refer Enclosure - 1 to Form 2 for Design Energy including for month wise 10-day Design Energy.
2. Actual tax rates as per ITR, has been considered for grossing up the ROE.
3. Mention relevant date
4. Effective tax rate is to be computed in accordance with Regulation 31 i.e. actual tax (or advance tax)/gross income, where gross income refers the profit before tax.

@ Proviso to Reg. 30(2): Return on equity in respect of additional capitalization after cut-off date beyond the original scope excluding additional capitalization due to Change in Law, shall be computed at the weighted average rate of interest on actual loan portfolio of the generating station or the transmission system,

* Installed capacity of the plant has been uprated by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA.

^ 1% Free power against LADF is being supplied to Home state Himachal Pradesh, on uprated capacity of 45 MW only. Tariff corresponding to 45 MW uprated capacity is not claimed in this petition, since corresponding capital cost is not approved by this Hon'ble Commission.



Marginal Cost Lending Rates

	ON	1M	3M	6M	1Y	2Y	3Y
15.09.2024	8.2	8.45	8.5	8.85	8.95	9.05	9.1
15.08.2024	8.2	8.45	8.5	8.85	8.95	9.05	9.1
15.07.2024	8.1	8.35	8.4	8.75	8.85	8.95	9
15.06.2024	8.1	8.3	8.3	8.65	8.75	8.85	8.95
15.05.2024	8	8.2	8.2	8.55	8.65	8.75	8.85
15.04.2024	8	8.2	8.2	8.55	8.65	8.75	8.85
15.03.2024	8	8.2	8.2	8.55	8.65	8.75	8.85
15.02.2024	8	8.2	8.2	8.55	8.65	8.75	8.85
15.01.2024	8	8.2	8.2	8.55	8.65	8.75	8.85
15.12.2023	8	8.2	8.2	8.55	8.65	8.75	8.85
15.11.2023	8	8.15	8.15	8.45	8.55	8.65	8.75
15.10.2023	8	8.15	8.15	8.45	8.55	8.65	8.75
15.09.2023	8	8.15	8.15	8.45	8.55	8.65	8.75
15.08.2023	8	8.15	8.15	8.45	8.55	8.65	8.75
15.07.2023	8	8.15	8.15	8.45	8.55	8.65	8.75
15.06.2023	7.95	8.1	8.1	8.4	8.5	8.6	8.7
15.05.2023	7.95	8.1	8.1	8.4	8.5	8.6	8.7
15.04.2023	7.95	8.1	8.1	8.4	8.5	8.6	8.7
15.03.2023	7.95	8.1	8.1	8.4	8.5	8.6	8.7
15.02.2023	7.95	8.1	8.1	8.4	8.5	8.6	8.7
15.01.2023	7.85	8	8	8.3	8.4	8.5	8.6
15.12.2022	7.85	8	8	8.3	8.3	8.5	8.6



Rs. Crore

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Income tax liability as per ITR of JSW Hydro Energy Ltd.

AY	2024-25	2025-26	2026-27	2027-28	2028-29
	*				
Income u/s 115JB	393				
MAT tax payable @ 17.472	69				
Taxable Income	217				
Normal tax payable @ 34.944	76				
Less: MAT Credit u/s 115JAA	-7				
Tax payable (Higher of MAT or Normal tax)	69	Based on FY 24-25, IT rate considered for balance 4 years			
MAT credit available at the end of the year	42				
Effective tax rate (before availing MAT credit)	34.944%	34.944%	34.944%	34.944%	34.944%

* Advance tax estimates for FY 24-25



Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Design Energy Generation (1000 MW) *

(Corresponding to 90% Dependable Year 1997-1998 as per New Flow series)

Month	Period	No of Days	Discharge (cumec)	Release for aquatic life (cumec)	Available Discharge (cumec)	Power (MW)	Energy (GWh) (million units)	Energy on Monthly Basis (GWh)
JUN	I.	10	272.20	7.38	264.82	659.49	158.28	614.28
	II.	10	396.20	7.38	388.82	950.00	228.00	
	III.	10	565.00	7.38	557.62	950.00	228.00	
JUL	I.	10	557.10	7.38	549.72	950.00	228.00	706.80
	II.	10	690.50	7.38	683.12	950.00	228.00	
	III.	11	712.80	7.38	705.42	950.00	250.80	
AUG	I.	10	684.80	7.38	677.42	950.00	228.00	706.80
	II.	10	703.90	7.38	696.52	950.00	228.00	
	III.	11	518.20	7.38	510.82	950.00	250.80	
SEP	I.	10	348.20	7.38	340.82	848.75	203.70	479.07
	II.	10	295.40	7.38	288.02	717.26	172.14	
	III.	10	180.10	7.38	172.72	430.13	103.23	
OCT	I.	10	116.30	7.38	108.92	271.25	65.10	150.37
	II.	10	83.60	7.38	76.22	189.81	45.55	
	III.	11	67.80	7.38	60.42	150.47	39.72	
NOV	I.	10	63.70	7.38	56.32	140.26	33.66	131.58
	II.	10	71.40	7.38	64.02	159.43	38.26	
	III.	10	107.20	7.38	99.82	248.58	59.66	
DEC	I.	10	98.70	7.38	91.32	227.42	54.58	157.63
	II.	10	93.10	7.38	85.72	213.47	51.23	
	III.	11	86.20	7.38	78.82	196.29	51.82	
JAN	I.	10	80.50	7.38	73.12	182.09	43.70	126.79
	II.	10	76.10	7.38	68.72	171.14	41.07	
	III.	11	71.30	7.38	63.92	159.18	42.02	
FEB	I.	10	70.10	7.38	62.72	156.19	37.49	103.95
	II.	10	68.80	7.38	61.42	152.96	36.71	
	III.	8	69.60	7.38	62.22	154.95	29.75	
MAR	I.	10	74.20	7.38	66.82	166.40	39.94	138.27
	II.	10	83.10	7.38	75.72	188.57	45.26	
	III.	11	88.10	7.38	80.72	201.02	53.07	
APR	I.	10	104.10	7.38	96.72	240.86	57.81	237.62
	II.	10	111.90	7.38	104.52	260.29	62.47	
	III.	10	203.70	7.38	196.32	488.90	117.34	
MAY	I.	10	274.60	7.38	267.22	665.46	159.74	577.90
	II.	10	287.30	7.38	279.92	697.09	167.33	
	III.	11	655.30	7.38	647.92	950.00	250.83	
TOTAL ENERGY								4131.06

The 90% dependable year 1997-98 is as approved by CEA, Company has requested CEA to reconsider the same as 2000-01. In case of any change by CEA, the same shall be submitted to the Hon'ble Commission for its kind approval.

* Installed capacity of the plant has been uprated by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA. Calculation and approval from CEA for revised design energy against 1091 MW, shall be obtained after final stage uprating approval.

(Petitioner)



Salient Features of Hydroelectric Project

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

1	Location	
	State / Distt.	Himachal Pradesh, Kinnaur Distt.
	River	Satluj
2	Diversion Tunnel	
	Size, Shape	10.15 m / 10.95 m / 8.5 m dia. Circular
	Length (M)	540.59 m (including inlet and outlet cut and cover structures)
3	Dam	
	Type	Concrete Gravity
	Maximum dam height (M)	88 m
4	Spillway	
	Type	Sluice Spillway with 4 bays each, 10 m (W) x 10.5 m (H)
	Crest level of Spillway (M)	1778.00 m
5	Reservoir	
	Full Reservoir Level (FRL) (M)	El. 1810 m
	Minimum Draw Down Level (MDDL) (M)	El. 1799 m
	Live Storage (MCM)	544.97 Ha m
6	Desilting Chamber	
	Type	Underground
	Number and Size	Four Sedimentation Chambers each, 18 m (W) x 30.25 m (H) x 494 m long including U/s and D/s Transitions
	Particle size to be removed (mm)	+ 0.2 mm and above
7	Head Race Tunnel	
	Size and type	10.48 m dia circular
	Length (M)	16925 m
	Design Discharge (cumecs)	421 (for 1000 MW IC)
8	Surge Shaft	
	Type	Restricted orifice
	Diameter (M)	27 m / 16 m
	Height (M)	148.5 m
9	Penstock / Pressure Shafts	
	Type	Steel lined pressure shafts
	Diameter & Length (M)	5.0 m dia, PS I & IV - 347.396 m each PS - II & PS III - 328.666 m each
10	Power House	
	Installed capacity (No of units x MW)	4 x 250 MW *
	Type of turbine	Francis (vertical)
	Rated Head (M)	269 m
	Rated Discharge (Cumecs)	421 cumecs (for 1000 MW IC)
	Head at Full Reservoir Level (M)	296.33 m (Gross)
	Head at Minimum Draw Down Level (M)	285.33 m (Gross)
	MW Capability at FRL	1000 MW *
	MW Capability at MDDL	1000 MW *
11	Tail Race Tunnel /Channel	
	Diameter (M), Shape	10.48 m dia circular
	Length (M)	1283 m
	Minimum Tail Water level (M)	El. 1505.98 m (1 unit at 50% loading, 65 cumecs).
12	Switchyard	
	Type of Switch Gear	Indoor G.I.S.
	No. of Generator bays	4 bays
	No. of Bus coupler bays	1 bays
	No. of line bays	6 bays
	Efficiency (overall) Turbine & generator	95.09%

Note: Specify limitation on generation during specific time period(s) on account of restrictions on water use due to irrigation, drinking water, industrial, environmental considerations etc

* Installed capacity of the plant has been uprated by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA.

(Petitioner)



Details of Foreign loans
(Details only in respect of loans applicable to the project under petition)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Exchange Rate at COD:
Exchange Rate as on 31.03.2019:

S.No.	Financial Year (Starting from COD)	Year 1				Year 2				Year 3 and so on			
		3	4	5	6	7	8	9	10	11	12	13	14
		Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)
	Currency1 ¹												
A.1	At the date of Drawl ²												
2	Scheduled repayment date of principal												
3	Scheduled payment date of interest												
4	At the end of Financial year												
B	In case of Hedging ³												
1	At the date of hedging												
2	Period of hedging												
3	Cost of hedging												
	Currency2 ¹												
A.1	At the date of Drawl ²												
2	Scheduled repayment date of principal												
3	Scheduled payment date of interest												
4	At the end of Financial year												
B	In case of Hedging ³												
1	At the date of hedging												
2	Period of hedging												
3	Cost of hedging												
	Currency3 ¹ & so on												
A.1	At the date of Drawl ²												
2	Scheduled repayment date of principal												
3	Scheduled payment date of interest												
4	At the end of Financial year												
B	In case of Hedging ³												
1	At the date of hedging												
2	Period of hedging												
3	Cost of hedging												

NOT APPLICABLE

(Forex loans availed
only against refinancing of
existing Indian bank Term loans
wef 18.5.2021)



(Petitioner)

¹Name of the currency to be mentioned e.g. US \$, DM, etc. etc.

²In case of more than one drawl during the year, Exchange rate at the date of each drawl to be given.

³Furnish details of hedging, in case of more than one hedging during the year or part hedging, details of each hedging are to be given.

⁴Tax (such as withholding tax) details as applicable including change in rates, date from which change effective etc. must be clearly indicated.

Details of Foreign Equity

(Details only in respect of Equity infusion if any applicable to the project under petition)

Name of the Petitioner : JSW Hydro Energy Limited


Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Exchange Rate on date/s of infusion :

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S.No.	Financial Year	Year 1					Year 2				Year 3 and so on			
		3	4	5	6	7	8	9	10	11	12	13	14	
1	2	Date	Amount (Foreign Currency)	Exchange e Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange e Rate	Amount (Rs.)	Date	Amount (Foreign Currency)	Exchange Rate	Amount (Rs.)	
	Currency1 ¹													
	A.1 At the date of infusion ²													
	2													
	3													
	Currency2 ¹													
	A.1 At the date of infusion ²													
	2													
	3													
	Currency3 ¹													
	A.1 At the date of infusion ²													
	2													
	3													
	Currency4 ¹ & so on													
	A.1 At the date of infusion ²													
	2													
	3													

NOT APPLICABLE



NOT APPLICABLE



(Petitioner)

¹Name of the currency to be mentioned e.g. US \$, DM, etc. etc.

²In case of equity infusion more than once during the year, Exchange rate at the date of each infusion to be given.

Rs. Lakh

Capital cost as admitted by CERC									
a. Capital cost admitted for tariff, as on:									
	31-03-15	31-03-16	31-03-17	31-03-18	31-03-19				
(Give reference of the relevant CERC Order with Petition No. & Date)	Tariff order dated 14.4.22 in petition no. 391/GT/2019 (Para 67)								
b. Foreign Component, if any (In Million US \$ or the relevant Currency)	-	-	-	-	-				
c. Foreign Exchange rate considered for the admitted Capital cost	-	-	-	-	-				
d. Total Foreign Component	-	-	-	-	-				
e. Domestic Component	654,917.05	654,919.28	658,526.22	659,647.64	660,653.40				
f. Hedging Cost, if any, considered for the admitted capital cost	-	-	-	-	-				
Total Capital cost admitted (d+e+f)	654,917.05	654,919.28	658,526.22	659,647.64	660,653.40				



Abstract of Capital Cost Estimates and Schedule of Commissioning for the New projects**Name of the Petitioner : JSW Hydro Energy Limited****Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant****New Projects****Capital Cost Estimates**

Board of Director/ Agency approving the project cost estimates:		
Date of approval of the Capital cost estimates:		
	Present Day Cost	Completed Cost
Price level of approved estimates		
Foreign Exchange rate considered for the capital cost estimates		
	Capital Cost excluding IDC, IEDC & FC	
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)		
Capital Cost excluding IDC, FC, FERV & Hedging Cost (Rs. Lakh)		
	IDC, IEDC, FC, FERV & Hedging Cost	
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)	NOT APPLICABLE, PROJECT COMMISSIONED ON 13.09.2011	
Total IDC, IEDC, FC, FERV & Hedging Cost (Rs. Lakh)		
Rate of taxes & duties considered		
	Capital cost Including IDC, IEDC FC, FERV & Hedging Cost	
Foreign Component, if any (In Million US \$ or the relevant Currency)		
Domestic Component (Rs. Lakh)		
Capital cost Including IDC, IEDC & FC (Rs. Lakh)		
<u>Schedule of Commissioning as per investment approval</u>		
Scheduled COD of Unit-I		
Scheduled COD of Unit-II		
Scheduled COD of Unit-III		
Scheduled COD of Unit-IV		

Note:

1. Copy of approval letter should be enclosed
2. Details of Capital Cost are to be furnished as per FORM-5B or 5C as applicable
3. Details of IDC & Financing Charges are to be furnished as per FORM-14.

**(Petitioner)**

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10000000
PART-II
FORM-5BBreak up of Capital Cost for New Hydro Power Generating Station

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Rs. in Lakh)

S.No.	Break down	Original Cost as approved by Authority / Investment approval	Actual Capital Expenditure as on actual/ anticipated COD	Liabilities / Provisions	Variation	Reasons for variation
1	2	3	4	5	6=3-4-5	7
1.0	Infrastructure Works					
1.1	Preliminary including Development					
1.2	Land *					
1.3	R & R expenditure					
1.4	Buildings					
1.5	Township					
1.6	Maintenance	NOT APPLICABLE, PROJECT COMMISSIONED ON 13.09.2011				
1.7	Tools & Plants					
1.8	Communication					
1.9	Environment & Ecology					
1.10	Losses on stock					
1.11	Receipt & Recoveries					
1.12	Total (Infrastructure works)					
2.0	Major Civil Works					
2.1	Dam, Intake & Desilting Chambers					
2.2	HRT, TRT, Surge Shaft & Pressure shafts					
2.3	Power Plant civil works					
2.4	Other civil works (to be specified)					
2.5	Total (Major Civil Works)					
3.0	Hydro Mechanical equipment					
4.0	Plant & Equipment (E&M)					
4.1	Initial spares of Plant & Equipment					
4.2	Total (Plant & Equipment)					
5.0	Taxes and Duties					
5.1	Custom Duty					
5.2	Other Tax & duties					
5.3	Total Taxes & Duties					
6.0	Construction & Pre-commissioning expenses					
6.1	Erection, testing & commissioning					
6.2	Construction Insurance					
6.3	Site supervision					
6.4	Total (Const. & Pre-commissioning)					
7.0	Overheads					
7.1	Establishment					
7.2	Design & Engineering					
7.3	Audit & Accounts					
7.4	Contingency					
7.5	Rehabilitation & Resettlement					
7.6	Total (Overheads)					
8.0	Capital Cost without IDC & FC, FERV & Hedging Cost					
9.0	IDC, FC, FERV & Hedging Cost					
9.1	Interest During Construction (IDC)					
9.2	Financing charges (FC)					
9.3	Foreign Exchange Rate Variation (FERV)					
9.4	Hedging Cost					
9.5	Notional IDC					
9.6	Total of IDC, FC, FERV & Hedging Cost					
10.0	Revenue from infirm power					
11.0	Capital Cost including IDC, FC, FERV & Hedging Cost					

*Provide details of Freehold Land, Leasehold Land and Land under reservoir separately

Notes:

1. In case of cost variation, a detailed note giving reasons of such variation should be submitted clearly indicating whether such cost over-run was beyond the control of the generating company.
2. In case of both time & cost overrun, a detailed note giving reasons of such time and cost over-run should be submitted clearly bringing out the agency responsible and whether such time and cost overrun was beyond the control of the generating company.
3. The implication on cost due to time over run, if any shall be submitted separately giving details of increase in prices in different packages from scheduled COD to Actual COD/anticipated COD, increase in IEDC from scheduled COD to actual COD/anticipated COD and increase of IDC from scheduled COD to actual anticipated COD.
4. Impact on account of each reason for Time over run on Cost of project should be quantified and substantiated with necessary documents and supporting workings.
5. A list of balance work assets/work wise including initial spare on original scope of works along with estimate shall be furnished positively.

(Petitioner)



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PART-II
FORM-5C**Break Up Of Capital Cost For Plant & Equipment (New Projects)**

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Rs. in Lakh)

Sl. No.	Break Down	Original Cost as approved by Authority / Investment approval	Cost on actual / anticipated COD	Variation	Reasons for Variation
1	2	3	4	5	6
1.0	Generator, Turbine & Accessories				
1.1	Generator package				
1.2	Turbine package				
1.3	Unit Control Board				
1.4	C&I package	NOT APPLICABLE, PROJECT COMMISSIONED ON 13.09.2011			
1.5	Bus duct of GT connection				
1.6	TOTAL (Generator, Turbine & Accessories)				
2.0	Auxiliary Electrical Equipment				
2.1	Step up Transformers				
2.2	Unit Aux. Transformers				
2.3	Local Supply Transformers				
2.4	Station Transformers				
2.5	SCADA				
2.6	Switchgear, Batteries, DC Dist. Board				
2.7	Telecommunication Equipment				
2.8	Illumination of Dam, PH & Switchyard				
2.9	Cable & cable facilities, grounding				
2.10	Diesel generating sets				
2.11	TOTAL (Aux. Electrical Equipment)				
3.0	Auxiliary Equipment & Services for PH				
3.1	EOT Crane				
3.2	Other Cranes				
3.3	Electric Lifts & elevators				
3.4	Cooling water system				
3.5	Drainage & dewatering system				
3.6	Firefighting equipment				
3.7	Airconditioning, ventilation & fitting				
3.8	Water supply system				
3.9	Oil handling equip.				
3.10	Workshop machines & equip.				
3.11	TOTAL (Aux. Equip. & Services for PS)				
4.0	Switchyard Package				
5.0	Initial Spares for all above Equipment				
6.0	TOTAL Cost (Plant & Equipment) excluding IDC, FC, FERV & Hedging cost				
7.0	IDC, FC & FERV & Hedging cost				
7.1	Interest during Construction (IDC)				
7.2	Financing Charges (FC)				
7.3	Foreign Exchange Rate Variation (FERV)				
7.4	Hedging cost				
7.5	TOTAL of IDC, FC & FERV & Hedging cost				
8.0	TOTAL Cost (Plant & Equipment) including IDC, FC, FERV & Hedging Cost				

Note: In case of cost variation, a detailed note giving reasons of such variation should be submitted clearly indicating whether such cost overrun was beyond the control of the generating company.



Break up of Construction / Supply / Service Packages

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Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Rs. in Lakh)

Sr. No.	Name / No. of Construction / Supply / Service Package	Package A	Package B	Total Cost of all packages
1	Scope of Works ¹ (in line with head of cost break-ups as applicable)			
2	Whether awarded through ICB / DCB/ Departmentally / Deposit work	NOT APPLICABLE, PROJECT COMMISSIONED ON 13.09.2011		
3	No. of bids received			
4	Date of award			
5	Date of start of work			
6	Date of Completion of work/ expected date of completion of work			
7	Value of Award (Rs. Lakh) ²			
8	Firm or with Escalation in prices			
9	Actual expenditure till the completion or upto COD whichever is earlier (Rs. Lakh)			
10	Taxes & Duties and IEDC (Rs. Lakh)			
11	IDC, FC, FERV & Hedging cost (Rs. Lakh)			
12	Sub-Total (10+11+12) (Rs. Lakh)			

Note:

- The scope of work in any package should be indicated in conformity of Capital cost break-up for the new Hydro Power Generating Station in the FORM-5B to the extent possible. For Plant & Equipment (New Projects) break down in the similar manner in the relevant heads as per FORM-5C.
- If there is any package, which need to be shown in Indian Rupee and foreign currency(ies), the same should be shown separately along with the currency, the exchange rate and the date



(Petitioner)

In case there is cost over run

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Sl. No.	Break Down	Original Cost (Rs.Lakh) as approved by the Board of Members	Actual/ Estimated Cost as incurred/to be incurred (Rs. Lakh)	Difference	Reasons for Variation (Please submit supporting computations and documents wherever applicable)	Increase in soft cost due to increase in hard cost
1	2	3	4	5	6	7
1	Cost of Land & Site Development	Not Applicable				
1.1	Land*					
1.2	Rehabilitation & Resettlement (R&R)					
1.3	Preliminary Investigation & Site Development					
2	Plant & Equipment					
2.1	Steam Generator Island					
2.2	Turbine Generator Island					
2.3	BOP Mechanical					
2.3.1	Fuel Handling & Storage system					
2.3.2	External water supply system					
2.3.3	DM water Plant					
2.3.4	Clarification plant					
2.3.5	Chlorination Plant					
2.3.6	Fuel Handling & Storage system					
2.3.7	Ash Handling System					
2.3.8	Coal Handling Plant					
2.3.9	Rolling Stock and Locomotives					
2.3.10	MGR					
2.3.11	Air Compressor System					
2.3.12	Air Condition & Ventilation System					
2.3.13	Fire fighting System					
2.3.14	HP/LP Piping					
	Total BOP Mechanical					
2.4	BOP Electrical					
2.4.1	Switch Yard Package					
2.4.2	Transformers Package					
2.4.3	Switch gear Package					
2.4.4	Cables, Cable facilities & grounding					
2.4.5	Lighting					
2.4.6	Emergency D.G. set					
	Total BOP Electrical					
2.5	Control & Instrumentation (C & I) Package					
	Total Plant & Equipment excluding taxes & Duties					



In case there is time over run

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

S. No	Description of Activity/Works/Service	Original Schedule (As per Planning)		Actual Schedule (As per Actual)		Time OverRun	Reasons for delay	Other Activity effected (Mention Sr No of activity affected)
		Start Date	Completion Date	Actual Start Date	Actual Completion Date			
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								
5								
6								
7								
8								
9								

Not Applicable



(Petitioner)

1. Delay on account of each reason in case of time overrun should be quantified and substantiated with necessary documents and supporting workings.
2. Indicates the activities on critical path.

Financial Package upto COD

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Project Cost as on COD

Date of Commercial Operation of the Station

Rs. in lakh 681,666.00
13.09.2011

		Financial Package as Approved			Financial Package as on COD		As Admitted on COD	
1	2	3	4	5	6	7	(Rs. in lacs)	
	Rs.	413,671.00						
Allahabad Bank			Rs.	40,000.00				
Indian Bank			Rs.	40,000.00				
Punjab National Bank			Rs.	65,715.13				
Union Bank of India			Rs.	12,010.00				
Bank of India			Rs.	22,210.00				
Central Bank of India			Rs.	29,827.49				
IDBI Bank			Rs.	16,649.00				
ICICI Bank			Rs.	69,999.57				
J & K Bank			Rs.	11,086.00				
SIDBI			Rs.	15,000.00				
Rural Electrification Corporation			Rs.	63,372.00				
IDFC Bank			Rs.	57,500.00				
Total Loan	Rs.	413,671.00	Rs.	443,369.19	Rs.	438,572.60		
Equity-								
Foreign				-				
Domestic	Rs.	177,288.00	Rs.	-	Rs.	187,959.68		
Total Equity	Rs.	177,288.00	Rs.	-	Rs.	187,959.68		
Debt: Equity Ratio		70:30		69:31		70:30		



(Petitioner)

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Details of Project Specific Loans

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Particulars	Package1	Package2	Package3	Package4	Package5	Package6	Package7	Package8	Package9	Package10	Package11
1	2	3	4	5	6	7	8	9	10	11	12
Source of Loan	Allahabad Bank	Indian Bank	Punjab National Bank	Union Bank of India	Bank of India	The Jammu and Kashmir Bank Ltd.	Central Bank of India	IDBI Bank	ICICI Bank Ltd.	SIDBI	Infrastructure Development Finance Company Limited
Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Amount of Loan sanctioned	40,000	40,000	81,200	15,000	25,500	12,700	32,000	19,100	90,000	15,000	125,000
Amount of Gross Loan drawn as on 28.03.2014*	40,000	40,000	77,170	14,073	24,478	12,199	30,834	18,339	86,289	15,000	120,872
Interest Type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Fixed Interest Rate, if applicable (as on 28.03.2014)	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.25% 12.50%	12.00%	12.00% 12.10%
Base Rate, if Floating Interest	-	-	-	-	-	-	-	-	-	-	-
Margin, if Floating Interest	-	-	-	-	-	-	-	-	-	-	-
Are there any Caps/Floor	No	No	No	No	No	No	No	No	No	No	No
If above is yes, specify caps/floor	-	-	-	-	-	-	-	-	-	-	-
Moratorium Period	The First Repayment Date as per Financing Agreements is the date later of (a) the date six months from COD (b) 15.06.2012. Accordingly, moratorium period is from the date of last disbursement by respective lender upto the First Repayment Date.										
Moratorium effective from	24.03.2011	24.03.2011	28.09.2012	29.06.2012	29.06.2012	30.06.2012	26.03.2012	28.09.2012	08.08.2012	31.03.2011	10.02.2012
Repayment Period*	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Repayment effective from	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012	15.06.2012
Repayment Frequency	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment
Repayment Installment	Repayment Schedule attached as Enclosure - 1 to Form - 7										
Base Exchange Rate	Not Applicable										
Are foreign currency loan hedged	Not Applicable										
If above is yes, specify details											

* Petitioner had securitised its existing loan from 29.03.2014. The above mentioned loans were fully repaid on 28.03.2014 and new loans were disbursed in the two parts namely Loans A and Loans B, the details of which are being submitted in separate Form 7A & 7B.

Ncte: 1 - Interest rates for disbursement during construction were subject to reset after commissioning of the Karcham Wangtoo HEP.

Ncte: 2 - Reset Interest Rates after commissioning are further subject to reset on yearly basis.



(Petitioner)

Details of Project Specific Loans (Loans A)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Particulars	Package1	Package2	Package3	Package4	Package5	Package6	Package7	Package8	Package9
1	2	3	4	5	6	7	8	9	10
Source of Loan	Allahabad Bank	Union Bank of India	ICICI Bank Ltd.	Indian Renewable Energy Development Agency Limited (IREDA)	L&T Infrastructure Finance Company Limited	Life Insurance Corporation of India (LIC)	Power Finance Corporation Limited	PTC Financial Services Limited	Infrastructure Development Finance Company Limited
Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Amount of Loan sanctioned	34,667	25,000	22,938	22,938	22,900	37,500	115,000	15,021	119,390
Amount of Gross Loan drawn as on 31.03.2014	34,662	25,000	22,938	22,938	22,900	37,500	115,000	15,021	119,336
Interest Type*	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Fixed Interest Rate, if applicable (as on 31.03.2014)	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Base Rate, if Floating Interest	-	-	-	-	-	-	-	-	-
Margin, if Floating Interest	-	-	-	-	-	-	-	-	-
Are there any Caps/Floor	No	No	No	No	No	No	No	No	No
If above is yes, specify caps/floor	-	-	-	-	-	-	-	-	-
Moratorium Period	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017	29.03.2014 to 15.06.2017
Moratorium effective from	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014
Repayment Period	18 years	18 years	18 years	18 years	18 years	18 years	18 years	18 years	18 years
Repayment effective from	15.06.2017	15.06.2017	15.06.2017	15.06.2017	15.06.2017	15.06.2017	15.06.2017	15.06.2017	15.06.2017
Repayment Frequency	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment
Repayment Installment					Not Applicable				
Base Exchange Rate					Not Applicable				
Are foreign currency loan hedged ?					Not Applicable				
If above is yes, specify details					Not Applicable				

*The Interest rates are subject to reset on yearly basis.

Petitioner has refinanced its existing loan during Sep-Oct'2015. The above mentioned loans were fully repaid on 31.10.2015 and new loans were disbursed, the details of which are being submitted in separate Form 7C.



(Petitioner)

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Details of Project Specific Loans (Loans B)

Name of the Petitioner : Jsw Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Particulars	Package1	Package2	Package3	Package4	Package5	Package6	Package7	Package8
1	2	3	4	5	6	7	8	9
Source of Loan	ICICI Bank Ltd.	Indian Renewable Energy Development Agency Limited (IREDA)	L&T Infrastructure Finance Company Limited	Life Insurance Corporation of India (LIC)	Power Finance Corporation Limited	PTC Financial Services Limited	Infrastructure Development Finance Company Limited	IFCI
Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Amount of Loan sanctioned	7,062	7,062	7,100	12,500	35,000	4,979	43,997	20,000
Amount of Gross Loan drawn 31.03.2014	7,062	7,062	7,100	12,500	35,000	4,979	43,997	20,000
Interest Type*	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
Fixed Interest Rate, if applicable (as on 31.03.2014)	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	13.75%
Base Rate, if Floating Interest	-	-	-	-	-	-	-	-
Margin, if Floating Interest	-	-	-	-	-	-	-	-
Are there any Caps/Floor	No	No	No	No	No	No	No	No
If above is yes, specify caps/floor	-	-	-	-	-	-	-	-
Moratorium Period	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014	29.03.2014 to 15.06.2014
Moratorium effective from	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014	29.03.2014
Repayment Period	7 years	7 years	7 years	7 years	7 years	7 years	7 years	7 years
Repayment effective from	15.06.2014	15.06.2014	15.06.2014	15.06.2014	15.06.2014	15.06.2014	15.06.2014	15.06.2014
Repayment Frequency	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment
Repayment Installment								
Base Exchange Rate								
Are foreign currency loan hedged ?								
If above is yes, specify details								

*Interest Rates are subject to reset on yearly basis.

Petitioner has refinanced its existing loan during Sep-Oct'2015. The above mentioned loans were fully repaid on 31.10.2015 and new loans were disbursed, the details of which are being submitted in separate Form 7C.

(Petitioner)

**PART-II
FORM- 7C**

Details of Project Specific Loans (Loan C- Re-financed)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Particulars	Package1	Package2	Package3	Package4	Package5	Package6	Package7	Package8	Package9
1	2	3	4	5	6	7	8	9	10
Source of Loan	State Bank of India	Syndicate Bank	Central Bank of India	Allahabad Bank	Vijaya bank	L & T Infra	Punjab National Bank	Axis Bank	State Bank of India (Formerly State Bank of Hyderabad)
Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Amount of Loan sanctioned	349,700	59,700	59,700	39,800	39,800	39,800	31,700	23,900	15,900
Amount of Gross Loan drawn as on 31.03.2019	349,700	59,700	59,700	39,800	39,800	39,800	31,700	23,842	15,900
Interest Type*	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating
Fixed Interest Rate, if applicable (as on 31.03.2019)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Base Rate, if Floating Interest (SBI 1 year MCLR as on 31.3.2019)	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%	8.15%
Margin, if Floating Interest	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Are there any Caps/Floor	No	No	No	No	No	No	No	No	No
If above is yes, specify caps/floor	-	-	-	-	-	-	-	-	-
Mortgage Period	No	No	No	No	No	No	No	No	No
Mortgage effective from	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Repayment Period	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years	15 years
Repayment effective from	30.6.2016	30.6.2016	30.6.2016	30.6.2016	30.6.2016	30.6.2016	30.6.2016	30.6.2016	30.6.2016
Repayment Frequency	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment	5 Monthly Installment
Repayment Installment	Repayment Schedule attached as Enclosure - 1 to Form - 7								
Base Exchange Rate	Not Applicable								
Are foreign currency loan hedged ?	Not Applicable								
If above is yes, specify details									



(Petitioner)

*Interest Rates are subject to annual reset as per prevailing MCLR.
Petitioner has refinanced its existing loan during Sep-Oct'2015. The above mentioned loans are the refinanced loans against the old existing loans.
Base rate: Aforesaid T/L interest rates are as per SBI repricing letter dt. 23.5.18. Said rates are revised during 2019-20 on 23.5.2019 to 8.45% + 0.85% = 9.30%

Details of Project Specific Loans (Loan D- Forex loans)**Name of the Petitioner : JSW Hydro Energy Limited****Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant**

Particulars	Package1
1	2
Source of Loan	Green Bonds
Currency	USD
Amount of Loan sanctioned	707 Million
Amount of Gross Loan drawn as on 31.03.2024	707 Million
Interest Type*	Fixed
Fixed Interest Rate, if applicable (as on 31.03.2024)	8.035%
Base Rate, if Floating Interest (SBI 1 year MCLR as on 31.3.2019)	NA
Margin, if Floating Interest	NA
Are there any Caps/Floor	NA
If above is yes, specify caps/floor	NA
Moratorium Period	NA
Moratorium effective from	NA
Repayment Period	10 Years
Repayment effective from	18-11-21
Repayment Frequency	Half Yearly installment
Repayment Installment	56.56 Million p.a.
Base Exchange Rate	NA
Are foreign currency loan hedged ?	Yes
If above is yes, specify details	*

Petitioner has refinanced its existing loan during May2021 with aforesaid Forex loans. The above mentioned Forex loans are the refinanced loans against the old INR loans.

* Above interest rate of 8.035% is inclusive of hedging rate of 3.6565% p.a.



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PART II
FORM 8Details of allocation of corporate loans to various projects

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Rs. in lacs)

Particulars	Package1	Package2	Package3	Package4	Package5	Package6
1	2	3	4	5	6	7
Source of Loan						
Currency ²						
Amount of Loan sanctioned						
Amount of Gross Loan drawn upto 31.3.2019 /COD						
Interest Type ⁶						
Fixed Interest Rate, if applicable						
Base Rate, if Floating Interest ⁷						
Margin, if Floating Interest ⁸						
Are there any Caps/Floor ⁹						
If above is yes, specify caps/floor						
Moratorium Period ¹⁰						
Moratorium effective from						
Repayment Period ¹¹						
Repayment effective from						
Repayment Frequency ¹²						
Repayment Instalment ^{13,14,15}						
Base Exchange Rate ¹⁶						
Are foreign currency loan hedged?						
If above is yes, specify details ¹⁷						
Distribution of loan packages to various projects						
Name of the Projects						
Project 1						
Project 2						
Project 3 and so on						

NOT APPLICABLE

NOT APPLICABLE



(Petitioner)

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Year wise Statement of Additional Capitalisation after COD (FY 2024-25)

Name of the Petitioner : JSW Hydro Energy Limited
 Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
 COD : 13.09.2011 (Project)
 For Financial Year : 2024-25

Rs. In Lakh

Sl. No.	Head of Work / Equipment	ACE Claimed (Actual / Projected)				Regulations under which claimed	Justification	Admitted Cost by the Commission, if any
		Accrual basis	Un-discharged Liability included in col. 3	Cash basis	IDC included in col. 3			
1	2	3	4	5 = 4 - 3	6	7	8	9
i	Project Work - Environment & Ecology *	1,728.87	1,728.87	-				
ii	Project Work - LADA *	927.92	927.92	-				
	Sub Total	2,656.78	2,656.78	-				
2	Additional capital expenditure for increase in plant efficiency							
i	Guide Vanes	634.37	-	634.37			Within original scope and after cut off date, under Reg. 25 (2) (d) of 2024 Tariff Regulations	
ii	Sholtu Township (Permament residential staff Qtrs)	525.25		525.25				
	Sub Total	1,159.62	-	1,159.62				

* Undischarged liabilities of previous tariff period (2014-19) brought forward



Year wise Statement of Additional Capitalisation after COD (FY 2025-26)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)
For Financial Year : 2025-26

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Rs. In Lakh

Sl. No.	Head of Work / Equipment	ACE Claimed (Actual / Projected)				Regulations under which claimed	Justification	Admitted Cost by the Commission, if any
		Accrual basis	Un-discharged Liability included in col. 3	Cash basis	IDC included in col. 3			
1	2	3	4	5 = 4 - 3	6	7	8	9
2	Project Work - Environment & Ecology	1,728.87	1,728.87					
3	Project Work - LADA	927.92	927.92					
	Sub Total	2,656.78	2,656.78	-				-
2	Additional capital expenditure for increase in plant efficiency							
i	Machinery & Equip.(wheel loader, fire fighting tender, Crane and partial discharge Measurement system)	970.00	-	970.00			Within original scope and after cut off date, under Reg. 25 (2) (d) of 2024 Tariff Regulations	
		970.00		970.00				



* Undischarged liabilities of previous tariff period (2014-19) brought forward

(Petitioner)

Year wise Statement of Additional Capitalisation after COD (FY 2026-27)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)
For Financial Year : 2026-27

Rs. In Lakh

Sl. No.	Head of Work / Equipment	ACE Claimed (Actual / Projected)			Regulations under which claimed	Justification	Admitted Cost by the Commission, if any
		Accrual basis	Un-discharged Liability included in col. 3	Cash basis 5 = 4 - 3			
1	2	3	4	5 = 4 - 3	7	8	9
2	Project Work - Environment & Ecology	1,728.87	1,728.87				
3	Project Work - LADA	927.92	927.92				
	Sub Total (B)	2,656.78	2,656.78	-			

* Undischarged liabilities of previous tariff period (2014-19) brought forward

(Petitioner)



Year wise Statement of Additional Capitalisation after COD (FY 2027-28)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)
For Financial Year : 2027-28

1805

Rs. In Lakh

Sl. No.	Head of Work / Equipment	ACE Claimed (Actual / Projected)			Regulations under which claimed	Justification	Admitted Cost by the Commission, if any
		Accrual basis	Un-discharged Liability included in col. 3	Cash basis 5 = 4 - 3			
1	2	3	4	5 = 4 - 3	6	7	8
2	Project Work - Environment & Ecology	1,728.87	-	1,728.87			9
3	Project Work - LADA	927.92	-	927.92			
	Sub Total (B)	2,656.78	-	2,656.78			

* Undischarged liabilities of previous tariff period (2014-19) brought forward

(Petitioner)



1008

Rs. In Lakh

Year wise Statement of Additional Capitalisation after COD (FY 2028-29)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)
For Financial Year : 2028-29

Sl. No.	Head of Work / Equipment	ACE Claimed (Actual / Projected)				Regulations under which claimed	Justification	Admitted Cost by the Commission, if any
		Accrual basis	Un-discharged Liability included in col. 3	Cash basis	IDC included in col. 3			
1	2	3	4	5 = 4 - 3	6	7	8	9
2	Project Work - Environment & Ecology	-	-	-	-			
3	Project Work - LADA	-	-	N.A.	-			
	Sub Total (b)	-	-	-	-			

* Undischarged liabilities of previous tariff period (2014-19) brought forward

** Material for Guide vanes had been received at site during Mar-April'24, will be part of capitalisation during the FY 2024-25

Work is already in progress for balance work of approx 5.25 cr and is expected to be completed in FY 2024-25



(Petitioner)

Statement of Additional Capitalisation during end of the Project

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

COD : 13.09.2011 (Project)

1897

Sr. No.	Year	Work/Equipment added during last five years of useful life of each unit/Station	Amount capitalised / Proposed to be capitalised (Rs Lakh)	Justification for capitalisation proposed	Impact on life extension
1	2	3	4	5	6
NOT APPLICABLE					

Note:-

1. Cost Benefit analysis for capital additions done should be submitted along with petition for approval of such schemes
2. Justification for additional capital expenditure claim for each asset should be relevant to regulation under which claim and the necessity of capitalization of the asset



(Petitioner)

1893

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Region : Northern District : Kinnaur State : Himachal Pradesh

Rs. In Lakh

Details of Assets De-capitalized during the period

Sr. No.	Name of the Asset	Nature of de-capitalization (whether claimed under exclusion or as additional capital expenditure)	Original Value of the Asset Capitalised	Year Put to use	Year of Decapitalisa tion	Depreciation recovered till date of decapitalization
1	2	3	4	5	6	7
1	Guide Vanes	As an Addl. Capex	423.52	2010-11	2024-25	310.58
2	<u>Various machinery & equipment</u>	As an Addl. Capex	64.11	1998-99	2025-26	49.70
		As an Addl. Capex	32.00	2007-08	2025-26	30.40
		As an Addl. Capex	21.67	2010-11	2025-26	15.89
			541.31			406.58

Note: Year wise detail need to be submitted.



(Petitioner)

Details of Assets De-capitalized during the period

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Sr. No.	Name of the Asset	Nature of de-capitalization (whether claimed under exclusion or as additional capital expenditure)	Original Value of the Asset Capitalised	Year Put to use	Depreciation recovered till date of de-capitalization *
1	2	3	4	5	6
2024-25	Guide vanes	Claimed as additional expenditure against assets decapitalised	21,176,091	2010	15,529,134
2024-25	Guide vanes		21,176,091	2010	15,529,134
	Sub Total		42,352,182		31,058,268
2025-26	Partial Discharge measurement system		2,167,242	2010	1,589,311
2025-26	Fire Fighting tender		2,203,839	1999	2,200,755
2025-26	Wheel Loader		4,207,500	1988	2,769,404
2025-26	Mobile crane 28 ton		3,200,000	2007	3,040,000
	Sub Total		11,778,581		9,599,470
	Total for control period 2024-29		54,130,763		40,657,738



Statement showing reconciliation of ACE claimed with the capital additions as per books

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)

1999

Sr. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7
1	Closing Gross Block a per IND AS	666,913.58	667,765.79	667,765.79	670,422.57	670,422.57
2	Add/Less: Adjustments	-	-	-	-	-
3	Closing Gross Block a per IGAAP	666,913.58	667,765.79	667,765.79	670,422.57	670,422.57
4	Opening Gross Block as per IND AS	666,177.48	666,913.58	667,765.79	667,765.79	670,422.57
5	Add/Less: Adjustments	-	-	-	-	-
6	Opening Gross Block a per IGAAP	666,177.48	666,913.58	667,765.79	667,765.79	670,422.57
7	Total Additions as per books (7=3-6)	736.10	852.21	-	2,656.78	-
8	Less: Additions pertaining to other Stages (give Stage wise breakup)	-	-	-	-	-
9	Net Additions pertaining to instant project/Unit/Stage	736.10	852.21	-	2,656.78	-
10	Less: Exclusions (items not allowable / not claimed)	-	-	-	-	-
11	Net Additional Capital Expenditure Claimed (on accrual basis)	736.10	852.21	-	2,656.78	-
12	Less: Undischarged liabilities	-	-	-	-	-
13	Add: Discharges of un-discharged liabilities, corresponding to admitted assets/works	-	-	-	-	-
14	Net Additional Capital Expenditure Claimed (on cash basis)	736.10	852.21	-	2,656.78	-

Note: Reason for exclusion of any expenditure shall be given in Clear terms



(Petitioner)

1901

Statement showing items/assets/works claimed under Exclusions:

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
COD : 13.09.2011 (Project)

Sr. No.	Head of Work / Equipment	ACE Claimed under Exclusion				Justification
		Accrual basis	Undischarged Liability included in col. 3	Cash basis	IDC included in col. 3	
1	2	3	4	5=(3-4)	6	7
NOT APPLICABLE						

- Note: 1. Exclusions claimed on assets not allowed in Tariff should be supported by the specific reference of Commission Order date, Petition No., amount disallowed, etc..
2. For inter unit transfer i.e. temporary or permanent should be mentioned. It is to be certified that exclusion sought in receiving station only and not in sending station or in both the station.



Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Statement of Capital cost

S.No.	PARTICULARS	2024-25				2025-26				2026-27				2027-28				2028-29				(Amount in Rs. Lakhs)
		Accrual basis	Un discharged liabilities	Cash Basis		Accrual basis	Un discharged liabilities	Cash Basis		Accrual basis	Un discharged liabilities	Cash Basis		Accrual basis	Un discharged liabilities	Cash Basis		Accrual basis	Un discharged liabilities	Cash Basis		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17						
A	a) Opening Gross Block Amount *	666,177.48	-	666,177.48	666,913.58	-	666,913.58	667,765.79	-	667,765.79	667,765.79	-	667,765.79	670,422.57	-	667,765.79	667,765.79					
	b) Amount of IDC in A(a) above *	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62					
	c) Amount of FC in A(a) above *	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00					
	d) Amount of FERV in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	e) Amount of Hedging cost in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	f) Amount of IEDC in A(a) above **	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17					
B	a) Addition in Gross Block Amount during the period (Direct purchases)	1,159.62	-	1,159.62	970.00	-	970.00	-	-	-	-	-	-	-	-	-	-					
	b) Amount of IDC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	c) Amount of FC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	d) Amount of FERV in B(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	e) Amount of Hedging cost in B(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	f) Amount of IEDC in B(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
C	a) Addition in Gross Block Amount during the period (Transferred from CWIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	b) Amount of IDC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	c) Amount of FC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	d) Amount of FERV in C(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	e) Amount of Hedging cost in C(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	f) Amount of IEDC in C(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
D	a) Deletion in Gross Block Amount during the period	423.52	-	423.52	117.79	-	117.79	-	-	-	-	-	-	-	-	-	-					
	b) Amount of IDC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	c) Amount of FC in A(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	d) Amount of FERV in D(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	e) Amount of Hedging cost in D(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	f) Amount of IEDC in D(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
E	a) Closing Gross Block Amount as per books	666,913.58	-	666,913.58	667,765.79	-	667,765.79	667,765.79	-	667,765.79	670,422.57	-	667,765.79	670,422.57	-	667,765.79	667,765.79					
	b) Amount of IDC in A(a) above	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62	-	96,488.62	96,488.62					
	c) Amount of FC in A(a) above	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00	-	7,098.00	7,098.00					
	d) Amount of FERV in E(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	e) Amount of Hedging cost in E(a) above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	f) Amount of IEDC in E(a) above	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17	-	37,455.17	37,455.17					

* Capital cost and other opening balances, are as on 31.3.2024 and brought forward from the True up forms for control period 2019-24



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Statement of Capital Woks in Progress

(Rs. in lacs)

PARTICULARS		2024-25				2025-26				2026-27				2027-28				2028-29			
S.No.		Accrual basis	Un discharged liabilities	Cash Basis	Accrual basis	Un discharged liabilities	Cash Basis	Accrual basis	Un discharged liabilities	Cash Basis	Accrual basis	Un discharged liabilities	Cash Basis	Accrual basis	Un discharged liabilities	Cash Basis	Accrual basis	Un discharged liabilities			
A	a) Opening CWIP as per books																				
	b) Amount of IDC in A(a) above																				
	c) Amount of FC in A(a) above																				
	d) Amount of FERV in A(a) above																				
	e) Amount of Hedging Cost in A(a) above																				
	f) Amount of IEDC in A(a) above																				
B	a) Addition in CWIP during the period																				
	b) Amount of IDC in A(a) above																				
	c) Amount of FC in A(a) above																				
	d) Amount of FERV in A(a) above																				
	e) Amount of Hedging Cost in A(a) above																				
	f) Amount of IEDC in A(a) above																				
C	a) Transferred to Gross Block Amount during the period																				
	b) Amount of IDC in A(a) above																				
	c) Amount of FC in A(a) above																				
	d) Amount of FERV in A(a) above																				
	e) Amount of Hedging Cost in A(a) above																				
	f) Amount of IEDC in A(a) above																				
D	a) Deletion in CWIP during the period																				
	b) Amount of IDC in A(a) above																				
	c) Amount of FC in A(a) above																				
	d) Amount of FERV in A(a) above																				
	e) Amount of Hedging Cost in A(a) above																				
	f) Amount of IEDC in A(a) above																				
E	a) Closing CWIP as per books																				
	b) Amount of IDC in A(a) above																				
	c) Amount of FC in A(a) above																				
	d) Amount of FERV in A(a) above																				
	e) Amount of Hedging Cost in A(a) above																				
	f) Amount of IEDC in A(a) above																				

NOT APPLICABLE

(Petitioner)



Financing of Additional Capitalisation

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant
Date of Commercial Operation : 13.09.2011

100

Financial Year (Starting from COD)	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	9
Amount capitalised in Work/Equipment	No separate financing for additional capitalisation				
Financing Details					
Loan-1					
Loan-2					
Loan-3 and so on					
Total Loan ²					
Equity					
Internal Resources					
Others					
Total					



(Petitioner)

Calculation of depreciation on original project cost

PART-II
FORM-11

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wanatoo Hydro-Electric Plant

S. No.	Name of the Assets	Depreciation Rates as per Depreciation Schedule	Gross Block as on 31.3.2019	Depreciation Amount	Gross Block as on 31.3.2020	Depreciation Amount	Gross Block as on 31.3.2021	Depreciation Amount	Gross Block as on 31.3.2022	Depreciation Amount	Gross Block as on 31.3.2023	Depreciation Amount	Gross Block as on 31.3.2024	Depreciation Amount
	1	2	3	4= Col.2 X Col.3	5	6= Col.2 X Col.4	7	8= Col.2 X Col.7	9	10= Col.2 X Col.9	11	12= Col.2 X Col.11	13	14= Col.2 X Col.13
A	Land under full ownership		2,408.44		2,408.44		2,408.44		2,408.44		2,408.44		2,408.44	
	Land under lease	3.34%	288.42	9.63	288.42	9.63	288.42	9.63	288.42	9.63	288.42	9.63	288.42	9.63
	Land other than under lease	0.03%	2,200.02		2,200.02		2,200.02		2,200.02		2,200.02		2,200.02	
B	Land under lease													
(a)	Land under lease	3.34%	1,278.86	42.71	1,278.86	42.71	1,278.86	42.71	1,278.86	42.71	1,278.86	42.71	1,278.86	42.71
C	Assets purchased new													
(a)	Plant and Machinery in generating stations													
(i)	Hydro electric	5.28%	151,251.94	7,986.10	151,251.94	7,986.10	151,251.94	7,986.10	151,251.94	7,986.10	151,251.94	7,986.10	151,251.94	7,986.10
(ii)	Hydraulic works forming part of the Hydro													
(i)	Dams, Spillways, Weirs, Canals, Reinforced concrete flumes and siphons	5.28%	88,808.86	4,689.11	88,808.86	4,689.11	88,808.86	4,689.11	88,808.86	4,689.11	88,808.86	4,689.11	88,808.86	4,689.11
(ii)	Non-recoil concrete pipelines and surge tanks, steel penstocks, surge gates, steel surge tanks, hydraulic control valves and hydraulic works	5.28%	361,632.25	19,094.18	361,632.25	19,094.18	361,632.25	19,094.18	361,632.25	19,094.18	361,632.25	19,094.18	361,632.25	19,094.18
(C)	Building & Civil Engineering works of a													
(i)	Containing hydro-electric generating plant	3.34%	25,657.49	856.96	25,657.49	856.96	25,657.49	856.96	25,657.49	856.96	25,657.49	856.96	25,657.49	856.96
(ii)	Others	3.34%	3,217.87	107.48	3,217.87	107.48	3,217.87	107.48	3,217.87	107.48	3,217.87	107.48	3,217.87	107.48
(C)	Transformers, Kiosk, substation equipment & other fixed apparatus (including plant)													
(i)	Transformers including foundations having rating of 110 KV and above	5.28%	7,307.32	385.83	7,307.32	385.83	7,307.32	385.83	7,307.32	385.83	7,307.32	385.83	7,307.32	385.83
(ii)	Switchgear including cable connections	5.28%	38,047.87	2,008.93	38,047.87	2,008.93	38,047.87	2,008.93	38,047.87	2,008.93	38,047.87	2,008.93	38,047.87	2,008.93
(i)	Lightning arrester													
(i)	Station Type	5.28%	373.39	19.71	373.39	19.71	373.39	19.71	373.39	19.71	373.39	19.71	373.39	19.71
(ii)	Batteries	5.28%	465.91	24.60	465.91	24.60	465.91	24.60	465.91	24.60	465.91	24.60	465.91	24.60
(i)	Communication equipment													
(i)	Radio and high frequency carrier system	6.33%	2,014.11	127.49	2,014.11	127.49	2,014.11	127.49	2,014.11	127.49	2,014.11	127.49	2,014.11	127.49
(i)	Self propelled vehicles	9.50%	71.17	6.76	71.17	6.76	71.17	6.76	71.17	6.76	71.17	6.76	71.17	6.76
(i)	Air Conditioning Plants													
(i)	Basic													
(i)(i)	Office furniture and furnishing	5.28%	924.89	48.83	924.89	48.83	924.89	48.83	924.89	48.83	924.89	48.83	924.89	48.83
(i)(i)	Office Equipment	6.33%	16.96	1.07	16.96	1.07	16.96	1.07	16.96	1.07	16.96	1.07	16.96	1.07
(i)(i)	Office Equipment	6.33%	214.55	13.58	214.55	13.58	214.55	13.58	214.55	13.58	214.55	13.58	214.55	13.58
	TOTAL		683,771.9	35,423.0	683,771.9	35,423.0	683,771.9	35,423.0	683,771.9	35,423.0	683,771.9	35,423.0	683,771.9	35,423.0
	Weighted Average Depreciation Rate (%)			5.1805%		5.1805%		5.1805%		5.1805%		5.1805%		5.1805%

Notes: a) Details are same as submitted for True up for the control period 2014-19 & MYT for the control period 2019-24

(Petitioner)



1995

Statement of Depreciation

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

1995

(Amount in Rs Lakh)

Sl. No.	Particulars	2023-24 Existing	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7	8
1	Opening Capital Cost ¹	665,601.21	666,177.48	666,913.58	667,765.79	667,765.79	670,422.57
2	Closing Capital Cost ¹	666,188.94	666,913.58	667,765.79	667,765.79	670,422.57	670,422.57
3	Average Capital Cost	665,895.07	666,545.53	667,339.68	667,765.79	669,094.18	670,422.57
4	Freehold land	2,200.02	2,200.02	2,200.02	2,200.02	2,200.02	2,200.02
5	Rate of Depreciation	5.1805%	Note 1				
6	Depreciable Value	630,510.30	631,128.23	631,882.68	632,287.48	633,549.46	634,811.43
7	Balance useful life at the beginning of the period	23.45 Years	22.45 Years	21.45 Years	20.45 Years	19.45 Years	18.45 Years
8	Remaining depreciable value at the beginning of the period	231,902.69	198,106.39	190,347.08	181,973.89	174,337.38	166,635.99
9	Depreciation (for the period)	34,496.88	8,824.34	8,873.99	8,898.48	8,963.36	9,031.76
10	Depreciation (annualised)	34,496.88	8,824.34	8,873.99	8,898.48	8,963.36	9,031.76
11	Cumulative depreciation at the end of the year	433,104.49	441,846.18	450,409.59	459,212.07	468,175.44	477,207.20
12	Less: Cumulative depreciation adjustment on account of un-discharged liabilities deducted as on 01.04.2009	-	-	-	-	-	-
13	Less: Cumulative depreciation adjustment on account of de-capitalisation	82.64	310.58	95.99	-	-	-
14	Net Cumulative depreciation at the end of the year *	433,021.84	441,535.60	450,313.60	459,212.07	468,175.44	477,207.20

1 In case of details of FERV and AAD, give information for the applicable period

COD of the project			Useful life, Upto 31.3.19	7.55 years
IA period (40 years)		13-09-11	Useful life, Upto 31.3.24	12.55 years
Salvage value as per IA		12-09-51	Project useful life (As per IA & Tariff Reg 2024)	40 years
(As per Companies Act 1956/ 2013 provisions)		5%	Depreciation period (As per PPA)	35 years
Depreciation to be calculated from COD of the generating station i.e. 13.9.2011				
After 12 years from COD, remaining depreciable value shall be amortised over the balance useful life as per PPA i.e. 35.00 - 12.55 = 22.45 years		8,824.34	8,898.48	9,031.76



* Opening values, As per working done for True up for the period 2019-24

(Petitioner)

Calculation of Weighted Average Rate of Interest on Actual Loans

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Rs. in lacs)

Sl. no.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	1	2	3	4	5
1 State Bank of India (refinance loan)						
Gross loan - Opening		349,700.00	349,700.00	349,700.00	349,700.00	349,700.00
Cumulative repayments of Loans upto previous year		349,700.00	349,700.00	349,700.00	349,700.00	349,700.00
Net loan - Opening		-	-	-	-	-
Add: Drawal(s) during the Year		-	-	-	-	-
Less: Repayments(s) of Loans during the year		-	-	-	-	-
Net loan - Closing		-	-	-	-	-
Weighted Average Loan/Average Loan		-	-	-	-	-
Rate of Interest on Loan on annual basis						
Interest on loan		-	-	-	-	-
2 Syndicate Bank (refinance loan)						
Gross loan - Opening		59,700.00	59,700.00	59,700.00	59,700.00	59,700.00
Cumulative repayments of Loans upto previous year		57,610.50	57,610.50	57,610.50	57,610.50	57,610.50
Net loan - Opening		-	-	-	-	-
Add: Drawal(s) during the Year		-	-	-	-	-
Less: Repayments(s) of Loans during the year		-	-	-	-	-
Net loan - Closing		-	-	-	-	-
Weighted Average Loan/Average Loan		-	-	-	-	-
Rate of Interest on Loan on annual basis						
Interest on loan		-	-	-	-	-
3 Central Bank of India (refinance loan)						
Gross loan - Opening		59,700.00	59,700.00	59,700.00	59,700.00	59,700.00
Cumulative repayments of Loans upto previous year		57,564.81	57,564.81	57,564.81	57,564.81	57,564.81
Net loan - Opening		-	-	-	-	-
Add: Drawal(s) during the Year		-	-	-	-	-
Less: Repayments(s) of Loans during the year		-	-	-	-	-
Net loan - Closing		-	-	-	-	-
Weighted Average Loan/Average Loan		-	-	-	-	-
Rate of Interest on Loan on annual basis						
Interest on loan		-	-	-	-	-
4 Allahabad bank (refinance loan)						
Gross loan - Opening		39,800.00	39,800.00	39,800.00	39,800.00	39,800.00
Cumulative repayments of Loans upto previous year		38,407.00	38,407.00	38,407.00	38,407.00	38,407.00
Net loan - Opening		-	-	-	-	-
Add: Drawal(s) during the Year		-	-	-	-	-
Less: Repayments(s) of Loans during the year		-	-	-	-	-
Net loan - Closing		-	-	-	-	-
Weighted Average Loan/Average Loan		-	-	-	-	-
Rate of Interest on Loan on annual basis						
Interest on loan		-	-	-	-	-
5 Vijaya Bank (refinance loan)						
Gross loan - Opening		39,799.97	39,799.97	39,799.97	39,799.97	39,799.97
Cumulative repayments of Loans upto previous year		38,386.36	38,386.36	38,386.36	38,386.36	38,386.36
Net loan - Opening		-	-	-	-	-
Add: Drawal(s) during the Year		-	-	-	-	-
Less: Repayments(s) of Loans during the year		-	-	-	-	-
Net loan - Closing		-	-	-	-	-
Weighted Average Loan/Average Loan		-	-	-	-	-
Rate of Interest on Loan on annual basis						
Interest on loan		-	-	-	-	-



Sl. no.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	1	2	3	4	5
6	Punjab National Bank (refinance loan)					
	Gross loan - Opening	31,700.00	31,700.00	31,700.00	31,700.00	31,700.00
	Cumulative repayments of Loans upto previous year	30,542.86	30,542.86	30,542.86	30,542.86	30,542.86
	Net loan - Opening	-	-	-	-	-
	Add: Drawal(s) during the Year	-	-	-	-	-
	Less: Repayments(s) of Loans during the year	-	-	-	-	-
	Net loan - Closing	-	-	-	-	-
	Weighted Average Loan/Average Loan	-	-	-	-	-
	Rate of Interest on Loan on annual basis	-	-	-	-	-
	Interest on loan	-	-	-	-	-

7	Axis Bank (refinance loan)					
	Gross loan - Opening	23,842.00	23,842.00	23,842.00	23,842.00	23,842.00
	Cumulative repayments of Loans upto previous year	23,005.50	23,005.50	23,005.50	23,005.50	23,005.50
	Net loan - Opening	-	-	-	-	-
	Add: Drawal(s) during the Year	-	-	-	-	-
	Less: Repayments(s) of Loans during the year	-	-	-	-	-
	Net loan - Closing	-	-	-	-	-
	Weighted Average Loan/Average Loan	-	-	-	-	-
	Rate of Interest on Loan on annual basis	-	-	-	-	-
	Interest on loan	-	-	-	-	-

8	Green Bonds (USD)					
	Gross loan - Opening	474,983.81	474,983.81	474,983.81	474,983.81	474,983.81
	Cumulative repayments of Loans upto previous year	4,511.73	41,105.37	64,145.82	81,764.98	102,772.44
	Net loan - Opening	436,413.11	399,819.46	376,779.02	359,159.85	338,152.39
	Add: Drawal(s) during the Year	-	-	-	-	-
	Less: Repayments(s) of Loans during the year	36,593.65	23,040.44	17,619.16	21,007.46	21,685.12
	Net loan - Closing	399,819.46	376,779.02	359,159.85	338,152.39	316,467.27
	Weighted Average Loan/Average Loan	410,680.59	383,845.25	365,528.00	346,908.13	325,067.05
	Rate of Interest on Loan on annual basis	8.035%	8.035%	8.035%	8.035%	8.035%
	Interest on loan	32,996.34	30,840.24	29,368.54	27,872.51	26,117.68

Total Refinance Loan (Sr. no. 1 to 8)					
Gross loan - Opening	1,095,125.78	1,079,225.78	1,079,225.78	1,079,225.78	1,079,225.78
Cumulative repayments of Loans upto previous year	615,628.77	636,322.41	659,362.86	676,982.02	697,989.48
Net loan - Opening	436,413.11	399,819.46	376,779.02	359,159.85	338,152.39
Add: Drawal(s) during the Year	-	-	-	-	-
Less: Repayments(s) of Loans during the year	36,593.65	23,040.44	17,619.16	21,007.46	21,685.12
Net loan - Closing	399,819.46	376,779.02	359,159.85	338,152.39	316,467.27
Weighted Average Loan/Average Loan	410,680.59	383,845.25	365,528.00	346,908.13	325,067.05
Interest on loan	32,996.34	30,840.24	29,368.54	27,872.51	26,117.68
Weighted average Rate of Interest on Loans	8.035%	8.035%	8.035%	8.035%	8.035%

Effective interest rate	8.035%	8.035%	8.035%	8.035%	8.035%
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Note:

1. In case of Foreign Loans, the calculations in Indian Rupees is to be furnished. However, the calculation in Original currency is also to be furnished separately in the same form.



Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Calculation of Weighted Average Rate of Interest for the Financial Year 2024-25 to 2028-29

SL. NO.	NAME OF LENDER	NATURE OF FACILITY	PRODUCT OF DEBT AMOUNT (Rs.)	INTEREST (Rs.)	WEIGHTED AVERAGE RATE OF INTEREST	REFERENCE APPENDIX
A1	RUPEE TERM LOAN:			NIL		
A2 1	FOREX TERM LOAN: Green Bonds (USD)		183,202,901,878	14,719,531,261	8.035%	Appendix-1 to Enclosure -1 to Form 13
	Total		183,202,901,878	14,719,531,261		
B	WEIGHTED AVERAGE RATE OF INTEREST ON RUPEE & FOREX TERM LOAN					
	Total Product of Debt Amount (Rs.)					183,202,901,878
	Total interest (Rs.)					14,719,531,261
	WEIGHTED AVERAGE RATE OF INTEREST ON RUPEE & FOREX TERM LOAN					8.035%



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Calculation of Weighted Average Rate of Interest for the Financial Year 2024-25 to 2028-29

Green Bonds (USD)

Outstanding Balance		Interest Period		No. of Days	Rate	Interest Amount (Rs.)	
Date	Amount (Rs.)	From	To			Product of Debt	Interest
(1)	(2)	(3)	(4)	(5)	(6)	'2' X '5' / 365 = (7)	'7' X '6' = (8)
1-Apr-24	43,641,310,501	1-Apr-24	17-May-24	47	8.035%	5,619,566,010	451,506,918
18-May-24	41,201,734,138	18-May-24	17-Nov-24	184	8.035%	20,770,189,264	1,668,791,526
18-Nov-24	39,981,945,956	18-Nov-24	31-Mar-25	134	8.035%	14,678,303,447	1,179,335,831
						41,068,058,721	3,299,634,274
1-Apr-25	39,981,945,956	1-Apr-25	17-May-25	47	8.035%	5,148,360,164	413,647,642
18-May-25	38,491,093,734	18-May-25	17-Nov-25	184	8.035%	19,403,729,444	1,559,002,610
18-Nov-25	37,677,901,613	18-Nov-25	31-Mar-26	134	8.035%	13,832,435,113	1,111,374,105
						38,384,524,721	3,084,024,356
1-Apr-26	37,677,901,613	1-Apr-26	17-May-26	47	8.035%	4,851,675,002	389,810,320
18-May-26	36,729,177,471	18-May-26	17-Nov-26	184	8.035%	18,515,530,561	1,487,639,814
18-Nov-26	35,915,985,350	18-Nov-26	31-Mar-27	134	8.035%	13,185,594,622	1,059,403,373
						36,552,800,185	2,936,853,508
1-Apr-27	35,915,985,350	1-Apr-27	17-May-27	47	8.035%	4,624,798,114	371,581,780
18-May-27	34,831,729,189	18-May-27	17-Nov-27	184	8.035%	17,559,008,687	1,410,787,573
18-Nov-27	33,815,239,037	18-Nov-27	31-Mar-28	135	8.035%	12,507,006,219	1,004,881,839
						34,690,813,020	2,787,251,192
1-Apr-28	33,815,239,037	1-Apr-28	17-May-28	47	8.035%	4,354,291,054	349,847,752
18-May-28	32,798,748,886	18-May-28	17-Nov-28	184	8.035%	16,534,163,822	1,328,445,886
18-Nov-28	31,646,726,714	18-Nov-28	31-Mar-29	134	8.035%	11,618,250,355	933,474,293
						32,506,705,232	2,611,767,930

Note: Interest rate of 8.03% is arrived after grossing up TDS applicable @ 5.78% on Green Bonds interest of 4.125% + Hedging cost of 3.6565% is added to the interest rate to arrive at the final interest cost to the company.

Details for forex. rates	USD	Rate in INR	Amount INR	Loan share for KW (92%)
Op. Balance 1.4.24	569,135,000	83.35	47,436,207,067	43,641,310,501
Repayment	31,815,000	83.35	2,651,713,439	2,439,576,363
Repayment	15,907,500	83.35	1,325,856,719	1,219,788,182
Cl. Balance 31.3.25	521,412,500	83.35	43,458,636,909	39,981,945,956
Op. Balance 1.4.25	521,412,500	83.35	43,458,636,909	39,981,945,956
Repayment	19,442,500	83.35	1,620,491,546	1,490,852,222
Repayment	10,605,000	83.35	883,904,480	813,192,121
Cl. Balance 31.3.26	491,365,000	83.35	40,954,240,884	37,677,901,613
Op. Balance 1.4.26	491,365,000	83.35	40,954,240,884	37,677,901,613
Repayment	12,372,500	83.35	1,031,221,893	948,724,141
Repayment	10,605,000	83.35	883,904,480	813,192,121
Cl. Balance 31.3.27	468,387,500	83.35	39,039,114,511	35,915,985,350
Op. Balance 1.4.27	468,387,500	83.35	39,039,114,511	35,915,985,350
Repayment	14,140,000	83.35	1,178,539,306	1,084,256,162
Repayment	13,256,250	83.35	1,104,880,599	1,016,490,151
Cl. Balance 31.3.28	440,991,250	83.35	36,755,694,606	33,815,239,037
Op. Balance 1.4.28	440,991,250	83.35	36,755,694,606	33,815,239,037
Repayment	13,256,250	83.35	1,104,880,599	1,016,490,151
Repayment	15,023,750	83.35	1,252,198,013	1,152,022,172
Cl. Balance 31.3.29	412,711,250	83.35	34,398,615,994	31,646,726,714



Calculation of Interest on Normative Loan

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Sl. No.	Particulars	2023-24 Existing	2024-25 3	2025-26 4	2026-27 5	2027-28 6	2028-29 7
1	Amount of Capital Cost - Opening	665,601.21	666,177.48	666,913.58	667,765.79	667,765.79	670,422.57
1	Gross Normative loan - Opening	465,920.85	466,324.23	466,839.50	467,436.05	467,436.05	469,295.80
2	Cumulative repayment of Normative Loan upto previous year	398,963.99	433,460.87	442,285.21	451,159.19	460,057.67	469,295.80
3	Net Normative loan - Opening	66,956.86	32,863.37	24,554.30	16,276.86	7,378.38	-
4	Add: Increase due to addition during the year / period	490.29	811.73	679.00	-	-	-
5	Less: Decrease due to de-capitalisation during the year / period	78.89	296.47	82.45	-	-	-
6	Less: Decrease due to reversal during the year / period (repayment of loan equal to depreciation claimed *)	34,496.88	8,824.34	8,873.99	8,898.48	9,238.13	-
7	Add: Increase due to discharges during the year / period	-	-	-	-	1,859.75	-
8	Net Normative loan - Closing	32,871.39	24,554.30	16,276.86	7,378.38	-	-
9	Average Normative loan	49,914.12	28,708.83	20,415.58	11,827.62	3,689.19	-
10	Weighted average Rate of Interest	8.0346%	8.0346%	8.0346%	8.0346%	8.0346%	8.0346%
11	Interest on loan	4,010.38	2,306.63	1,640.30	950.30	296.41	-

* Maximum repayment of loan during FY 27-28 would be equal to the opening balance of loan & 70% of Addl. Capex during the year.



Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Calculation of Interest on Working Capital

Sl. No.	Particulars	2023-24 Existing	2024-25	2025-26	2026-27	2027-28	2028-29
1	2	3	4	5	6	7	8
1	O & M Expenses *	14,107.59	12,612.68	13,302.30	14,029.64	14,796.74	15,605.78
2A	Security Expenses #	596.04	628.64	663.03	699.30	737.55	777.90
2B	Insurance Expenses @	-	3,033.87	3,199.83	3,374.86	3,559.46	3,754.17
3	O & M expenses (for one month)	1,225.30	1,356.27	1,430.43	1,508.65	1,591.15	1,678.15
4	Maintenance Spares (15%)	2,205.54	2,441.28	2,574.77	2,715.57	2,864.06	3,020.68
5	Receivables (45 days)	13,014.58	9,831.55	9,876.40	9,917.89	9,956.46	10,074.52
6	Total Working Capital	16,445.43	13,629.10	13,881.60	14,142.11	14,411.67	14,773.35
7	Rate of Interest	12.00%	11.90%	11.90%	11.90%	11.90%	11.90%
8	Interest on Working Capital	1,973.45	1,621.86	1,651.91	1,682.91	1,714.99	1,758.03

* O & M expenses approved by the Hon'ble Commission in CERC (terms & conditions of Tariff) Regulations 2024, for the FY 2024-25 to 2028-29

Security expenses & insurance expenses are considered based on audited books of accounts for FY 23-24, escalated with 5.47% p.a. for control period 2024-29 and will be offered for true up at the end of the control period.

Capital spares shall be claimed at the time of True up for the period 2024-29

(Petitioner)

@ Insurance Expense	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Mega Policy for the Project (Policy year: Oct- Sep)	2,016.37	2,644.04	3,283.17				
Pro rata for the financial year (Apr-Mar)		2,330.21	2,963.61	3,125.71	3,296.69	3,477.02	3,667.21
(escalated with 5.47% p.a. for control period 2024-29)							
Other policies		66.63	70.27	74.11	78.17	82.44	86.95
Total for the year (FY 23-24 as per audited books)		2,396.83	3,033.87	3,199.83	3,374.86	3,559.46	3,754.17



Non-Tariff Income

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Amount in Rs Lakh)

S. No	Parameters	2024-25	2025-26	2026-27	2027-28	2028-29
1	Income from rent of land or buildings					
2	Income from sale of scrap					
3	Income from advertisements					

NOT APPLICABLE

Note: to be submitted at the time of true up



(Petitioner)

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PART-II
FORM-13D

Incidental Expenditure during Construction

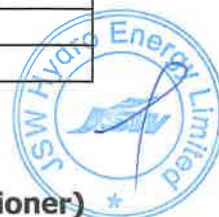
Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

(Amount in Rs Lakh)

S. No	Parameters	Upto Schedule COD	Up to actual / anticipated COD
A	Expenses:		
1	Employees' Benefits Expenses		
2	Finance Costs		
3	Water Charges		
	Communication Expenses		
4	Power Charges	NOT APPLICABLE, COD 13.9.2011	
	Depreciation		
5	Other Office and Administrative Expenses		
6	Others ...		
7	Other pre-operating expenses		
B	Total Expenses		
	Less: Income from sale of tenders		
	Income from guest house		
	Income recovered from contractors		
	Interest on Deposits		
C	Net Amount of IEDC		

(Petitioner) *



Draw Down Schedule for Calculation of IDC & Financing Charges

Name of the Petitioner : JSW Hydro Energy Limited
Name of the generating Station : Karcham Wandoo Hydro-Electric Plant

No	Particulars	2024-25				2025-26				2026-27				2027-28				2028-29			
		Quarter 1 30/06/2022	Quarter 2 30/09/2022	Quarter 3 31/12/2022	Quarter 4 31/03/2023	Quarter 1 30/06/2023	Quarter 2 30/09/2023	Quarter 3 31/12/2023	Quarter 4 31/03/2024	Quarter 1 30/06/2024	Quarter 2 30/09/2024	Quarter 3 31/12/2024	Quarter 4 31/03/2025	Quarter 5 30/06/2025	Quarter 6 30/09/2025	Quarter 7 31/12/2025	Quarter 8 31/03/2026	Quarter 9 30/06/2026	Quarter 10 30/09/2026	Quarter 11 31/12/2026	Quarter 12 31/03/2027
1	Loans																				
1.1	Foreign Loans																				
1.1.1	Foreign Loan-1																				
	Draw down amount																				
	IDC																				
	Financing charges																				
	Foreign Exchange Rate Variation																				
	Hedging cost																				
1.1.2	Foreign Loan-2																				
	Draw down amount																				
	IDC																				
	Financing charges																				
	Foreign Exchange Rate Variation																				
	Hedging cost																				
1.1	Total Foreign Loans																				
	Draw down amount																				
	IDC																				
	Financing charges																				
	Foreign Exchange Rate Variation																				
	Hedging cost																				
1.2	Indian Loans																				
1.2.1	Indian Loan -1-																				
	Draw down Amount																				
	IDC																				
1.2.2	Indian Loan -2-																				
	Financing charges																				
	Draw down Amount																				
	IDC																				
1.2.3	Indian Loan -3-																				
	Financing charges																				
	Draw down Amount																				
	IDC																				
	Financing charges																				
1.2	Total Indian Loans																				
	Draw down Amount																				
	IDC																				
	Financing charges																				
1	Total of Loans drawn																				
	IDC																				
	Financing charges																				
	Foreign exchange rate variation																				
	Hedging cost																				
2	Equity																				
2.1	Foreign Equity Drawn																				
2.2	Indian Equity Drawn																				
	Total equity deployed																				
	(Please refer Note 1.)																				

NOT APPLICABLE, COD 13.9.2011

(Petitioner)



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PART - II
FORM - 14A

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Actual Cash Expenditure

(Rs. In lacs)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	Q1 to Q4	Q1 to Q4	Q1 to Q4	Q1 to Q4	Q1 to Q4
Expenditure towards gross block					
Add: expenditure towards CWIP					
Add: capital advances, if any	NOT APPLICABLE, COD 13.09.2011				
Less: undischarged liabilities (included above)					
Payment to Contractors / Suppliers towards capital assets					
Cumulative payments					


(Petitioner)

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Part - II
Form - 15A**Design Energy and peaking capability (month wise) -
ROR with Pondage / Storage type new stations****Name of the Petitioner : JSW Hydro Energy Limited****Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant**

Name of the Generating Company : JSW Hydro Energy Limited

Name of Hydro electric Generating Station : Karcham Wangtoo Hydro-Electric Plant

Installed capacity : No. of units x MW = 4 x 250 MW = 1000 MW *

Month		Design Energy (Mus)	Designed Peaking Capability (MW)
April	I	57.81	Designed peaking capacity is 1000 x 1.10 (i.e. 110% of deemed rated capacity on continuous basis as per CEA Technical Standards for Connectivity to the Grid Regulation, 2007) = 1100 MW *
	II	62.47	
	III	117.34	
May	I	159.74	
	II	167.33	
	III	250.83	
June	I	158.28	
	II	228.00	
	III	228.00	
July	I	228.00	
	II	228.00	
	III	250.80	
August	I	228.00	
	II	228.00	
	III	250.80	
September	I	203.70	
	II	172.14	
	III	103.23	
October	I	65.10	
	II	45.55	
	III	39.72	
November	I	33.66	
	II	38.26	
	III	59.66	
December	I	54.58	
	II	51.23	
	III	51.82	
January	I	43.70	
	II	41.07	
	III	42.02	
February	I	37.49	
	II	36.71	
	III	29.75	
March	I	39.94	
	II	45.26	
	III	53.07	
Total		4131.06	
Design Energy is based on revised water availability series as finalized by CEA during December, 2010 and the deemed rated capacity of 1000 MW.			
Refer Enclosure – 1 to Form 2 for details of Design Energy generation			
Specify the number of peaking hours for which station has been designed - minimum 3 hrs peaking operation at full peaking capacity of 1100 MW			

* Installed capacity of the plant has been uprated by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA.



(Petitioner)

Design Energy and MW Continuous (month wise) - ROR type stations**Name of the Petitioner : JSW Hydro Energy Limited****Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant**

Name of the Generating Company : JSW Hydro Energy Limited

Name of Hydro electric Generating Station : Karcham Wangtoo Hydro-Electric Plant

Installed capacity : No. of units x MW = 4 x 250 MW = 1000 MW *

Month		Design Energy * (Mus)	MW Continuous*
April	I II III	NOT APPLICABLE Non- ROR project	
May	I II III		
June	I II III		
July	I II III		
August	I II III		
September	I II III		
October	I II III		
November	I II III		
December	I II III		
January	I II III		
February	I II III		
March	I II III		
Total			

*As per DPR/TEC of CEA dated



Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

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Statement of Liability Flow

Party	Asset / Work	Year of actual capitalisation	Original Liability	Liability as on 31.03.2024	Discharges (Yearwise)								Reversal (Yearwise)					(Amount in Rs. Lakh)			
					2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29		
1	2	3	4	5	6	7	8	9													
a. For assets eligible for normal ROE																					
Environment & Ecology LADA	Project Work	2011-12	7,356.53	1,728.87	-	-	-	-	1,728.87	-	-	-	-	-	-	-	-	-	-		
	Project Work	2011-12	6,779.30	927.92	-	-	-	-	927.92	N.A.	-	-	-	-	-	-	-	-	-		
	Total		14,135.82	2,656.78	-	-	-	-	2,656.78	-	-	-	-	-	-	-	-	-	-		
b. For assets eligible for ROE at weighted average rate of interests on loan																					
Nil																					



(petitioner)

Name of the Petitioner : JSW Hydro Energy Limited

Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Operation and Maintenance expenses (Commercial operation on or after 1.4.2024)

(Amount in Rs. Lakh)

In case of the hydro generating stations declared under commercial operation on or after 1.4.2024

Total capital expenditure up to cutoff date (a)	NOT APPLICABLE , COD 13.9.2011
R&R Expenditure (b)	
IDC & IEDC (c)	
Capital cost considered for O&M expense(d)= (a)-(b)-(c)	
First year annualize O&M expenses @ 3.50% of above (e) = 3.50% of (d)	
O&M expense for next year @ 4.77% of above (f) = 4.77% of (e)	
Additional O&M expenses due to 7th Pay Commission Wage Revision	
Additional O&M expenses due to Minimum Wage Revision	
Additional O&M expenses due to Goods and Services Tax (GST)	

Note: Additional O&M expenses with supporting documents and computations to be provided for respective years of Tariff Period.



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

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Details of statutory charges , if applicable

(Amount in Rs. Lakh)

Particulars	Unit rate	No. of units	Amount claimed
1	2	3	4
Electricity duty	NOT APPLICABLE		
Water cess			
.....			



(Petitioner)

Name of the Petitioner : JSW Hydro Energy Limited
Name of the Generating Station : Karcham Wangtoo Hydro-Electric Plant

Summary of issue involved in the petition

1. Petitioner:	JSW Hydro Energy Limited					
2. Subject	Application for true up of capital cost & generation tariff for 2019-24 tariff period under Regulation 13 of the CERC (Terms and Conditions of Tariff) Regulations, 2019 AND determination of generation tariff for 2024-29 tariff period under Regulation 9(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2024, in respect of Karcham Wangtoo Hydro Electric Project (KW HEP)					
3. Prayer:	The Petitioner prays that this Hon'ble Commission may be pleased to:					
	a) true up the capital cost and tariff for sale of power from Karcham Wangtoo HEP for the FY 2019-20 to FY 2023-24					
	b) in addition to true up AFC, allow the 1/3rd gain applicable to the Company on account of refinancing of loans done in Sept'15, for the control period FY 2019-20 to FY 2023-24					
	c) allow recovery of energy charges amounting to Rs 48.33 crores in FY 2024-25 in six equal installments along with LPS if any, towards the shortfall in energy charges in terms of Regulation 65 (7) & (8) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 and LPS on the late payment of these instalments					
	d) determine the tariff for the 2024-29 tariff period					
	e) allow additional capex for tariff period 2024-29					
	f) allow additions / alterations / changes / modifications to the Present Petition as may be necessary at a future date.					
	g) pass such further order or orders as this Hon'ble Commission may deem fit and proper in the circumstances of the case.					
4. Respondents						
Name of Respondents:						
	a.	PTC India Ltd, 2nd Floor, NBCC Tower, 15 Bhikaji Cama Place, New Delhi -110066				
	b.	Haryana Power Generation Corporation Limited, Through Its CMD, Plot No. C-7, Sector - 6, Panchkula, Harvana -134109				
	c.	Uttar Pradesh Power Corporation Limited, Through Its CMD Shakti Bhawan, 14, Ashok Marg, Lucknow - 226 001. Uttar Pradesh				
	d.	Jaipur Vidyut Vitran Nigam Limited, Through Its CMD, Vidyut Bhawan, Janpath, Jaipur - 302005, Rajasthan				
	e.	Ajmer Vidyut Vitran Nigam Limited, Through Its CMD, Vidyut Bhawan, Panchsheel Nagar, Makarwali Road, Ajmer- 305004, Rajasthan				
	f.	Jodhpur Vidyut Vitran Nigam Limited, Through Its CMD, New Power House, Industrial Area Jodhpur-342003, Rajasthan				
	g.	Punjab State Power Corporation Limited, Through Its CMD, The Mall, Old Pseb Building, Patiala-147 001, Punjab				
	i.	The State of Himachal Pradesh, Through Principal Secretary (MPP & Power), Government of Himachal Pradesh, Shimla- 171002, H.P				
	j.	HPSEB Ltd. Vidyut Bhawan, Shimla - 171004				
5. Project Scope	IC	1045 MW		*		
	DE (Gross)	4131.06 Mus		@		
	FEHS	12%		\$		
	AUX	1.20%				
	NAPAF	90%				
Cost	Sanction Cost	660.653	(Capital cost as on 31.3.2019, admitted vide true up order			
	Latest RCE	NA				
Commissioning	Unit/Station COD	13-09-11				
Claim		2024-25	2025-26	2026-27	2027-28	2028-29
	AFC (Rs. Lakh)	79,745	80,109	80,445	80,979	81,939
	Capital cost (Rs. lakh)	666,914	667,766	667,766	670,423	670,423
	Initial spare	NA, project COD 13.9.2011				
	NAPAF **	90%	90%	90%	90%	90%
	Design Energy (Mus) @	4131.06	4131.06	4131.06	4131.06	4131.06
	Any Specific	-	-	-	-	-

* Installed capacity of the plant has been uprated from 1000MW to 1091 MW, by CEA wef 29.4.2021 in two stages. For the year 2021 and 2022 plant has successfully operated at first stage of 1045 MW. Application for 2nd stage of 1091 MW is under process at CEA.

** Subject to the final notification of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (First Amendment) Regulations, 2024

@ Corresponding to 1000 MW

\$ As per IA dt. 18.11.1999: 12% upto 12 years, 18% from 13th year onwards

PETITIONER



आज दिनांक 20 जून, 2024 को स्थानीय क्षेत्र विकास समिति की विशेष बैठक करच्छम-वाँगतू जल विद्युत परियोजना प्रबन्धन के साथ माननीय राजस्व, बागवानी, जनजातीय विकास, एवं शिकायत निवारण मन्त्री श्री जगत सिंह नेगी की अध्यक्षता में सम्पन्न हुई, जिसका विवरण निम्न प्रकार से है:-

बैठक में उपस्थित सरकारी व गैर सरकारी सदस्यों की सूची निम्न प्रकार से है:-

सरकारी सदस्य

1. डॉ० (मे०) शशांक गुप्ता, सदस्य सचिव लाडा किन्नौर।
2. डॉ० कंचन देवी, तहसीलदार कल्पा, जिला किन्नौर।
3. श्री बालम शर्मा, अधिशासी अभियन्ता, डी०ओ०ई०, शिमला।
4. श्री बी०आर०, सहायक अभियन्ता, डी०ओ०ई०, शिमला।
4. श्री धीरज बेहक, जिला कार्यक्रम अधिकारी, जिला किन्नौर।
5. श्री बलबीर चन्द्र, एस०एम०एस० कृषि विभाग, जिला किन्नौर।
6. श्री मति कवीता, एच०ई०ओ० कृषि विभाग, जिला किन्नौर।

गैर सरकारी सदस्य

1. श्री विरेन्द्र सिंह, जिला परिषद सदस्य, किन्नौर।
2. श्री बलबीर सिंह, जिला परिषद सदस्य, किन्नौर।
3. श्री हितेश कुमार, सदस्य जिला परिषद, जिला किन्नौर।
4. श्री मति मीरा देवी, सदस्य जिला परिषद, जिला किन्नौर।
5. समस्त सम्बन्धित परियोजना प्रभावित प्रधान, उप प्रधान, एवं अन्य जन प्रतिनिधि, जिला किन्नौर।

कम्पनी व निगम के प्रतिनिधिगण।

1. श्री जसविन्द्र सिंह, उप महा प्रबन्धक, करच्छम-वाँगतू जल विद्युत परियोजना जिला किन्नौर।

(दिनांक 04 सितम्बर, 2023 को हुई लाडा की बैठक का मदानुसार समीक्षा)

सर्वप्रथम सदस्य सचिव लाडा एवं उप मण्डलाधिकारी कल्पा स्थित रिकॉग पिओ ने अध्यक्ष महोदय को किन्नौरी टोपी व खतगस पहनाकर उनका स्वागत किया उनके उपरान्त उन्होंने सदन में उपस्थित सभी गैर सरकारी, सरकारी सदस्यों व आज की बैठक में उपस्थित विभिन्न परियोजना प्रबन्धन प्रतिनिधियों का भी स्वागत किया। उन्होंने सदन में उपस्थित सभी सदस्यों को हुई असुविधा के लिए खेद व्यक्त करते हुए कहा कि 20 सूत्रिय कार्यक्रम की पिछली बैठक जोकि पी०ओ०आई०डी०पी० के सभागार में चल रही थी, में अधिक समय लगने के कारण अन्तिम समय में इस बैठक के लिए निर्धारित स्थल को स्थानान्तरित करना पड़ा। तदुपरान्त उन्होंने अध्यक्ष महोदय की अनुमति से करच्छम-वाँगतू जल विद्युत परियोजना प्रबन्धन के साथ बैठक को आरम्भ किया। जिसकी कार्यावाही का विवरण निम्न प्रकार से है:-

मद संख्या 1:- जल विद्युत परियोजना प्रबन्धक द्वारा लाडा में एल०ए०डी०एफ० की राशि जमा करवाने बारे, व परियोजना संशोधित लागत में हुई वृद्धि के सन्दर्भ में चर्चा:-

Member Secretary (SDM)
LADC, Kinnaur at.
Reckong Peo



सदस्य सचिव द्वारा सदन को अवगत करवाया गया कि पिछली बैठक में इस मद पर काफी विचार विमर्श हो चुका था, जिसके अनुसार सम्बन्धित परियोजना का एल0ए0डी0एफ0 की कुल देय राशि मूलधन 34.95 करोड़ व ब्याज राशि 76.76 करोड़ कुल 111 करोड़ की बकाया राशि बनती है। उन्होंने अध्यक्ष महोदय से अनुमति माँगते हुए कहा की यदि अज्ञा हो तो इस बाबत सम्बन्धित परियोजना प्रबन्धन प्रतिनिधि सदन में अपना पक्ष रख सकते हैं। अध्यक्ष महोदय से अनुमति मिलने के उपरान्त सम्बन्धित परियोजना प्रबन्धन ने सदन के समक्ष अपना पक्ष रखा। उन्होंने कहा की उनकी तरफ से सम्बन्धित परियोजना का जो एल0ए0डी0एफ0 देय था। उसका पूर्ण भुगतान किया जा चुका है केवल 11 लाख की एक राशि रहती है जिसका समायोजन एल0ए0डी0एफ0 में किया जाना बाकी है। इस पर सदस्य सचिव ने सदन को अवगत किया कि आज की इस बैठक में डी0ओ0ई0 से अधिकारी पधारें हैं। अध्यक्ष महोदय ने इस मद पर कड़ा संज्ञान लेते हुए सदन में उपस्थित डी0ओ0ई0 के अधिकारियों से जानना चाहा की एल0ए0डी0एफ0 के समायोजित करने का अधिकार किसे है? सम्बन्धित अधिकारी ने जवाब दिया कि एल0ए0डी0सी0 की विशेष बैठक को ही एल0ए0डी0एफ0 को समायोजित करने का अधिकार है। अध्यक्ष महोदय ने कहा की यदि ऐसा है तो डी0ओ0ई0 ने ऐसा क्यों किया की सम्बन्धित परियोजना द्वारा किए गए कार्यों को एल0ए0डी0एफ0 में समायोजित कर दिया व उन्हें पत्र जारी कर दिया गया। अब वर्तमान समय में सम्बन्धित परियोजना प्रबन्धन उसी पत्र को लेकर दावा कर रही है की उनका कोई भी एल0ए0डी0एफ0 बकाया में नहीं रहता है। अतः एल0ए0डी0सी0 की स्वीकृति के बिना इस प्रकार पत्र कैसे जारी किया गया। जहाँ तक 11 लाख की बात है उसे भी सम्बन्धित परियोजना प्रबन्धन समायोजित करने की बात कर रही है। डी0ओ0ई0 से आए अधिशासी अभियन्ता ने सदन का अवगत किया की पिछले आंकड़े ऑडिट कमेटी द्वारा बनाए गए थे लेकिन वर्तमान समय में सम्बन्धित परियोजना प्रबन्धन को कुल एल0ए0डी0एफ0 4.56 करोड़ बकाया में रहता है। इस पर अध्यक्ष महोदय ने कहा की वर्तमान समय में विषय यह नहीं है। विषय यह है कि सम्बन्धित परियोजना प्रबन्धन का कुल एल0ए0डी0एफ0 बकाया में लगभग 34 करोड़ रहता है व इसपर ब्याज लगाने से यह कई गुणा बड़ जाता है। यह मामला सम्बन्धित परियोजना प्रबन्धन के साथ पिछले सात, आठ सालों से चलता आ रहा है। इससे पहले उक्त परियोजना का संचालक जे0पी0 थी। पहले इस परियोजना का कुल एल0ए0डी0 103 करोड़ था। सरकार बदलने पर यह 86 करोड़ पर आ गया। एल0ए0डी0एफ0 समायोजन का प्रावधान 2009 की पोलिसी के बाद आया। जिसमें सम्बन्धित परियोजना प्रबन्धन ने 54 करोड़ का समायोजन करवाया व 32 करोड़ के करीब एल0ए0डी0एफ0 बकाया में रहता था। इसके उपरान्त कई मरतबा एल0ए0डी0सी0 की बैठक करवाई गई। उसके उपरान्त सम्बन्धित परियोजना प्रबन्धन द्वारा डी0ओ0ई0 के सहायक अभियन्ता के माध्यम से एल0ए0डी0एफ0 के समायोजन का मामला एल0ए0डी0सी0 की बैठक में लाया गया। इन बैठकों में सम्बन्धित परियोजना प्रबन्धन द्वारा किए गए कई कार्यों को समायोजित करने से स्पष्ट इनकार किया गया। कुछ पंचायतों ने किए गए कार्यों को समायोजित करने के लिए माना था। उस वक्त इस प्रकार सम्बन्धित परियोजना का कुल एल0ए0डी0एफ0 34 करोड़ बकाया में बचता था। अध्यक्ष महोदय ने कहा की 2014 में उस वक्त की सरकार में 15 करोड़ की ई0एम0पी0 का पैसा समायोजित करने का फैसला लिया गया। जिसपर विधान सभा में उनके द्वारा प्रश्न पूछा गया था कि क्या ई0एम0पी0 का पैसा किसी अन्य योजना में स्थानान्तरित हो सकता है? जिस पर उस वक्त की सरकार ने जवाब

Member Secretary (SDM)
LADC, Kinnaur at
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दिया था की ई0एम0पी0 के तहत दी जानी वाली राशि को अन्य किसी योजना में स्थानान्तरित नहीं किया जा सकता है। यह पैसा विशिष्ट पर्यावरण के विकास में ही खर्च किया जा सकता है। यह पैसा एल0ए0डी0एफ0 का हिस्सा नहीं है। अतः ई0एम0पी0 का पैसा तो लाडा में समायोजित ही नहीं हो सकता था। अतः सवाल यह उठता है कि डी0ओ0 पोलिसी में विद्यमान शक्तियों के अतिरिक्त शक्तियों का प्रयोग करते हुए एल0ए0डी0एफ0 का समायोजन कर रही है व साथ में फिर यह कहकर विरोधाभास उत्पन्न कर रहे हैं कि वर्तमान में सम्बन्धित परियोजना का कुल बकाया एल0ए0डी0एफ0 4.56 करोड़ रहता है। डी0ओ0ई0 से आए सहायक अभियन्ता ने सदन में 2015 की कमेटी की रिपोर्ट सदन में प्रस्तुत करते हुए कहा की उक्त रिपोर्ट को तत्कालीन सरकार ने भी माना है। जिस पर अध्यक्ष महोदय ने कहा की उनके द्वारा इस पर विधान सभा में डाईसेन्टरी नोट भी लगाया गया था। उन्होंने कहा की हम इस प्रकार की किसी भी कमेटी की रिपोर्ट को नहीं मानते हैं। सरकार की ओर से वर्ष 2020 में उनके विधान सभा प्रश्न का उत्तर दिया गया है जोकि एक सरकारी दस्तावेज है। अध्यक्ष महोदय ने कहा कि विभिन्न अधिसूचनाओं से यह स्पष्ट है कि डी0ओ0ई0 की कोई भी कमेटी एल0ए0डी0सी0 के विपरित कार्य नहीं कर सकती। उन्होंने कहा की एल0ए0डी0सी0 की बैठक में लिए गए निर्णय स्वीकृति है। अतः व सभी को मान्य होना चाहिए। इस पर डी0ओ0ई0 से आए अधिकारी ने माना की जल्द ही उनके द्वारा जारी किए गए पत्र में संशोधन किया जाएगा। आगे अध्यक्ष महोदय ने कहा की डी0ओ0ई0 लाडा को विश्वास में लिए बिना परियोजना प्रबन्धन के साथ बैठक करती है व निर्णय लेती है। यहाँ पर लाडा सम्बन्धित परियोजना प्रबन्धन के साथ अपने माँगों को लेकर लड़ रही है। अगर ऐसा होता रहा तो एल0ए0डी0सी का कोई औचित्य ही नहीं रहता है। जिसका सदन में उपस्थित सभी सदस्यों ने पूर्ण समर्थन किया। उन्होंने कहा की यदि ऐसा ही रहा तो उन्हें एल0ए0डी0सी0 की बैठक भी शिमला में ही करनी होगी। उक्त परियोजना से अठारह पंचायतें प्रभावित हैं लेकिन डी0ओ0ई0 द्वारा किए जा रहे विरोधाभासात्मक कार्यों से केवल लड़ाई को बढ़ाया जा रहा। सम्बन्धित परियोजना प्रबन्धन भी इस लड़ाई को खत्म नहीं करना चाहती। जबकी यह एक बहुत बड़ी जल विद्युत परियोजना है जोकि 2011 को बनकर तैयार हो चुकी है व यह राशि इनके लिए कोई बहुत बड़ी राशि नहीं है। पहले जे0पी0 वाले इस प्रकार का व्यवहार करते थे लेकिन वर्तमान समय में जे0एस0डब्ल्यू भी उन्हीं की तरह व्यवहार कर रही है व डी0ओ0ई0 उन्हें ताकत देने का कार्य कर रही है। उन्होंने सदन में उपस्थित डी0ओ0ई0 के अधिकारियों से उन्होंने पूछा की वर्तमान समय में लाडा क्या करे? क्या हमें लाडा पोलिसी का अनुसरण करना चाहिए या डी0ओ0ई0 के पत्रों का? उन्होंने कहा की 2014 की बैठक में जे0पी0 ने परियोजना प्रभावित पंचायतों को फसल नुकसान व परियोजना निर्माण के दौरान किए गए विस्फोट से हुए नुकसान का मुआवजा देने से इनकार कर लिए। क्योंकि उस वक्त चुनाव नज़दीक थे व चार पंचायत जिन्होंने ने चुनाव का बहिष्कार किया था। उन्हें फसल नुकसान व विस्फोट के कारण हुए नुकसान का मुआवजा मिल गया जबकि वे पंचायत जिनका वास्तविक रूप में नुकसान हुआ था, उन्हें इसका लाभ प्राप्त नहीं हुआ। बाद में यह निर्णय लिया गया की चार पंचायतों को फसल नुकसान का मुआवजा मिल गया है। अतः इस रहने दिया जाए। जिससे मैं सहमत न हुआ तभी मुझे अपने मुख्यमंत्री की अध्यक्षता में डाईसेन्टी नोट लिखना पड़ा था। उसके बाद मुझे दो बार विधान सभा प्रश्न पूछना पड़ा। जिसके पहले प्रश्न में मुझे गोल-मोल जवाब दिया गया। जबकि मेरे द्वारा पूछे गए दूसरे

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विधान सभा प्रश्न में स्पष्ट जवाब दिया गया कि ई0एम0पी0 का पैसा अन्य योजनाओं में स्थानान्तरित नहीं किया जा सकता ।

इसके उपरान्त सदस्य सचिव लाडा ने डी0ओ0ई0के अधिकारियों को स्पष्ट किया कि आज की यह बैठक स्पष्ट करती है की लाडा के एल0ए0डी0एफ0 का समायोजन मान्य नहीं है व इसे सिरे से खारिज करती है। इस पर अध्यक्ष महोदय ने कहा की आज की बैठक ही नहीं अपितु पिछले कई बैठकों में एल0ए0डी0एफ0 के समायोजन को लाडा बैठक ने नकारा है । अतः इन बैठकों की प्रति डी0ओ0ई0 को भी भेजी जा चुकी है। यदि उन्हें आवश्यकता हो तो फिर से उपलब्ध करवा दी जाएगी। अध्यक्ष महोदय ने कहा की ऐसा भी नहीं है कि सम्बन्धित परियोजना प्रबन्धन द्वारा की गई सभी कार्यों को लाडा ने नकारा है कुछ एक कार्य ऐसे भी थे जिसे सम्बन्धित पंचायतों ने माना है व उन्हें लाडा में समायोजित भी किया जा चुका है। इस मद की समाप्ति के दौरान अध्यक्ष महोदय ने कहा की डी0ओ0ई0 के अधिकारियों का आज इस बैठक में उपस्थित होने से यह स्पष्ट हो गया कि हम हमेशा से परियोजना प्रभावित लोगों की हितों की सुरक्षा के लिए लड़ते आये हैं चाहे सरकार किसी की भी हो। अध्यक्ष महोदय ने लाडा सचिव का निर्देश देते हुए कहा की उक्त परियोजना के सी0ओ0डी0 को वास्तविक स्थिति से अवगत करवाते हुए पत्र लिखा जाए व उन्हें अवगत किया जाए की परियोजना प्रभावित क्षेत्र के लोगों से अच्छे सम्बन्ध को बनाए रखने के लिए इस मसले को तुरन्त हल करें अन्यथा हर तीन माह बाद बैठक करने का कोई औचित्य ही नहीं है, जब कोई परिणाम निकलना ही नहीं है। अन्यथा सारी पंचायतें बैठकर यह फैसला कर ले की आगे करना क्या है।

सदस्य सचिव ने सदन का ध्यान इस ओर भी आकृष्ट किया की सम्बन्धित परियोजना प्रबन्धन यह कह कर ब्याज की राशि देने से मना कर रही है वे 2009 की पोलिसी के अर्न्तगत आते हैं। उन्होंने कहा यदि सम्बन्धित परियोजना 2009 की पोलिसी के अर्न्तगत आती है तो एल0ए0डी0एफ0 के समायोजन की बात छोड़ दे । क्योंकि एल0ए0डी0एफ0 समायोजना की व्यवस्था 2011 की पोलिसी के अर्न्तगत है। अतः यदि एल0ए0डी0एफ0 का समायोजन करना चाहती है तो एल0ए0डी0एफ0 का ब्याज जमा करें। इस पर सम्बन्धित परियोजना प्रबन्धन के प्रतिनिधि ने कहा की यदि ऐसा है तो लिखित में दें कम्पनी प्रबन्धन देखेगी की क्या यह मामला नियमों के अर्न्तगत है। परियोजना प्रबन्धन के प्रतिनिधि द्वारा कहे गए इस कथन पर अध्यक्ष महोदय ने कडा संज्ञान लेते हुए कहा की हम नियमों के अर्न्तगत ही बात कर रहें व नियमों के तहत ही उक्त मुआवजे की मांग की जा रही है । लाडा में पोलिसी में निहित नियमों के अनुसार ही कम्पनी प्रबन्धन द्वारा लाडा समायोजन की बात रखी जा रही है । क्योंकि शुरुवाती दौर में उक्त परियोजना लाडा के अर्न्तगत नहीं आती थी लेकिन हमारी मांग थी की उक्त परियोजना को लाडा के अर्न्तगत लाया जाए, इसलिए उक्त परियोजना को लाडा के अर्न्तगत लाया गया। इस प्रकार उक्त परियोजना के साथ अनुपूरक समझौता हुआ । दूसरा अनुपूरक समझौता उस वक्त की कम्पनी जे0पी0 ने ग्राम पंचायत सापनी के साथ किया । जिसमें दोनों पक्षों द्वारा यह लिखा गया की सापनी किले के निर्माण के लिए तीन करोड़ लाडा से दिया जाएगा। दो पक्षों के बीच का समझौता कुछ भी हो लेकिन यहा पर लाडा को लाना उचित नहीं था । क्योंकि किसी भी पंचायत को लाडा का पैसा उसके लाडा हिस्से अनुसार मिलना है । जबकि सापनी गाँव का लाडा हिस्सा दो करोड़ का बनता था । इन दोनों पक्षों के समझौते के कारण सापनी गाँव को किला निर्माण हेतु तीन करोड़ देना पड़ा जोकि गलत हुआ

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है। इस पर सदस्य सचिव ने प्रकाश डालते हुए कहा कि लाडा की पोलिसी 2008 की अन्त में आई थी और यह समझौता 2008 की शुरु में ही हो जाता है। अतः इससे प्रतीत होता है की उक्त कम्पनी प्रबन्धन को यह ज्ञात था की लाडा पोलिसी आने वाली है। इस पर सम्बन्धित परियोजना प्रबन्धन प्रतिनिधि ने कहा की उनके कहने का अभिप्राय यह था कि वे जो भी फैसला लेते है उसे ऑडिट कमेटी को स्पष्ट करना होता है।

अध्यक्ष महोदय ने कहा की दूसरी बैठक सम्बन्धित परियोजना प्रबन्धन के सीओडी के साथ ही की जाएगी। इसके लिए यदि वे यहाँ पर उपलब्ध न हो तो बैठक शिमला में ही की जाएगी। उन्होंने सम्बन्धित पंचायत प्रतिनिधियों से भी कहा की यदि उनमें से कुछ लोग इस बैठक में आना चाहते है तो वे भी शिमला आ सकते है। इस प्रकार बिना फैसले के बार-बार बैठक करना उचित नहीं है। अध्यक्ष महोदय ने सदस्य सचिव को कहा की ईएमपी के पैसे की वसूली हेतु कार्यवाही की जाए। उन्होंने सदन को कहा की वर्तमान समय में इस परियोजना के तहत लाडा में विकासात्मक कार्य हेतु देने के लिए पैसा नहीं है दूसरा सापनी गाँव के कुछ लोगों ने माननीय उच्च न्यायालय में कैस यह कह कर लगाया की लाडा के तहत बहुत बड़ी धाधली की जा रही है। लाडा का पैसा प्रदेश से बाहर लगाया जा रहा है। इस कैस पर प्रकाश डालते हुए अध्यक्ष महोदय ने कहा कि बौद्ध गया में एक तीर्थ स्थान है जहाँ पर एक सराया भवन बनना था। इसके निर्माण हेतु 65 लाख की राशि दी गई जोकि केवल एक ही परियोजना के एलओडीएफ से नहीं था बल्की सभी जल विद्युत परियोजनाओं के एलओडीएफ से थोड़ा-2 पैसा इक्कठा कर उक्त सराया भवन के निर्माण हेतु दिया गया जिसकी स्वीकृति लाडा की विशेष बैठक से लेने उपरान्त तत्कालीन कैबिनेट से लिया गया था। परन्तु इस केस में वास्तविक तथ्यों को छुपाया गया जिस कारण माननीय उच्च न्यायालय ने वर्तमान समय में लाडा के तहत एक लाख से अधिक की सभी योजनाओं पर धन राशि खर्च करने पर रोक लगाई है। अतः यदि कोई भी विकासात्मक कार्य लाडा के अन्तर्गत करना है तो सर्वप्रथम इसकी स्वीकृति माननीय उच्च न्यायालय से लेनी होगी। इस बाबत वर्तमान समय में रिहायत देने बारे माननीय उच्च न्यायालय में मामला चल रहा है। पिछले साडे छः वर्षों में लाडा के तहत नई योजनाओं में किसी भी प्रकार को कोई धनराशि व्यय न हो सका है। उन्होंने कहा की दो दिन पूर्व ही उक्त पंचायत से सम्बन्धित लोग किसी कार्य को लेकर उनके पास आए थे तो उनसे स्पष्ट कहा गया है कि या तो वे अपना झूठा केस वापस ले लें, जिसमें उन्होंने माननीय उच्च न्यायालय से भी वास्तविक तथ्यों को छुपाया है अन्यथा इस केस की पेरवी करने में लाडा को जो खर्च उठाना पड़ेगा भविष्य में उसका भुगतान भी उन्हें ही करना होगा।

उन्होंने कहा यदि लाडा के पैसे का कहीं दुरुपयोग हुआ है तो वह 2008 से 2012 के बीच में पूर्व में रही सरकार में हुआ है जिसमें सात करोड़ से अधिक पैसा परियोजना प्रभावित क्षेत्र से बाहर बँटा गया था। इसमें किसी ने एक शब्द तक नहीं कहा। जैसे ही कोर्ट का फैसला आता है व सम्बन्धित परियोजना प्रबन्धन से लाडा का पैसा प्राप्त होता है वैसे ही सभी पंचायतों को अपने-2 हिस्से के हिसाब से लाडा की धनराशि उपलब्ध करवा दी जाएगी। वर्तमान समय में लाडा के अन्तर्गत इस परियोजना में पंचायतों को देने के लिए पैसा नहीं है। अध्यक्ष महोदय ने कहा की लाडा के पास रिकॉर्ड है किस पंचायत में लाडा के अन्तर्गत कितना काम हुआ है कई पंचायत ऐसे भी है जिन्हें लाडा के शेयर के अनुसार पैसा प्राप्त नहीं हुआ है व कुछ पंचायत ऐसे भी है जिन्हें अपने शेयर से अधिक पैसा दिया जा चुका है। कई

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पंचायतों में अच्छे कार्य भी हुए हैं तो कई पंचायतों में किए गए कार्यों की जाँच भी करवाई गई है जो काम गलत हुए थे उन पर एफ0आई0आर0 भी दर्ज हुआ है। अतः उन्होंने इस सन्दर्भ में सदस्य सचिव लाडा को निर्देश जारी करते हुए कहा की पंचायतों से सम्बन्धित लाडा की योजनाओं का एक बुकलेट तैयार किया जाए व उसे पंचायतानुसार उपलब्ध करवाया जाए।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

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मद संख्या 2:- परियोजना निर्माण के कारण वन सम्पदा एवं वन अधिकारों को हुए नुकसान व इसके एवज में प्रभावितों को समुचित मुआवजा (न्यूनतम 500 दिन की दिहाड़ी) अदा करने बारे:- सदस्य सचिव लाडा ने अध्यक्ष महोदय से कहा की दो तीन मर्दें और है जोकि कहीं न कहीं डी0ओ0ई0 से सम्बन्धित है। यह मद भी उन्हीं में से एक है। सम्बन्धित परियोजना प्रबन्धन यह मानने से इनकार करती है कि वे 2006 की आर0 एण्ड आर0 पोलिसी के अर्न्तगत आते हैं। जिस कारण उक्त परियोजना के अर्न्तगत आने वाली अठारह पंचायतों को उक्त परियोजना निर्माण कार्य के कारण होने वाले वन्य सम्पदा एवं वन अधिकारों को हुए नुकसान के एवज में मिलने वाले मुआवजा(500 दिन की न्यूनतम दिहाड़ी) प्रदान नहीं की जा सकी है। उक्त परियोजना प्रबन्धन इस मुआवजे को देने से मना करती आ रही है। इस चर्चा में अध्यक्ष महोदय ने प्रकाश डालते हुए कहा की 2006 में कोई आर0 एण्ड आर0 पोलिसी नहीं थी। जिस कारण केन्द्र सरकार के आर0 एण्ड आर0 पोलिसी का अनुसरण किया जाता रहा। इसी का अनुसरण करते हुए एच0पी0पी0सी0एल0 ने करच्छम-वोंगतू जल विद्युत परियोजना के तहत लोगों को मुआवजा दिया है। वर्तमान समय में यह मुद्दा शौरंग, टिडोंग व करच्छम-वोंगतू जल विद्युत परियोजना के साथ है। यह मामला सी0ओ0डी0 के साथ बैठक में उठाया जाएगा।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

जे0एस0डब्ल्यू0/लाडा

मद संख्या 3:- परियोजना निर्माण के कारण प्रदूषण से कृषि व बागवानी फसलों को हुए नुकसान व इसके एवज में प्रभावितों को समुचित मुआवजा जमा करने बारे:- इस मद के सन्दर्भ में सदस्य सचिव ने पुनः अध्यक्ष महोदय के वक्तव्य को दोहराया की उक्त परियोजना प्रबन्धन ने कुल अठारह पंचायतों में से केवल चार पंचायतों को ही यह मुआवजा दिया है अन्य पंचायतों को यह मुआवजा नहीं मिला है। इनमें से कुछ पंचायतें ऐसी भी थी जोकि परियोजना निर्माण क्षेत्र से काफी दूर पर होने के कारण उन्हें सम्बन्धित परियोजना निर्माण से उनके फसलों को अधिक प्रभाव नहीं पड़ा लेकिन कई पंचायतें परियोजना निर्माण क्षेत्र के नजदीक थी जिनको वास्तविक रूप से उक्त परियोजना के निर्माण कार्य से उनके फसलों को नुकसान पहुँचा था। लेकिन इन पंचायतों को कोई मुआवजा प्राप्त नहीं हुआ। इस पर अध्यक्ष महोदय ने कहा की उस वक्त इस परियोजना का कोई आर0 एण्ड आर0 प्लान न होने के कारण केन्द्र के 2006 का आर0 एण्ड आर0 प्लान लिया गया था। इसी के तर्ज पर एच0पी0पी0सी0एल0 द्वारा शौरंग-करच्छम जल विद्युत परियोजना के अर्न्तगत प्रभावित पंचायतों के लोगों को मुआवजा प्रदान किया जा रहा है लेकिन टिडोंग, शौरंग व

Member Secretary (SDM)

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करछम जल विद्युत परियोजनाओं ने यह मुआवज़ा नहीं दिया है। जिसका झगड़ा अभी तक चला आ रहा है। अध्यक्ष महोदय ने सदस्य सचिव को यह मामला सीओडी के साथ भविष्य में होने वाली बैठक में रखने को कहा। इस पर सम्बन्धित परियोजना प्रबन्धन ने सदन को अवगत किया की उनकी परियोजना प्रबन्धन ने छः करोड़ की फसल नुकसान की राशि जिला प्रशासन के खाते में जमा किया था। जिस पर सदस्य सचिव ने स्पष्ट किया की उक्त मुआवज़ा केवल चार पंचायतों का ही था। चौदाह पंचायतों के मुआवज़े से सम्बन्धित दस्तावेज़ भेजे गए थे जिसे सम्बन्धित परियोजना प्रबन्धन ने अस्वीकार किया था।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

जेओएसडब्ल्यू/लाडा

मद संख्या 4:- बिजली उत्पादन का 1 प्रतिशत प्रभावित क्षेत्रों व प्रभावित परिवारों को देने

बारे:- सदस्य सचिव द्वारा सदन को अवगत करवाया गया कि वर्तमान समय में करछम वॉगटू जल विद्युत परियोजना द्वारा उत्पादन का 1 प्रतिशत जोकि परियोजना प्रभावित पंचायतों को नियमों के अनुसार मिलना था वह आज दिन तक नहीं मिला है। इस पर डीओडी से आए सहायक अभियन्ता ने प्रकाश डालते हुए कहा की क्योंकि इस मामले में सम्बन्धित परियोजना प्रबन्धन ने कोर्ट कैस कर रखा है जिस पर उन्हें स्टे मिला हुआ है। सदस्य सचिव ने सहायक अभियन्ता डीओडी से अनुरोध किया की उक्त स्टे की प्रति लाडा कार्यालय को भी उपलब्ध करवाई जाए। सम्बन्धित अधिकारी ने सदस्य सचिव को आश्वासन दिया की जल्द ही उन्हें स्टे की प्रति उपलब्ध करवा दी जाएगी।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

जेओएसडब्ल्यू/डीओडी

मद संख्या 5:- प्रभावित पंचायतों से सम्बन्धित मद:-

(क) बिना अनुमति के शेरपा कलौनी में बागीचों का निमार्ण, (ख) बिना अनुमति के सोलर प्लॉट का निमार्ण, (ग) कम्पनी के द्वारा जो जगह उपयोग में नहीं है ग्राम पंचायत को वापस की जाए, (घ) शॉपिंग कॉम्प्लेक्स शेरपा में बनाने की मन्जुरी थी लेकिन अभी तक नहीं बन पाया।

:- सम्बन्धित परियोजना प्रभावित पंचायत के प्रतिनिधि ने सदन में इस मद पर पुनः आवज़ उठाते हुए कहा की उक्त भूमि सम्बन्धित परियोजना प्रबन्धन को जल विद्युत परियोजना निर्माण कार्य हेतु प्रदान की गई थी लेकिन वर्तमान समय में सम्बन्धित परियोजना प्रबन्धन द्वारा इस भूमि का अन्य कार्य जैसे सेब का बागीचा लगाने, सौर ऊर्जा उत्पादन हेतु किया जा रहा है। अतः उक्त भूमि को सम्बन्धित परियोजना प्रबन्धन से वापिस लिया जाए। इस पर अध्यक्ष महोदय ने सदन में उपस्थित डीओडी के अधिकारियों से जानना चाहा कि क्या वह भूमि जिसे सम्बन्धित जल विद्युत परियोजना प्रबन्धन ने परियोजना निर्माण हेतु अधिग्रहण किया था, उसे अन्य कार्य हेतु उपयोग में ला सकती है। इस पर सदन में उपस्थित डीओडी के अधिकारी ने स्पष्ट किया की जो भूमि सम्बन्धित परियोजना प्रबन्धन द्वारा जिस

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कार्य हेतु अधिग्रहण किया जाता है वह भूमि केवल उसी कार्य हेतु उपयोग में लाई जा सकती है अथवा अन्य किसी कार्य हेतु प्रयोग में नहीं लाई जा सकती। इस पर अध्यक्ष महोदय ने सम्बन्धित अधिकारी को कार्यवाही के निर्देश दिए।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

एस0डी0एम0, भावानगर

अन्य मद अध्यक्ष महोदय की अनुमति से :-

6. परियोजना परिसर में कानून व्यवस्था बनाए रखने बारे :- इस मद पर अध्यक्ष महोदय ने संज्ञान लेते हुए कहा की हाल में यह देखा गया है उक्त परियोजना प्रबन्धन कार्य परिसर में दो लोगों की आपसी लड़ाई हुई जिसमें एफ0आई0आर0 भी दर्ज हो चुका है व चलान में कोर्ट में पेश किया जाना है लेकिन जिस प्रकार से उक्त मामले में बाहरी लोगों हस्तक्षेप हुई है वह निन्दनीय है उन्होंने कहा की उन्होंने उक्त मामले से सम्बन्धित सी0सी0टी0वी0 फुटेज को स्वयं देखा है जिससे स्पष्ट है की उक्त परियोजना प्रबन्धन अपने कार्यक्षेत्र में कानून व्यवस्था बनाए रखने में नाकाम रही है। जो व्यक्ति किसी के कमरे में गुस्ता है उसके खिलाफ कोई भी कार्यवाही नहीं की जाती है अपितु एक तरफा कार्यवाही की जाती है कुछ लोग तो ऐसे हैं जो घटनास्थल पर मौजूद ही नहीं थे उनके खिलाफ कार्यवाही की जा रही है जोकि निन्दनीय है। उन्होंने स्पष्ट शब्दों में सम्बन्धित परियोजना प्रतिनिधि को कहा की यदि किन्नौर जैसे शान्ति प्रिय जिले में इस प्रकार की कृत्य को बढ़ावा दिया जाता है तो इसे कतई बरदाश्त नहीं किया जाए। अतः उन्होंने इस बाबत अपने उच्च अधिकारियों को सूचित करने को कहा। इस पर सम्बन्धित परियोजना प्रबन्धन प्रतिनिधि ने स्पष्ट किया की इस मामले में जिन लोगों की संलिप्तता है उनकी जांच की जा रही है जैसे ही रिपोर्ट आता है आगामी कार्यवाही अमल में लाई जाएगी।

सम्बन्धित विभाग जिनके द्वारा कार्यवाही की जानी है:-

जे0एस0डब्ल्यू / डी0ओ0ई0

7. छोलतू में खेल मैदान में बच्चों को न खेलने देने बारे:- उक्त मद को अध्यक्ष महोदय की अनुमति से स्थानीय परियोजना पंचायत प्रतिनिधि ने सदन में रखते हुए कहा की सम्बन्धित परियोजना प्रबन्धन उक्त मैदान में बच्चों को खेलने से रोकती है। अध्यक्ष महोदय ने कहा की यदि बच्चों को खेलने से रोकना ही था तो मैदान का निर्माण क्यों किया गया। जिसपर सम्बन्धित परियोजना प्रतिनिधि ने स्पष्ट किया की उन्होंने बच्चों को खेलने से कभी नहीं रोका। केवल लेदर की गेंद से क्रिकेट खेलने को जरूर रोका गया है क्यों इस गेंद से वहाँ पर पार्क की गई वाहनों को नुकसान होता है। इस पर सम्बन्धित पंचायत प्रतिनिधि ने कहा की यदि कोई नुकसान होता है वे इसकी भरपाई करने को तैयार हैं। सदस्य सचिव लाडा ने भी इस पर तर्क देते हुए कहा की यदि सम्बन्धित खेल आयोजक नुकसान की भरपाई करने को तैयार हैं तो परियोजना प्रबन्धन को इसपर कोई एतराज नहीं होना चाहिए। इस कथन पर सम्बन्धित परियोजना प्रबन्धन प्रतिनिधि ने कहा ऐसा उचित नहीं है कोई भी वाहन मालिक यह

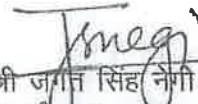
Member Secretary (SDM)
LADC, Kinnaur
Reckong Poo



नहीं चाहेगा की उसकी वाहन को पहले नुकसान पहुँचाया जाए उसके बाद उसकी भरपाई की जाए।

8 पंचायतों के पास उपलब्ध ब्याज निधि का उपयोग करने बारे:- इस मद के सन्दर्भ में सदन में उपस्थित सभी पंचायत प्रतिनिधियों ने अनुरोध किया की जिन पंचायतों के पास एल0ए0डी0एफ0 राशि के तहत ब्याज निधि में पैसा उपलब्ध है उन्हें खर्च करने की अनुमति प्रदान की जाए। विस्तृत विचार विमर्श के उपरान्त सदन में सर्व सम्मति से सहमति बनी की जिन पंचायतों के पास एल0ए0डी0एफ0 की राशि के तहत ब्याज निधि में राशि उपलब्ध है उन पंचायतों को 1 लाख तक की राशि एल0ए0डी0एफ0 के ब्याज निधि से खर्च करने की अनुमति प्रदान की जाए। जिस पर अध्यक्ष महोदय ने सम्बन्धित पंचायतों को एक लाख तक की राशि एल0ए0डी0एफ0 के ब्याज निधि से खर्च करने हेतु स्वीकृति प्रदान की।

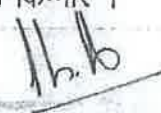
इसी के साथ ही समय का अभाव न होने के कारण अन्य मदों पर विचार न हो सका। सम्बन्धित पंचायत प्रतिनिधियों का अन्य जरूरी मद न होने के कारण सदस्य सचिव, स्थानीय क्षेत्र विकास समिति किन्नौर द्वारा ने अध्यक्ष महोदय की अनुमति व बैठक में उपस्थित सदस्यों की सहमति से बैठक को समाप्त किया व समस्त सरकारी एवं गैर सरकारी सदस्यों को इस लाडा बैठक को सौहादपूर्ण माहौल में सम्पन्न करने के लिए धन्यवाद किया तथा बैठक अध्यक्ष महोदय के/को प्रस्ताव सहित सम्पन्न हुई।


श्री जगजित सिंह नेगी

माननीय राजस्व, बागवानी, जनजातीय विकास एवं जन शिकायत निवारण मन्त्री एवं अध्यक्ष (लाडा), स्थानीय क्षेत्र विकास समिति, जिला किन्नौर स्थित टिकांग पिओ।

पृष्ठांकनसंख्या: के0एन0आर0-11 बैठक डब्ल्यू0ए0ई0पी0 (एल0ए0डी0सी0) 2022- 31 न दिनांक:- 28-08-2024
प्रतिलिपि निम्नलिखित को सूचनार्थ एवं आवश्यक कार्रवाई हेतु प्रेषित है :

1. वित्तायुक्त एवं प्रधान सचिव (राजस्व), हि0प्र0 सरकार शिमला-2
2. प्रधान सचिव (MPP&Power), हि0प्र0 सरकार शिमला-2
3. निदेशक, पर्यावरण एवं वैज्ञानिक प्रौद्योगिकी, हि0प्र0 शिमला-2
4. निदेशक (उर्जा), उर्जा निदेशालय, हि0 प्र0, शान्ति भवन फेस-111 सेक्टर-06, न्यू शिमला-171009
5. उपाध्यक्ष लाडा (उपायुक्त), जिला किन्नौर।
6. उप मण्डलाधिकारी निचार, स्थित भावा नगर, जिला किन्नौर।
7. तहसीलदार कल्पा, सांगला एवं निचार, जिला किन्नौर।
8. महाप्रबन्धक, जे0एस0डब्ल्यू0 शोल्डू टापरी, जिला किन्नौर।
9. समस्त सरकारी एवं गैर सरकारी सदस्य।


सदस्य सचिव, स्थानीय क्षेत्र विकास समिति,
(लाडा) एल0ए0डी0एफ0 कल्पा
स्थित टिकांग पिओ, जिला किन्नौर हि0प्र0।



List of additional capitalization during control period 2024-29

Year of Capitalization	Asset description	Remarks	Amount (INR)
2024-25	Guide vanes	Material already received in FY 24-25, will be part of Capex for FY 24-25 GRN Dt-13.04.24 and 27.07.24	6,34,36,800
	Sholtu Township	Work is already in progress and expected to complete in FY 24-25 . Civil work progress impacted during 2019-24, due to Covid Pandemic.	5,25,25,129
	Sub Total		11,59,61,929
2025-26	Partial Discharge measurement system	Hon'ble Commission had apprved in principle Rs 2.20 crore under this head. The estimates have now revised, basis condition of the assets. Few assets remain to be procured in 2019-24 shall be capitalised in 2024-29.	6,00,00,000
	Fire Fighting tender		60,00,000
	Wheel Loader		1,10,00,000
	Mobile crane		2,00,00,000
	Sub Total		9,70,00,000
	Grand Total		21,29,61,929



List of De-capitalization during control period 2024-29

Sr. No.	Name of the Asset	Nature of de- capitlization (whether claimed under exclusion or as additional capital expenditure)	Original Value of the Asset Capitalised	Year Put to use	Depreciation recovered till date of de- capitalization *
1	2	3	4	5	6
2024-25	Guide vanes	Assets decapitalised against replacment of assets	2,11,76,091	2010	1,55,29,134
2024-25	Guide vanes		2,11,76,091	2010	1,55,29,134
			4,23,52,182		3,10,58,268
2025-26	Partial Discharge measurement system		21,67,242	2010	15,89,311
2025-26	Fire Fighting tender (HP26A- 0632)		22,03,839	1999	22,00,755
2025-26	Wheel Loader		42,07,500	1988	27,69,404
2025-26	Mobile crane 28 ton		32,00,000	2007	30,40,000
			1,17,78,581		95,99,470
	Total for control period 2024-29		5,41,30,763		4,06,57,738

