

महाराष्ट्र MAHARASHTRA

प्रधान मुद्रांक कार्यालय, मुंबई  
प. मु. विक्रेता क्र. १०६  
-7 NOV 2013  
सक्षम अधिकारी

ए. प्र. ए. मदनो

परवाना क्रमांक १०६  
श्यामकुंज, खोखाणी लेन, घाटकोपर (पू)  
परवाना क्र ३२५०५, घाटकोपर  
12 NOV 2013 HZ 564778

क्रमांक 778 दिनांक  
सर्वश्री/ श्री/ श्रीमती  
विक्रम साराभाई भवन, अणुशक्तिनगर, मुंबई-९४  
Nuclear Power Corporation of India Ltd.  
(भारत सरकार का उद्यम / A Govt. of India Enterprise)  
Vikram Sarabhai Bhavan, Anushaktinagar, Mumbai-94.

**POWER PURCHASE AGREEMENT  
BETWEEN  
NUCLEAR POWER CORPORATION OF INDIA LIMITED  
AND  
KERALA STATE ELECTRICITY BOARD  
FOR  
[KUDANKULAM NUCLEAR POWER PLANT UNIT 1&2 ]**

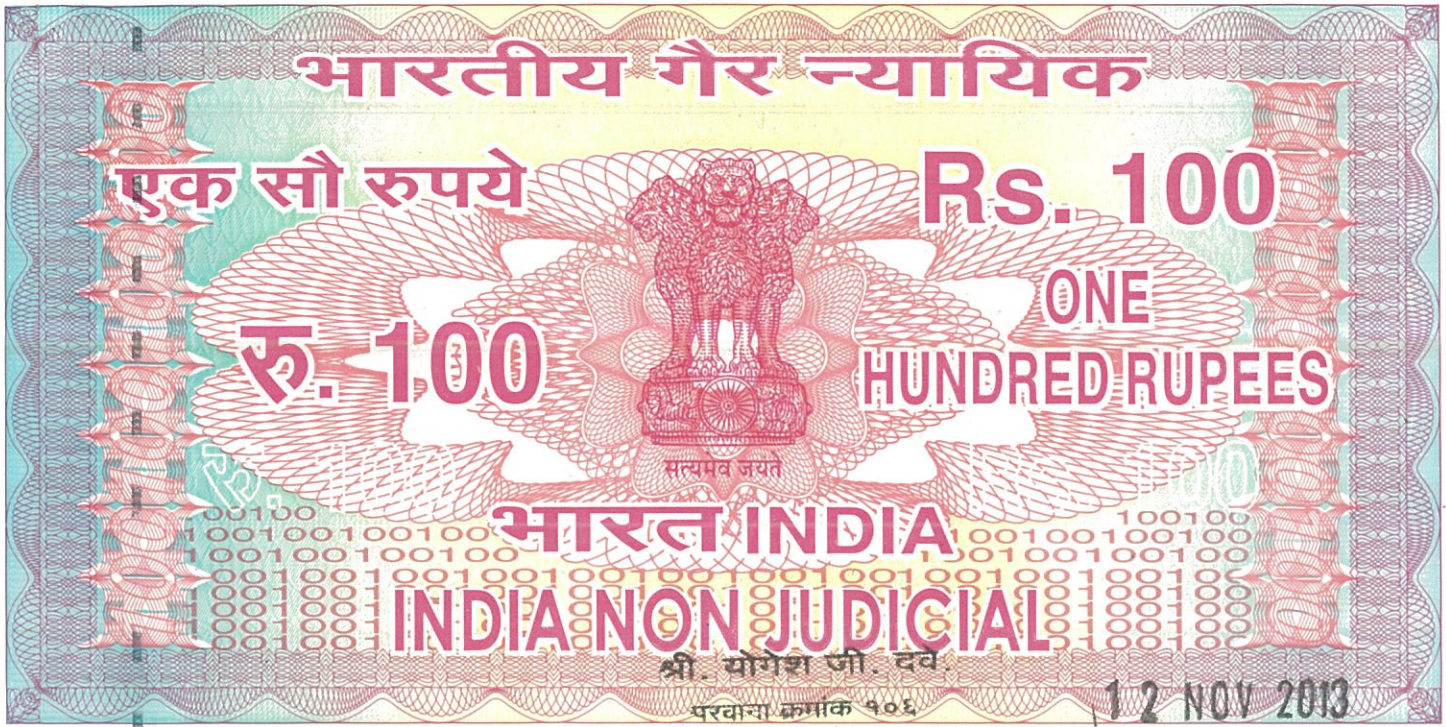
This AGREEMENT entered into on this 15<sup>th</sup> day of November, Two thousand Thirteen (15/11/2013) at Mumbai between Nuclear Power Corporation of India Limited (A Govt. of India Enterprise, wholly owned by Department of Atomic Energy), a company incorporated under the Companies Act, 1956, having its registered office at 16<sup>th</sup> Floor Center-I, World Trade Center, Cuff Parade, Mumbai – 400 005 hereinafter referred to as 'NPCIL', (which expression shall, unless repugnant to the context, include its representatives, successors and assigns) as party of the first part AND

Kerala State Electricity Board, having its head office at Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, Kerala – 695004, a body constituted under Electricity (Supply) Act 1948 and continuing as per the transfer scheme notified by Government of Kerala vide G.O.(MS) No.37/2008/PD dated 25.9.2008 under section 131 of Electricity Act 2003, hereinafter referred to as "KSEB", (which expression shall unless repugnant to the context include its representatives, successors, and assignees) of the second part.

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*R. Preman Dinraj*  
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निदेशक (वित्त)  
PREMAN DINARAJ, IAAS  
Director (Finance)

*J. Sankar*  
CHAIRMAN  
K S E BOARD  
THIRUVANANTHAPURAM



महाराष्ट्र MAHARASHTRA

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प. मु. विक्रेता क्र. १०६  
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सक्षम अधिकारी

श्यामकुंज, खोखाणी लेन, घाटकोपर (पू)

परवाना क्र ३२५०५, घाटकोपर

HZ 564781

क्रमांक ७८१ दिनांक 12 NOV 2013

सर्वश्री/श्री/श्रीमती

न्युक्लियर पावर कॉर्पोरेशन ऑफ इंडिया लिमिटेड.  
Nuclear Power Corporation of India Ltd.

याना रु.

(सरकार का उद्यम / A Govt. of India Enterprise)  
विक्रम साराभाई भवन, अणुशक्तिनगर, मुंबई-९४  
विक्रम साराभाई भवन, Anushaktinagar, Mumbai-94.

पेपर विक्री

न्युक्लियर पावर कॉर्पोरेशन ऑफ इंडिया लिमिटेड.  
NPCIL

परवानाधारक मुद्रांक विक्रेता

श्री. ए. मद्गे

WHEREAS the NPCIL have set up nuclear power plant within the country in general and within the SOUTHERN region in particular, including the station at

KUDANKULAM NUCLEAR POWER PLANT-1&2 (KKNPP 1&2) at Tirunelveli District, Tamil Nadu designed for an installed nominal capacity of 2000 MWe, consisting of two units each of 1000 MWe, the first unit of the two units of the Power Plant which is expected to be declared commercial soon.

HEREINAFTER referred to collectively as 'Power Plant';

AND WHEREAS capacity of the Power Plant, as a whole, shall be allocated amongst the Bulk Power Beneficiaries as per allocations made by the Ministry of Power, Government of India, from time to time;

AND WHEREAS, it is now agreed and understood, between the parties that separate 'Power Purchase Agreement' with each of the Bulk Power Beneficiaries needs to be signed and executed for the Power Plant;

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R. Preethi  
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Director (Finance)

Chairman  
CHAIRMAN  
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AND WHEREAS NPCIL agrees for sale of power from the POWER PLANT after meeting all the requirements of the Nuclear Power Plant as well as the facilities owned by the Department of Atomic Energy, Government of India, in the Southern Region.

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

**1. DEFINITIONS**

The terms / words / expressions used in this Agreement unless repugnant to the context shall have the same meanings as assigned to them under the Electricity Act, 2003 [Act 36 of 2003] as amended from time to time and the Rules framed there under. The words/expressions mentioned below shall have the same meanings respectively as assigned hereunder:

1	ACT	Shall mean the Electricity Act 2003 as modified, amended or restated from time to time.
2	ATOMIC ENERGY ACT	An Act (33 of 1962) to provide for the development, control and use of atomic energy for welfare of the people of India and for peaceful purposes and matters connected therewith.
3	AUXILIARY POWER: CONSUMPTION	Shall mean energy consumed by Auxiliaries of the Power Plant required for generation of power.
4	BULK POWER BENEFICIARIES or BULK POWER CUSTOMERS	Shall mean the various State Electricity Boards and entities in the Southern Region to whom power is supplied by the NPCIL, including the KSEB.
5	CEA	Shall mean Central Electricity Authority constituted under the Act.
6	CHARGES FOR: SUPPLY OF ENERGY	Shall mean and include all charges to be paid by Bulk Power Beneficiaries in respect of supply of power to them by the Power Plant in accordance with the provisions of this agreement.
7	CHECK METER	A Meter which shall be connected to the same core of the current transformer (CT) and voltage transformer (VT) to which main meter is connected and shall be used for accounting and billing of electricity in case of failure of main meter.
8	MAIN METER	A Meter which would primarily be used for accounting and billing of electricity

  
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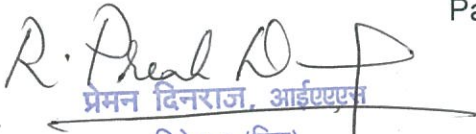
  
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9	STANDBY METER	A meter connected to CT and VT, other than those used for main meter and check meter and shall be used for accounting and billing of electricity in case of failure of both main meter and check meter.
10	DAE	Shall mean Department of Atomic Energy.
11	GOI	Shall mean Government of India.
12	LC	Shall mean Irrevocable revolving Letter of Credit.
13	SRPC	Shall mean Southern Regional Power Committee
14	SR transmission system / Grid	Shall mean transmission network owned, maintained and operated by the PGCIL and the Bulk Power Beneficiaries and other entities in the Southern Region operating in a synchronous/integrated mode.
15	SRLDC	Shall mean Southern Regional Load Dispatch Center
16	PGCIL	Shall mean Power Grid Corporation of India Ltd.
17	POWER PLANT /STATION	Shall mean Kudankulam Nuclear Power Plant Unit Nos. 1&2, Tirunelveli District, Tamil Nadu
18	REGIONAL ENERGY ACCOUNTING	Shall mean Periodic Energy Account including amendments thereof, if any, prepared by the SRPC as per mutually accepted procedure in line with the applicable code/ practices in vogue.
19	TRIPARTITE AGREEMENT	Agreement signed between GOI, State Govt. and RBI under scheme for one time settlement of State Electricity Board dues.

## 2.0 ALLOCATION OF CAPACITY

- 2.1 Allocation of power from the POWER PLANT namely KKNPP Unit No.1&2 shall be as per allocation indicated by Ministry of Power/ Government of India from time to time which at present as indicated by MOP letter OM No 3/9/2003 dated Feb 05, 2004 (copy enclosed) is as given below:

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NAME OF THE STATE/UT	ALLOCATION (IN MWe)
KARNATAKA	442
TAMIL NADU	925
KERALA	266
PONDICHERRY	67
UNALLOCATED POWER	300
<b>TOTAL</b>	<b>2000</b>

- 2.2 The entitlement of the actual electrical energy output of the Power Plant shall be in the ratio of the above allocation and also the allocation made by the Government of India, in respect of unallocated power from time to time among the Bulk Power Beneficiaries after meeting all the Power Plant requirements as well as for any additional facilities set up by NPCIL from time to time as well as for facilities belonging to any owned by the Department of Atomic Energy, Government of India in the Southern Region.


### **3.0 POWER SUPPLY FROM THE POWER PLANT**

- 3.1 The power to KSEB shall be supplied using the transmission network owned, operated and maintained by PGCIL and the Bulk Power Beneficiaries / STU entities subject to demonstrable system constraints and payment of transmission /wheeling charges as per the established guidelines of the competent authority under the Act as amended from time to time, followed in the Southern Region
- 3.2 The power plant shall feed its output into SR transmission system, at the respective power plant Switchyard. The KSEB shall regulate their drawal in such a manner that it is in accordance with the entitlement/allocation as per para 2.1 strictly or as may be modified /changed by MOP, Govt. of India.


The KSEB shall at all times endeavor to take all the power, which the power plant is in a position to send out. However, in the event of over frequency conditions, the SRLDC would regulate their generation/drawal as per the SRPC/SRLDC guidelines to maintain the frequency

### **4.0 SYSTEM OF SUPPLY**

- 4.1 The supply of electrical energy to the Bulk Power Beneficiaries shall be in the form of three phases, alternating current, at a nominal frequency of 50 Hertz and at a potential of 400 KV & 230 KV subject to the variation limits permitted by the Indian Electricity Grid Code as approved by the competent authority under the Act as amended from time to time. The KSEB/ Bulk Power Beneficiaries shall take all measures expeditiously to restore the frequency within the limits as stipulated in the India Electricity Grid Code as amended from time to time concurrent with the directions of SRPC/ SRLDC if any.
- 4.2 'Power Factor', shall mean 'the ratio expressed as percentage of the kilowatt hours to the kilovolt ampere hours supplied during any period and it shall not at any time be less than 85 percent lagging'. The KSEB/Bulk Power Beneficiaries shall without involving the NPCIL into any liability take such steps as may be necessary to prevent the power factor of its off take from falling below the said limit of 85 percent lagging.

  
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## 5.0 POINT OF DELIVERY / ENERGY, METERING AND ACCOUNTING

The point of delivery of electrical energy shall be the 400 KV/ 230 KV outgoing feeders from the respective power plant, where supply shall be metered at 400 KV/ 230 KV as per the memorandum of instructions for the assessment of energy sold, appended as Annexure-A to this deed of Agreement.

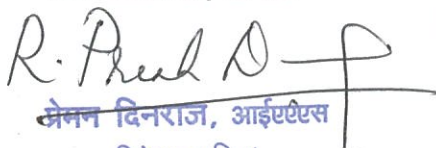
## 6.0 AUXILIARY POWER REQUIREMENTS OF THE POWER PLANT


- 6.1 If, at any time, the Power Plant is unable to meet its own auxiliary power requirements and/or requirements of other facilities belonging to the Department of Atomic Energy, Government of India in the Southern Region, full requirement of power as and when required by the power plant and other facilities of the Department of Atomic Energy, Government of India shall be made available by the Bulk Power Beneficiaries at 400 KV/ 230 KV as required by the power plant. The power (energy) so supplied will be adjusted against the energy supplied by the power plant to the KSEB /Bulk Power Beneficiaries in subsequent months as per the existing practice agreed upon.
- 6.2 The Utilities/Bulk Power Beneficiaries in whose area the power plant are located, shall ensure as per the existing agreed practice the reliable start up power to the extent required from two independent sources of the interconnected TANTRANSKO / SR transmission system.

## 7.0 RATES OF SUPPLY

- 7.1 It is agreed between NPCIL & KSEB that the charges for supply of energy shall be as per the tariff notification issued by DAE, Government of India from time to time in accordance with section 22(1) (b) of the Atomic Energy (Amendment) Act, 1987 (Central Act 33 of 1962) as amended from time to time. The tariff rate so fixed shall be subject to adjustment charges as notified by DAE from time to time. Variations in effective rates as a result of the such adjustment charges and change in effective tax rate shall not be deemed to be a change or revision of the tariff.
- 7.2 The Bulk Power Beneficiaries including KSEB shall reimburse to NPCIL, modification in respect of the decommissioning provision component of the tariff rate or any levy in respect of nuclear energy as may be notified by the Department of Atomic Energy from time to time or any other such impositions, and these shall not be deemed to be a revision of the tariff.
- 7.3 In the event of any additional investment made with the approval of DAE, towards the modification of the power plant facilities, to meet the safety requirements, the tariff will be revised as per notification issued by the Government of India. However, in case of any additional investments towards modifications / improvement of operational efficiency, the KSEB/Bulk Power Beneficiaries shall be consulted and informed.
- 7.4 Pending the notification of the tariff by DAE the bill shall be paid at provisional tariff that would be indicated by NPCIL, subject to revision of bill on issuance of Tariff notification by DAE.

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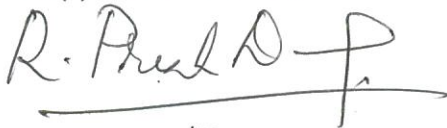
  
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## 7.5 TAXES, LEVIES, DUTIES, CESS, ETC.

- 7.5.1 The above tariff is inclusive of Income Tax by grossing up the return of equity with effective tax rate. The Tariff is exclusive of any statutory taxes, levies, duties, cess or any other kind of impositions whatsoever imposed / charged by any Government (Central or State) and/or any other local bodies/authorities on generation of electricity excluding auxiliary consumption, transmission, sale or supply of power/energy and/or in respect of any of its installation associated with the power plant and/or on Transmission System.
- 7.5.2 The total amount of such taxes/duties / cess etc. other than income tax payable by NPCIL to the authorities concerned in any month on account of the said taxes/duties / cess etc. as referred to above shall be borne and additionally paid by KSEB to NPCIL and the same shall be charged in the monthly bills raised by NPCIL in the proportion of energy drawal by KSEB from the power plant.

## 8.1 BILLING AND PAYMENTS

- 8.1.1. The KSEB shall pay to NPCIL all bills for energy supplied to it by the power plant if any, levied, through a letter of credit (LC) as per clauses 8.2.1, 8.2.2 and 8.2.3 below on presentation of such bills by the Power Plant, in accordance with various provisions of this agreement. The procedure for assessment of supply of energy shall be as laid down in the memorandum of instructions appended as Annexure-A to this Agreement and also referred in clause 5.0.
- 8.1.2 NPCIL shall present the bills through speed post with advance copy through fax after the end of each calendar month for energy supplied to KSEB from the power station on the basis of the Regional Energy Account issued by SRPC/ or any designated authority in line with the applicable codes/ directions. The date of presentation of the bill shall be deemed to be the sixth day from the date of issue of the bill.
- 8.1.3 The bills shall be in accordance with the tariff rates in force. If there are no tariff rates in force in any period, the Bulk power beneficiaries shall pay in accordance with the latest valid notified tariff rates. When the tariff rates for the relevant period is decided, the KSEB shall make payments, on presentation of the bills by the power station, towards the differential amounts. Such payment shall be adjusted (either by the KSEB or by the NPCIL) in accordance with applicable tariff rates as per para 7.0 above.
- 8.1.4 The monthly bill for the power plant shall be aggregate charges in accordance with the provisions of the Agreement. If for certain reasons, some of the charges cannot be included in the main monthly bills, the POWER PLANT will raise supplementary bill(s) for such amounts.



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- 8.1.5 If the amount of bill is more than the amount of LC, NPCIL will prepare two bills, out of which one bill for an amount equal to the amount of LC and the second bill for the balance amount for direct payment to be made by the KSEB within 30 days from the date of presentation of bill.
- 8.1.6 The bill(s) of NPCIL shall be paid in full subject to the condition that: -
- a) There is no apparent arithmetical error in the bill(s).
  - b) The bill(s) is/are claimed as per tariff referred to in clause 7.0.
  - c) They are in accordance with the regional energy accounts issued by SRPC in line with the applicable code/practices in vogue.
- 8.1.7 If the revision of any bill is necessitated due to any revision of Regional Energy Account, the power plant shall carry out consequential adjustments, in its subsequent energy bills.
- 8.1.8 In the event of any error in the bills coming to the notice of KSEB, KSEB shall within 30 days of the date of presentation of the relevant invoice, communicate the same to NPCIL in writing, stating the error noticed and the full reasons/data and reasons of error, provided, however that non-acceptance of the tariff determined /approved by DAE/other competent authority shall not be a valid ground for the error.
- 8.1.9 KSEB shall pay the entire bill in respect of which an error is noticed in accordance with clause 7.0 in full. The power plant will modify the bill, if found necessary, in consultation with SRPC and shall refund any amount overcharged with an interest calculated @0.041% per day (15% p.a.) from the date of receipt of amount to the date of refund to KSEB.
- 8.1.10 If the action of the power plant, on intimation of error in the bill, is disputed by the KSEB, a reference shall be made, as provided under clause 12.1. In case the dispute is not resolved and if any payment remains in dispute on the due date (i.e. the date after which surcharge is to be paid by KSEB) for payment thereof, payment effected as per clause 8.1.9 shall be limited by KSEB to 95% of the disputed amount as per the TPA. The existence of the dispute as to an invoice shall not relieve KSEB of compliance with any other provisions of this Agreement.

#### **ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT OF BILLS**


- 8.2.1 The payment of all bills shall be made by the KSEB through an irrevocable revolving LC, opened in favour of NPCIL & maintained by KSEB at a branch of the State Bank of India or any Nationalized Bank, as may be mutually agreed. The LC shall be established prior to the commencement of power supply from the Power Station.

The LC shall be established for an amount equal to 105% of the average of monthly energy bills of the immediately preceding twelve months excluding the periods of planned shutdown, to be reviewed every six months. The power plant will inform to the KSEB the amount of LC required to be opened as per above guidelines.



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8.2.2. The LC shall be valid for a minimum period of one year at all times, without any limitation or restriction with regard to the manner and dates when bill(s) can be presented to the Bank by NPCIL. KSEB shall ensure that LC as above remains valid at all times during the entire/extended validity of this agreement. All the LC charges shall be borne by the KSEB.

8.2.3. KSEB assures that it shall regularly recoup and periodically renew/enhance LC to ensure that the bills presented by NPCIL to the bank are promptly paid in full and that there will be no default in LC payment to NPCIL in respect of supply of power from all its Power Plant.

### 8.3 REBATE ON PAYMENT THROUGH LC

NPCIL shall allow a rebate of 2.5% (two and a half percent) only (excluding duties, levies, etc.) on the amount of the bill negotiated through the LC on presentation of the bills by the NPCIL to Bank and realized within the last day of the calendar month in which date of issue of the bill is recorded as per Clause 8.1.2. NPCIL shall not allow any rebate, where the bill amounts are realized in the NPCIL account subsequently through LC or otherwise, in the following month to the month in which the date of issue of the bills is recorded, as mentioned under Clause 8.1.2. The rebate shall be limited to the amount of NPCIL bills after excluding wheeling charges (if any), taxes, duties, cess, etc, billed therein. NPCIL shall not allow any rebate for payments made without LC.

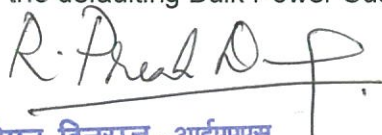
### 8.4 SURCHARGE DUE ON LATE PAYMENT

If LC is opened for any amount lower than calculated as per Clause 8.2.1 above or though the LC is opened and bill amounts are not realized in the NPCIL account, the bill amount not received would be payable with an interest @ zero point zero four one percent (0.041%) per day (i.e. 15% per annum compounded quarterly) from the last day of the month following the month in which bill is raised by the NPCIL. Also, no rebate will be admissible on such amount.

### 8.5 NON-PAYMENT OF BILLS AND NON-ESTABLISHMENT OF LC


It is agreed that the KSEB shall open the LC prior to the commencement of power supply & maintain the LC covering the monthly payment towards power supplied from the power plant of NPCIL as per the provisions of the Tripartite Agreement signed by Government of India, Government of Kerala & Reserve Bank of India and as provided in the Cl.8.2 of the agreement. In the event of failure to establish/enhance LC as detailed above, NPCIL shall take necessary steps to inform SRPC to reduce the supply of power or regulate the power supply from the power plant of NPCIL and enforce other provisions as given below:

8.5.1 In the event that LC of the required amount is not in place by the first day of the month in which the bill is raised, NPCIL shall advise SRPC/SRLDC under intimation to KSEB to reduce the entitlement from power station of NPCIL to the extent of 2.5% of the average daily supply of the preceding 90 days to KSEB. SRPC/SRLDC shall correspondingly effect reduction in power supply by reducing the drawal schedule of the defaulting Bulk Power Customer.



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8.5.2 In case payments are not made within 60 days from the date of billing, NPCIL shall advise SRPC/SRLDC under intimation to KSEB to reduce the entitlement from power station of NPCIL by 5% (inclusive of reduction in supply of electricity as provided in preceding para) of the average daily supply of the preceding 90 days to the defaulting Bulk Power Customer. In case payments are not made within 75 days and 90 days of the billing, reduction in entitlement shall be further increased to 10% and 15% respectively. SRPC/SRLDC shall correspondingly reduce the drawal schedule of the defaulting Bulk Power Customer.

8.5.3. In the event that payment default by the KSEB, continues after 90 days from the date of billing, NPCIL shall approach the Ministry of Finance, Government of India under the provisions of the Tripartite Agreement, and the Ministry of Finance shall pay the same to NPCIL on behalf of the KSEB, and recover such amounts through adjustment against releases to the State Government on account of Plan assistance, State's share of central taxes and any other grant or loan.

8.5.4 Notwithstanding any of the above, if any bill(s) still remain unpaid NPCIL shall have the authority to discontinue/reduce entitlement of power of KSEB from the power plant of NPCIL to KSEB and inform SRPC /SRLDC accordingly.

## 9.0

### PERIOD OF AGREEMENT

The Agreement shall come into effect from the date of signing of the Agreement and shall continue to remain in force for a period of 15 years from the date of signing of the agreement. In case KSEB continues to get power from the power plant after expiry of this agreement without further renewal or formal extension thereof, all the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced.

## 10.0

### SUCCESSORS AND ASSIGNS

In case any of the Bulk Power Customer is wound up and / or its generation, transmission and distribution activities are taken over by other organization(s) / agency (ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor organization(s)/agency (ies), and guarantee by the concerned State Government, if any, shall continue to remain valid with respect to the obligations of the successor organization(s) /agency (ies). In such an event, the provisions of the Tripartite Agreement and arrangement referred to in para 8.5 and LC arrangement referred to in para 8.2 above and other provisions of the Agreement hereto shall also be binding in respect of the successor organization(s)/agency (ies) with such modifications and changes as may be considered necessary.

## 11.0

### FORCE MAJEURE

The parties shall ensure compliance of the terms of this Agreement. However, no party shall be liable for any claims for any loss, damage or compensation whatsoever arising out of failure to carry out the terms of this agreement, to the extent that such failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lockout, fire, explosion, tempest, flood, lightning, earthquake or other forces, accident or any cause beyond the reasonable control of any party, or act of God or due to any restraint or regulation of the State or Central Government. But any party claiming the benefit of this

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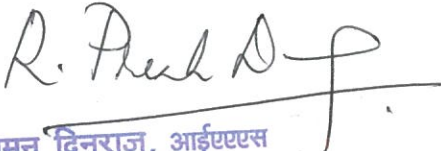
clause shall satisfy the other party of the existence of such an event and give written notice within 30 days to the other party to this effect. Generation / drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.


## 12.0 SETTLEMENT OF DISPUTES

- 12.1 The parties hereto agree to attempt to resolve all disputes arising hereunder promptly, equitably and by entering into good faith discussions to resolve the disputes at a Chief Engineer level. In the event the respective representatives of the Parties are unable to reach an amicable settlement of the disputes, the said disputes shall be referred to internal committee comprising of two senior level representatives from each party. The Parties further agree to provide each other copies of any and all non-privileged records, information and data pertaining to any such dispute.
- 12.2 In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this agreement, as stated above, which are falling under the provisions of the Electricity Act 2003, the same shall be dealt in accordance with the said Act.
- 12.3 All other disputes which are not covered under the Electricity Act 2003 shall be resolved through Permanent Machinery of Arbitration with Department of Public Enterprises in terms of Office Memorandum No. DPE/4/(10) 2001-PMA-GL I dated 22<sup>nd</sup> Jan 2004 (copy enclosed) issued by Govt. of India, Ministry of Industry, Department of Public Enterprises and Govt. guidelines on the subject issued from time to time.
- 12.4 If it is so decided that the amount paid by KSEB is in excess, NPCIL shall refund the excess amount to KSEB and incase if there is shortfall, KSEB shall pay the balance to NPCIL; in both cases the amount together with such interest as may be determined which in any case shall not exceed 15% per annum.

## 13.0 NOTICE

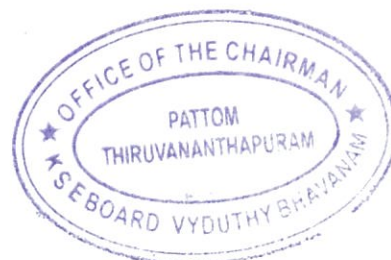
All notices required or referred to under this agreement shall be in writing and be signed by the authorities mentioned below. Each such notice shall be deemed to have been duly given upon receipt by the party involved, if delivered or sent by registered mail/speed post with postage prepaid and with an acknowledgement of receipt from the other party as follows:

  
प्रेमन दिनराज, आईएएस  
निदेशक (वित्त)  
PREMAN DINARAJ, IAAS  
Director (Finance)

  
CHAIRMAN  
K S E BOARD  
THIRUVANANTHAPURAM

प्रेमन दिनराज, आईएएस / PREMAN DINARAJ, IAAS  
निदेशक (वित्त) / Director (Finance)  
एन.पी.सी.आई.एल./Nuclear Power Corporation of India Ltd.  
भारत सरकार का उद्यम / A Govt. of India Enterprise  
नाभिकीय ऊर्जा भवन, अणुशक्तिनगर, मुंबई - 400 094  
Nabhikiya Urja Bhavan, Anushaktinagar, Mumbai - 400 094.

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**To or by the NPCIL:**

Chairman and Managing Director,  
Nuclear Power Corporation of India Ltd.,  
Nabhikiya Urja Bhavan, Anushaktinagar,  
Mumbai 400 094.

Fax No: 022-25557278

**To or by the Power Plant:**

Site Director,  
Kudankulam Atomic Power Plant Unit 1&2,  
P.O. Kudankulam, Radhapuram Taluk,  
Tirunelveli District, Tamil Nadu – 627 106.  
Fax Nos. 04637 – 259754

**To or by the KSEB:**

Chairman,  
Kerala State Electricity Board,  
Vydyuthi Bhavanam, Pattom,  
Thiruvananthapuram, Kerala – 695 004.

In witness whereof the parties have executed these presents through their authorized representatives at Mumbai on the day, month and the year first above written.


**WITNESS**

1.

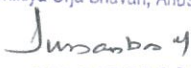


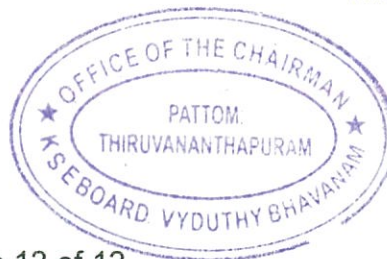
For and on behalf of  
Nuclear Power Corporation of India Ltd.  
प्रेमन दिनराज, आईएएस / PREMAN DINARAJ, IAAS  
निदेशक (वित्त) / Director (Finance)  
एन.पी.सी.आई.एल./Nuclear Power Corporation of India Ltd.  
भारत सरकार का उद्यम / A Govt. of India Enterprise  
नाभिकीय ऊर्जा भवन, अनुशक्तिनगर, मुंबई - 400 094  
Nabhikiya Urja Bhavan, Anushaktinagar, Mumbai - 400 094

2.

  
B. Nisha  
Dy Chief Engineer  
(Commercial)  
KSE Board,  
Thiruvandrum.

For and on behalf of  
Kerala State Electricity Board

  
CHAIRMAN  
K S E BOARD  
THIRUVANANTHAPURAM



**M. SIVASANKAR IAS**  
CHAIRMAN  
K S E BOARD  
THIRUVANANTHAPURAM

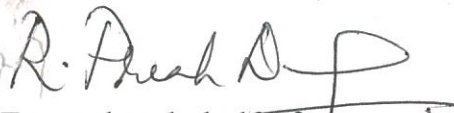

## Implementation of Power Purchase Agreement – Payment terms

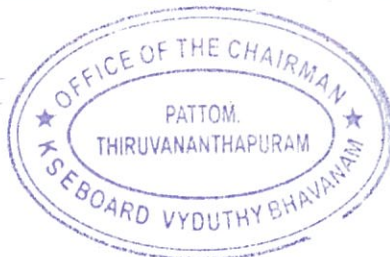
In the discussion towards the finalisation of the Power Purchase Agreement between Nuclear Power Corporation of India Limited (NPCIL) and Kerala State Electricity Board (KSEB), the detailed modalities regarding payment for power purchase by KSEB from NPCIL Station, KKNPP 1 & 2 were discussed.

Provisions regarding payment and rebate as mentioned in para 8.1.1, 8.2.1, 8.2.2, 8.2.3 and 8.3 were considered. It was proposed by KSEB that in order to ensure regular payment, KSEB should establish an LC as a backup arrangement. Letter of Credit would be maintained as weekly revolving subject to the maximum limit of monthly Letter of Credit amount. Letter of Credit shall have validity period of one year. KSEB shall ensure that a valid LC is made available at all times during validity of agreement. Letter of Credit shall be revalidated / renewed prior to expiry of existing Letter of Credit. However, KSEB would like to effect **direct payment** through / RTGS / ECS / EFT/ as four instalments on weekly basis. It was also stated that if the payment through the above mechanism is made in time, as stipulated in the PPA, NPCIL should give KSEB a rebate applicable for timely payment through LC as prescribed in the PPA.

Keeping in view the past record of timely and full payment and the spirit of understanding and co-operation between KSEB and NPCIL, it was agreed by NPCIL that KSEB effect payment against power purchase bills through RTGS / ECS/NEFT/ within the prescribed time period of payment, for which NPCIL shall give the rebate as prescribed in para 8.3 of the PPA. This will be a working arrangement between, KSEB and NPCIL.

Dated: 15-11-2013.

 For and on behalf of NUCLEAR POWER CORPORATION OF INDIA LTD., MUMBAI – 400 005.  प्रेमन दिनराज, आईएएस निदेशक (वित्त)  PREMAN DINARAJ, IAAS Director (Finance)	 For and on behalf of Kerala State Electricity Board Thiruvananthapuram 695 004  M. SIVASANKAR IAS CHAIRMAN KSE BOARD THIRUVANANTHAPURAM CHAIRMAN KSE BOARD THIRUVANANTHAPURAM
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प्रेमन दिनराज, आईएएस / PREMAN DINARAJ, IAAS  
 निदेशक (वित्त) / Director (Finance)  
 एन.पी.सी.आई.एल./Nuclear Power Corporation of India Ltd.  
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 नाभिकीय ऊर्जा भवन, अणुशक्तिनगर, मुंबई - 400 094  
 Nabhikiya Urja Bhavan, Anushaktinagar, Mumbai - 400 094.