

Kudgi - 3-11-2010



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K 117547

POWER PURCHASE AGREEMENT

BETWEEN

NTPC LIMITED

AND

KERALA STATE ELECTRICITY BOARD

FOR

Kudgi Super Thermal Power Project, Stage-I (2400MW)

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at Thiruvananthapuram on the Third day of November, Two Thousand Ten (03/11/2010) between

NTPC Limited, a Company incorporated under the Companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi -- 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part; and

Kerala State Electricity Board, having its Registered/Head Office at Vidyuthi Bhavanam, Pattom, Thiruvanthapuram - 695004 (hereinafter referred to as 'KSEB') which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part. Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

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WHEREAS NTPC is a Generating Company as defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise.

AND WHEREAS NTPC is setting up a Coal fired power station named as Kudgi Super Thermal Power Project Stage-I (capacity of 2400 MW) at P.O. Kudgi in Bijapur district of Karnataka State hereinafter specifically referred to as "Kudgi STPP Stage-I " and generally be referred to as "Station" to be owned and operated by NTPC.

AND WHEREAS the KSEB and other Bulk Power Customer(s) are desirous of purchasing electricity from Kudgi STPP Stage-I and NTPC is willing to sell electricity from Kudgi STPP Stage-I to KSEB and other Bulk Power Customer(s) of the Southern Region from the date of commissioning of Unit-I of Kudgi STPP Stage-I on mutually agreed terms and conditions mentioned hereunder.

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

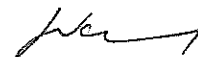
1.0 DEFINITIONS

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

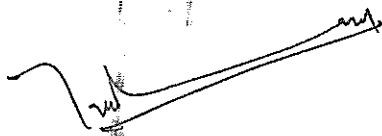
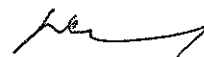
Act, 2003	The Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.
Agreement to Hypothecate cum Deed of Hypothecation	Shall have the meaning as ascribed under Article 6.2.8
Availability	'Availability' as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time
Billing Centre	The office / RHQ as intimated by NTPC to the KSEB from where the bills will be raised on them.



Bulk Power Customer(s)	Bulk Power Customer(s) in relation to the Station shall mean the person(s) including KSEB to whom capacity is contracted from the station.
Busbars/Ex Bus	Busbars of the Station to which outgoing feeders are connected.
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission or any other competent Authority (for determination of Tariff)
CTU	Central Transmission Utility.
Capacity Charges	Capacity Charges are Fixed Charges as determined by CERC or any other competent authority and shall be paid in proportion to the Contracted Capacity.
Charges for Supply of Electricity	Mean and include all charges including the Tariff as approved by CERC to be paid by the KSEB/Bulk Power Customer(s) in respect of supply of electricity to them from the Station in accordance with the provisions of this Agreement.
Commercial Operation Date	'Date of Commercial Operation' or 'COD' in relation to a unit means the date declared by NTPC after demonstrating the Maximum Continuous Rating (MCR) or Installed Capacity (IC) in line with IEGC/CEA/CERC Regulations through a successful trial run after notice to the Bulk Power Customer(s) and in relation to the generating station the date of commercial operation means the date of commercial operation of the last unit or block of the Station
Contracted Capacity	Capacity contracted by the KSEB/Bulk Power Customer(s) under this Agreement under Article 2.2
Effective Date	means the date of signing of this Agreement including payment security as envisaged under Article 6.2.
Energy Charges	As defined in the CERC (Terms and Conditions of Tariff) Regulation, 2009 as amended from time to time.
Default Escrow Agreement	Shall have the meaning as ascribed under Article 6.2.8
GOI	Government of India
IEGC	Indian Electricity Grid Code, as notified by CERC or any other competent authority and as amended from time to time.
Infirm Electricity	means electricity generated prior to commercial operation of a Unit (s) /Block(s) of the Station

LC	Irrevocable Revolving Letter(s) of Credit.
Main and Check Meter	Meter for measurement and checking of import/export of energy on the outgoing feeders of the Station Busbars for Energy Accounting.
Monthly Bill	Monthly Bill as raised by NTPC as per REA in line with the CERC Regulation as amended from time to time. Provided that periodicity of billing may change as per CERC regulation from time to time.
Party/Parties	Shall have the meaning ascribed thereto in the recital to this Agreement
Permitted Assigns	Have the meaning as per Article 12 of this agreement
Powergrid	Power Grid Corporation of India Ltd.
SRLDC	Southern Regional Load Despatch Centre.
SRPC	Southern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
Regional Energy Account (REA)	Periodic Energy Account issued by SRPC/ SRLDC including amendments thereof.
Receivables	As defined in Article 6.2.8
Scheduled Generation	Scheduled Generation as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time
SLDC	State Load Despatch Centre
Station	Have the meaning as given in the recital
STU	State Transmission Utility
Supplementary Bill	Have the meaning under the Article 6.1.3
Target Availability	Availability of the Station for recovery of full Capacity (Fixed) Charges on annual basis
Transmission Licensee	Have the meaning as per Electricity Act 2003
Tariff	Tariff shall constitute Capacity Charges, Energy Charges, Incentive and other charges viz taxes, cess etc for supply of electricity from the Station as determined by CERC or any other Competent Authority
Third Party(ies)	Any person other than the person to whom electricity is contracted under this Agreement

Tripartite Agreement (TPA)	The Tripartite Agreement dated 20 th March 2003 signed by Govt of Kerala, GOI and Reserve Bank of India as per the provisions of the GOI Scheme for One time Settlement of SEBs dues
Unit	Each Unit of the Station
UI	Unscheduled Interchange as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time

2.0 GENERAL

2.1 INSTALLED CAPACITY:

2.1.1 The capacity of Kudgi STPP Stage-I is proposed to be 2400 MW. The capacity of the Station is subject to change after placement of orders for the main plant equipment.

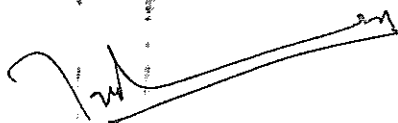
2.1.2 The Station is being developed for the Bulk Power Customer(s) of Southern Region. However, NTPC shall be at liberty to offer/ sell any unrequisioned capacity/ energy to Bulk power beneficiaries of other regions.

2.2 ALLOCATION OF CAPACITY

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

2.2.2 Out of the total capacity fifteen percent capacity of the Station has been kept unallocated at the disposal of Govt. of India /Competent Authority and shall be subject to allocation from time to time as per the decision of GOI/Competent Authority and such further allocation will form part of Contracted Capacity. Out of unallocated capacity, balance if any, after such allocation by GOI/Competent Authority, shall be deemed to have been allocated and thereby forming part of Contracted Capacity to various Bulk Power Customer(s) in proportion to their contracted shares .

2.2.3 The allocation made from the Station by GOI or any other competent authority in favour of the KSEB shall be Contracted Capacity subject to signing of the Agreement, opening of LC and providing appropriate payment security mechanism as provided at Article 6.2 in this Agreement. The KSEB shall draw electricity against the above Contracted Capacity limited to the amount of LC opened and maintained by it. NTPC shall intimate SRLDC from time to time regarding the quantum of capacity KSEB is eligible to draw.




3.0 TRANSMISSION / WHEELING OF ELECTRICITY

- 3.1 Sale of electricity shall be at the busbars of the Station and it shall be the obligation and responsibility of KSEB to make the required arrangement for evacuation of electricity from such delivery points of the Station.
- 3.2 For timely and expeditious development of the required transmission system for evacuation of power from the said project to its various beneficiaries, NTPC shall initially make an application for Connectivity and Long-Term Access to the CTU, POWERGRID on behalf of the beneficiaries. The KSEB hereby consents for NTPC to make the said application on its behalf. The KSEB also agrees to subsequently sign all necessary agreements, including BPTA, with POWERGRID/ other transmission licensees developing the identified transmission system, corresponding to their share of allocated capacity from the project.
- 3.3 Charges for utilisation of transmission system(s) owned by the Powergrid/other Transmission Licensee for wheeling of the electricity beyond busbar of the Station, shall be paid directly by KSEB to the Powergrid or the Transmission Licensee as the case may be. NTPC shall not be responsible for payment of such charges.

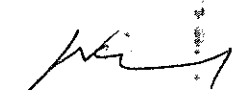
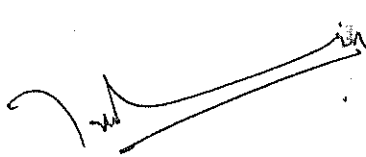
4.0 SCHEDULING, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

It is understood and agreed by and between the parties that NTPC shall operate the Station as a base load station as per the manufacturers' guidelines, applicable grid operating standards, directions of the CERC and relevant statutory provisions, as applicable from time to time. Methodology of generation scheduling shall be as per IEGC and the decisions taken at SRPC forums

All charges/fees related to scheduling and despatch of electricity shall be borne by KSEB and shall be in line with the guidelines of CERC/ Competent authority.

NTPC shall make declaration of the capacity at the busbars of the Station after taking into account the capability of the Station to deliver Ex-Bus which shall be considered while calculating Declared Capacity (DC).



4.2 DECLARED CAPACITY

Declared Capacity or 'DC' means the capability of the Station to deliver Ex-Bus electricity in MW declared by the Station in relation to any period of the day or whole of the day, duly taking into account the availability of coal as per the procedure laid down in IEGC.

Notwithstanding the following, Station shall be deemed as available to the extent of DC declared by the Station for any time period:

- a. Failure on account of Bulk Power Customer(s) to transmit and wheel electricity from the Ex-Bus of the Station.
- b. Any other reason not attributable to NTPC restricting scheduling and despatch of capacity at the Ex-Bus of the Station

Above shall be in line with the guidelines issued by GOI/ appropriate Authority in this regard.

4.3 METERING

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



In case of dispute, the decision of Member Secretary of the SRPC would be final and binding.

- 4.3.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and KSEB or any of the Bulk Power Customer(s) as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.4 ENERGY ACCOUNTING

- 4.4.1 Both the Parties agree to facilitate issue of Regional Energy Accounts by 1st day of every month.

4.4.2 Regional Energy Account issued by SRPC /SRLDC/SLDC or any other Competent Authority shall be binding on all the parties for billing and payment purposes.

4.4.3 Any change in the methodology of Regional Energy Account shall be done only as per the decisions taken in the SRPC forums and both the Parties agree to abide by the methodology so finalised.

5.0 TARIFF

5.1 Terms and conditions:

- 5.1.1 The Tariff for the electricity supplied from the Station would be as determined by CERC from time to time.

5.1.2 ADHOC TARIFF

NTPC shall approach CERC for determination of Tariff before Commercial Operation Date of any unit of the station. In case this Tariff is not determined for any reason by CERC prior to commencement of commercial operation of such unit of the Station, the Parties agree that billing and payment shall be done on adhoc basis as per the proposal of NTPC submitted to CERC . NTPC shall inform KSEB of such adhoc tariff and pending determination of such Tariff by CERC ,billing on provisional basis would be carried out, subject to adjustment along with applicable interest as and when such Tariff is determined by CERC .

5.2 SALE OF INFIRM ELECTRICITY:

Infirm electricity, i.e., sale of electricity prior to commercial operation of the unit, will be billed by NTPC based on methodology as notified by CERC from time to time.



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

5.3.1 TAX ON INCOME

Income Tax applicable for the sale of power under this Agreement shall be governed by the applicable CERC Regulations and the parties agree to abide by and comply such Regulations.

5.3.2 Statutory taxes, levies, duties, royalty, cess or any other kind of levies imposed/charged by any Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption including water, environment protection, sale of electricity and/or in respect of any of its installations associated with the Station payable by NTPC to the authorities concerned shall be borne and additionally paid by the KSEB to NTPC in proportion to KSEB's allocated share/energy scheduled as applicable.

6.0 BILLING AND PAYMENT


6.1 BILLING:

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

6.1.1 NTPC shall present the bills for electricity supplied to KSEB from the Station for the previous month based on Regional Energy Account issued by SRPC/ SRLDC/SLDC or any other Competent Authority.

6.1.2 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills along with documentary support (as mutually agreed) of claim to the Officer to be nominated by KSEB.

6.1.3 The Monthly Bill for the Station shall include the Charges for Supply of Electricity under this Agreement, taxes, duties, cess etc including additional bill (s) for the past period(s) on account of orders of CERC/Appellate Tribunal for Electricity/Other Courts/other Competent Authority (ies). If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main Monthly Bills, such charges shall be billed as soon as possible through Supplementary Bill(s).



6.1.4 KSEB shall arrange payment of such Monthly Bill(s)/Supplementary Bill(s) promptly through irrevocable Letter of Credit at the designated account of NTPC. The date of transfer of payment to NTPC account shall be considered as the date of payment for computation of rebate or late payment of surcharge in respect of such payment. It is agreed that NTPC shall present the bills only on a working day both for KSEB and the Bank (at the place of presentation). The bill(s) of NTPC shall be paid in full subject to the condition that—

- i) there is no apparent arithmetical error in the bill(s)
- ii) the bill(s) is/are claimed as per the notified/agreed tariff
- iii) they are in accordance with the Regional Energy Accounts issued by SRPC/SRLDC/SLDC or any other Competent Authority

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

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

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

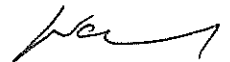
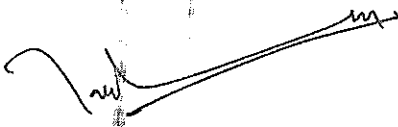
- i) Item disputed, with full details/data and reasons of dispute
- ii) Amount disputed against each item.

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

6.1.7 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 7 shall be paid/adjusted with the applicable interest according to CERC Regulations from time to time from the date on which the amount in dispute was payable/refundable.

6.1.8 REBATE AND LATE PAYMENT SURCHARGE

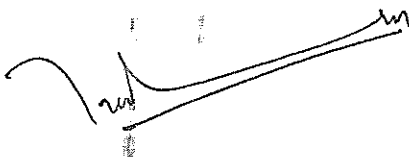
Rebate and Late Payment Surcharge shall be as per Terms and Conditions of Tariff issued by CERC as applicable from time to time. No rebate shall be payable on the bills raised on



account of taxes, duties, royalty / cess etc. The bills shall show the rebateable and non rebateable items separately.

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

- 6.2.1 KSEB shall establish an irrevocable revolving Letters of Credit (LC) in favour of NTPC with any public sector / scheduled commercial bank [as per list supplied by NTPC] at least one month prior to the commencement of electricity supply from the first Unit of the Station.
- 6.2.2 The LC shall cover 105% of the one month's estimated billing in respect of electricity supplied from the Station to KSEB. This shall be in addition to the obligation of the KSEB to establish similar letters of credit for supply of electricity to the KSEB from all other generating Stations of NTPC.
- 6.2.3 The amount of LC shall be reviewed on half yearly basis on 1st April and 1st October in each financial year on the basis of the average of billing of previous 12 months.
- 6.2.4 The LCs shall be established for a minimum period of one year. KSEB shall ensure that a valid LC is made available at all times during the entire/extended validity of this Agreement. New LCs shall be furnished/existing LCs reinstated not later than 30 days prior to the expiry of existing LCs.
- 6.2.5 LC shall specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be promptly paid on their presentation. The LC charges shall be borne by the KSEB.
- 6.2.6 All costs relating to opening and maintenance and negotiation of LC shall be borne by the KSEB.
- 6.2.7 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of the LC shall be reinstated automatically not later than 7 days from such drawal. KSEB shall arrange to furnish to NTPC a certificate to this effect from Bank(s) providing LC. In the event LC is not reinstated within 7 days, regulation of power supply to the extent of 2.5% of the Contracted Capacity will start with immediate effect from 00 hrs on 8th day. NTPC will have right to divert 2.5% of the Contracted Capacity to Third



Party(ies) and or reduce the schedule of KSEB by the same quantum.

It is agreed that in case of Regulation of power supply as above, the procedure as per CERC (Regulation of Power Supply) Regulations as applicable from time to time shall be followed.

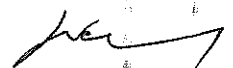
Provided that KSEB shall continue to be liable to pay the Capacity Charges in proportion to its Contracted Capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer(s)/ Third Party (ies).

6.2.8 Provisions of Tripartite Agreement signed on 20th March 2003 between Govt. of Kerala, Govt. of India and Reserve Bank of India under the Scheme for One Time Settlement of SEB dues shall be applicable for supply of electricity from this station and for safeguarding payments for the same.

KSEB agrees to provide an alternative payment security arrangement before expiry of the TPA either by efflux of time or otherwise on assignment of bulk purchase function to a company not owned by GoK. (herein after known as purchaser) Accordingly KSEB and NTPC agree to execute at least one year prior to expiry of the TPA, a separate Default Escrow Agreement as a back up to Letter of Credit for the establishment and operation of the Escrow Account in favour of NTPC through which the Receivables of KSEB /Purchaser shall be routed as per the terms of Default Escrow Agreement. It is agreed that NTPC shall have first charge on Receivables of KSEB to the extent required for payment of dues under this PPA, and this charge of NTPC shall be in preference to any other charge that KSEB may create in favour of other parties after signing of this Agreement. KSEB shall also enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' with NTPC for this purpose.

"Receivables" for this purpose shall mean all of the present and future payments, receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the KSEB /Purchaser as the case may be in respect of the sale by the KSEB /Purchaser to the Consumers of electric capacity, energy and / or services or for any other reason whatsoever and all proceeds thereof.

6.2.9 Since the payments from KSEB are currently secured as per the provisions of the TPA, establishing of Escrow Arrangement is not being insisted upon by NTPC presently. KSEB



and NTPC agree that this Agreement shall be deemed to have created a legally binding first charge on KSEB's Receivables in favour of NTPC. Accordingly, KSEB shall not create any encumbrance, charge and lien or otherwise execute any instrument which in any way affects the first charge of NTPC over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form of payment security to any other entities like power supplier(s), banks, financial institutions etc. during the interim period till signing of Escrow Agreement with NTPC, KSEB shall duly inform such power supplier(s), banks, financial institutions etc. of the legally binding first charge on KSEB's Receivables in favour of NTPC and the first charge of NTPC shall be in preference to any other charge that KSEB may create in favour of any other party.

Since KSEB has not so far executed any agreement hypothecating Receivables of KSEB to any other entity, signing of 'Agreement to Hypothecate cum Deed of Hypothecation' is not being insisted by NTPC presently. It is however agreed that in case KSEB agrees to execute in future an agreement whereby KSEB hypothecates its Receivables by creation of charge in favour of any other entity, KSEB shall execute a separate 'Agreement to Hypothecate cum Deed of Hypothecation' with NTPC whereby hypothecating their Receivables to the extent required for payment of dues under this agreement in favour of NTPC as a first charge.

Except for the provisions of this Agreement, other terms and conditions for operation of "Escrow Agreement" and "Agreement to Hypothecate Cum Deed of Hypothecation" shall be in the format prescribed by Government of India in the "Standard Bidding Documents (Case II)".

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

6.2.10 Notwithstanding the obligations of KSEB to pay all the dues as per this Agreement, in the event of non - payment of bills within a period of 60 days from date of billing or default in opening of LC of requisite amount in favour of NTPC, NTPC shall be entitled to regulate/ divert the contracted capacity of the KSEB to any other Bulk Power Customer(s)/ Third Part(ies) as per the provisions of generic procedure for regulation of power supply issued



by CERC from time to time read with the provisions of TPA (during the validity of TPA) till the time default is set right

In case of default in payment of bills beyond a period of 90 days of billing, NTPC shall have the right to re-allocate power to other Bulk Power Customer(s).

It is clarified that the above arrangement shall not be construed as relieving KSEB of any of its obligations to NTPC including obligation of payment of Capacity Charges.

For the removal of any doubt it is clarified that in case of default, KSEB shall continue to be liable to pay the Capacity Charges in proportion to its Contracted Capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer(s)/ Third Party (ies).

7.0 SETTLEMENT OF DISPUTES

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

7.2 Arbitration

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

8.0 FORCE MAJEURE

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



9.0 IMPLEMENTATION OF THE AGREEMENT

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by KSEB within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (South), NTPC Ltd., SRHQ, 2nd & 5th Floor, MCH Commercial Complex, R.P. Road, Distt. Secunderabad, A.P. – 500 003 as well as Executive Director (Commercial), NTPC Ltd., NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110 003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

10.0 NOTICE

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of IMPLEMENTATION OF THE AGREEMENT at Article 9 above.

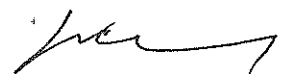
11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

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

Subject to the establishment and continuance of payment security as envisaged under Article 6.2 to the satisfaction of NTPC, Agreement shall remain operative upto completion of twenty five (25) years from the date of commercial operation of last unit of the station, unless it is specifically extended on mutually agreed terms.

12.0 SUCCESSORS AND PERMITTED ASSIGNS

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




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

- 12.2 In the event the functions of KSEB are reorganised and/or privatised or this Agreement is assigned to Private organisation(s)/agency (ies), partly or wholly, KSEB shall ensure that the agreements namely 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' as mentioned at Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT(LC) AND PAYMENT SECURITY MECHANISM are signed by the assignee before assignment of this Agreement.
- 12.3 Only such of the successor entities who fulfil the above requirements and execute the requisite documents as above shall be termed as the permitted assigns.
- 12.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, KSEB shall be liable and continue to pay the Capacity Charges each month till firm arrangement for sale of KSEB's share with alternate customers substituting the KSEB is tied up.

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

WITNESS

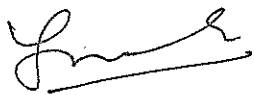
1.


माम्मन जे.
Mammen J.
अपर महाप्रबन्धक (वाणिज्यिक)
Additional General Manager (Commercial)
एन टी पी सी लिमिटेड, तिरुवनंतपुरम
NTPC Ltd, Thiruvananthapuram

एन. कन्नन
N.KANNAN
महाप्रबंधक (वाणिज्यिक)
GENERAL MANAGER (COMML.)
एन टी पी सी लिमिटेड, दक्षिणी क्षेत्र मुख्यालय, सिकंदराबाद-३
NTPC Limited, SRHQ, SECUNDERABAD-3.

For and on behalf of
NTPC Ltd

2.


PADMAKUMAR. G
Executive Engineer (Ele.)
Planning Cell
o/o The Chief Engineer
Corporate Planning
K.S.E. Board, Pattom
Thiruvananthapuram-695 004


DAMODARAN NAMBOOTHIRI, K.S.
CHIEF ENGINEER
(Corporate Planning)

K.S.E. Board, Vydyuthi Bhavanam
Pattom, Thiruvananthapuram - 4

For and on behalf of
Kerala State Electricity Board (KSEB)

